

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

In the Matter of:

Case No. PD-13-0055

St Armands Services LLC

Respondent.

FINAL ORDER TO CEASE AND DESIST,
FINAL ORDER SUSPENDING
COLLECTION ACTIVITIES, AND FINAL
ORDER ASSESSING CIVIL PENALTY
ENTERED BY DEFAULT

On April 23, 2013, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”), acting pursuant to the authority of the Oregon statutes regulating payday lending, ORS 725A.010 to 725A.092 and 725A.990, issued Administrative Order No. PD-13-0055, ORDER TO CEASE AND DESIST, ORDER SUSPENDING COLLECTION ACTIVITIES, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING (the “Proposed Order”) against Respondent St Armands Services LLC (“St Armands”).

On April 23, 2013, a true copy of the Proposed Order was served on St Armands counsel and registered agent, Mr. John L. Mullen, by registered United States Mail, postage prepaid, to his address at 8900 Ward Parkway, Kansas City, Missouri 64114 (Article No. 7011 2000 0000 7333 2380).

On May 31, 2013, the Oregon Department of Consumer and Business Services (“DCBS”) received a letter from Mr. Mullen responding to the Proposed Order. In his letter, Mr. Mullen states that St Armands “previously made its lending services unavailable to resident of the state of Oregon”, and that “[w]e trust that this will resolve this matter.” At no point in this communication did Mr. Mullen request a hearing for St





1 Armands.

2 St Armands has not made a written request for a contested case hearing in this
3 matter and time to do so has now expired.

4 NOW THEREFORE, after consideration of the file in this matter maintained by
5 the Oregon Department of Consumer and Business Services, including any materials that
6 St Armands may have submitted, the Director hereby issues the following Findings of
7 Fact, Conclusions of Law, and Final Orders.

8 I.

9 FINDINGS OF FACT

10 The Director FINDS that:

11 1. St Armands is believed to be an active Missouri limited liability company.

12 The Articles of Organization for St Armands list Frampton T. Rowland and David
13 Harbour as the company's organizers. Additionally, according to the Missouri Secretary
14 of State's website, John Mullen is listed as St Armands's registered agent.

15 2. St Armands is not registered with the Oregon Secretary of State's office to
16 conduct business in Oregon.

17 3. St Armands is in the business of making loans of less than \$50,000 to
18 individuals primarily for personal, family or household purposes for periods of less than
19 60 days. The loans are not made as purchase money loans and are usually evidenced by a
20 check or electronic repayment agreement provided by or on behalf of the borrower.

21 These loans are commonly called "payday loans".

22 4. At all times material to this matter, St Armands was not licensed in Oregon
23 with the Director as a payday lender.

24 5. Since September of 2012 the Oregon Division of Finance and Corporate
25 Securities has received three complaints from Oregon consumers who received payday
26 loans from St Armands. The term of each payday loan made to each Oregon consumer

1 was for less than 31 days and the interest rate on each payday loan exceeded 36 percent
2 per annum.

3 6. Each Oregon consumer intended the loan primarily for personal, family or
4 household purposes. Additionally, each Oregon consumer resided in Oregon at all times
5 material herein, and agreed to the terms of the payday loan via the Internet while being
6 physically present in Oregon and/or made a payment on the payday loan while in Oregon.

7 II.

8 CONCLUSIONS OF LAW

9 The Director CONCLUDES that:

10 7. The short term consumer loan made by St Armands to Oregon consumers are
11 payday loans as defined in ORS 725A.010(5).

12 8. The payday loans that St Armands made to Oregon consumers are subject to
13 ORS chapter 725A because St Armands offered to and made loans for personal, family or
14 household purposes of less than \$50,000 to consumers who resided in Oregon and the
15 terms of the loan were agreed to by the Oregon consumers via the Internet while being
16 physically present in Oregon and/or the Oregon consumers made a payment on the
17 payday loans while in Oregon.

18 9. St Armands violated ORS 725A.020 by conducting a business in which it
19 made payday loans as defined by ORS 725A.010(5) to Oregon consumers without first
20 obtaining a license under ORS chapter 725A.

21 10. St Armands violated ORS 725A.064(1) by making or renewing payday loans
22 at a rate of interest that exceeds 36 percent per annum, excluding a one-time origination
23 fee for a new loan.

24 11. St Armands violated ORS 725A.064(3) by making or renewing payday loans
25 for a term of less than 31 days.

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III.

FINAL ORDERS

Now, therefore, the Director issues the following FINAL ORDERS:

Final Order to Cease and Desist

12. Pursuant to the authority of ORS 725A.082, the Director hereby ORDERS St Armands, and all entities owned or controlled by St Armands and their successors and assignees, to CEASE AND DESIST from violating any provision of the Oregon statutes regulating payday lending, ORS 725A.010 to 725A.092 and 725A.990, OAR 441-730-0000 through 441-730-0320, or any rule, order, or policy issued by the Division.

Final Order Suspending Collection Activities

13. Pursuant to the authority of ORS 725A.020, the Director ORDERS St Armands, and all entities owned or controlled by St Armands and their successors and assignees, to suspend all activities for the collection of principal, interest, or any fees or charges on loans made to Oregon consumers unless within 90 days of the date of this Order, St Armands obtains a license under ORS 725A.022 and 725A.024.

14. If St Armands is approved by the Director to act as a payday lender in Oregon pursuant to ORS 725A.022 and 725A.024, but more than 90 days from the date of this Order, St Armands may collect the principal, interest and fees allowed by ORS chapter 725A, but only for loans made after the approval of St Armand's license as a payday lender in Oregon.

Final Order Assessing Civil Penalty

15. Pursuant to the authority of ORS 725A.990, the Director may assess against any person who violates any provision of the Oregon statutes regulating payday lending, ORS 725A.010 to 725A.092 and 725A.990, or any rule or final order of the Director under that chapter, a civil penalty in an amount determined by the Director of not more than \$2,500 per violation. Pursuant to this provision, the Director hereby assesses St



1 Armands a CIVIL PENALTY in the amount of \$22,500 for the following violations:
2 A. A CIVIL PENALTY of \$7,500 for three violations of ORS 725A.020 by
3 conducting a business in which St Armands made payday loans as defined by ORS
4 725A.010(5) to Oregon consumers without first obtaining a license under ORS chapter
5 725A.
6 B. A CIVIL PENALTY of \$7,500 for three violations of ORS 725A.064(1) by
7 making or renewing three payday loans at a rate of interest that exceeds 36 percent per
8 annum, excluding a one-time origination fee for a new loan.
9 C. A CIVIL PENALTY of \$7,500 for three violations of ORS 725A.064(3) by
10 making or renewing three payday loans for terms of less than 31 days.
11 16. The entry of this Order in no way limits further remedies which may be
12 available to the Director under Oregon law.

13 IT IS SO ORDERED.

14 Dated this 13th day of June, 2013 at Salem,
15 Oregon, NUNC PRO TUNC April 23, 2013.

16 PATRICK M. ALLEN, Director
17 Department of Consumer and Business Services

18 /s/ David Tatman
19 David C. Tatman, Administrator
20 Division of Finance and Corporate Securities

21 **NOTICE OF RIGHT TO APPEAL**

22 St Armands is entitled to seek judicial review of this order. Judicial review may be obtained
23 by filing a petition for review with the Oregon Court of Appeals within sixty (60) days from
24 the service of this final order. Judicial review is pursuant to the provisions of ORS 183.482.

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