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

6 In the Matter of

Case No. PD-14-0002

7 PAYDAY MOBILITY,

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

8 Respondent.

9 On February 10, 2014, the Director of the Department of Consumer and Business
10 Services for the State of Oregon (the "Director"), acting under the authority of ORS
11 725A.010 to 725A.092 and 725A.990, and the Oregon Administrative Rules adopted
12 thereunder, and in compliance with ORS 183.415(3), served by certified mail
13 Administrative Order PD-14-0002, ORDER TO CEASE AND DESIST, ORDER
14 SUSPENDING COLLECTION ACTIVITIES, PROPOSED ORDER ASSESSING
15 CIVIL PENALTY AND NOTICE OF RIGHT TO AN ADMINISTRATIVE HEARING
16 ("Notice Order"), to Payday Mobility (hereinafter "Respondent" or "PDM").

17 In accordance with OAR 137-003-0075, the Notice Order designated the file of
18 the Division of Finance and Corporate Securities ("the Division") in this matter,
19 including all materials submitted by the Respondent, as the record for the purpose of
20 making a prima facie case in the event that the Director entered a final order against the
21 Respondent by default.

22 The time to request an administrative hearing stated in the Notice Order has now
23 expired and Respondent did not timely request a hearing.

24 After a review of the record, the Director is persuaded that the record contains
25 facts necessary to support the issuance of this Final Order by Default.

26 Now, therefore, the Director hereby issues the following Findings of Fact,
Conclusions of Law and Final Orders.





1 I. FINDINGS OF FACT

2 The Director FINDS that:

3 1. Payday Mobility (“PDM”) is a business entity of unknown type. PDM claims
4 to be based on the Isle of Man,¹ but also has business mailing address of 427 N. Tatnall
5 Street; Suite 91008; Wilmington, Delaware 19801. PDM is not registered as a foreign
6 business with the Oregon Secretary of State.

7 2. PDM is in the business of making loans to individuals primarily for personal,
8 family or household purposes for periods of less than 60 days. The loans are not made as
9 purchase money loans and are usually evidenced by a check or electronic repayment
10 agreement provided by or on behalf of the borrower. These loans are commonly called
11 “payday loans”. PDM conducts its payday loan business via the Internet through its
12 website www.paydaymobility.com (“the PDM website”).

13 3. At all times relevant to this matter, PDM was not licensed in Oregon with the
14 Director as a payday lender.

15 Oregon Borrower “VT”

16 4. At all times relevant to this matter, an individual identified herein as “VT”
17 was a resident of the State of Oregon.

18 5. On or about July 17, 2013, VT negotiated and obtained a \$400 short term
19 consumer loan from PDM via the Internet through the PDM website. The loan between
20 VT and PDM was negotiated and obtained while VT was physically present in Oregon.

21 6. The loan made to VT by PDM was primarily for personal, family or
22 household purposes.

23 7. PDM charged VT more than \$30 to originate or obtain the loan.

24 8. In the loan agreement, VT agreed to repay the loan in two installments that
25

26 ¹ The Isle of Man is a self-governing British Crown Dependency, located in the Irish Sea between the
islands of Great Britain and Ireland. It is not part of the United Kingdom or the European Union.



1 were to be debited from VT's Oregon bank account, which was held in a branch of a
2 financial institution located in Oregon. On August 14 and September 11, 2013, two
3 payments of \$240 each were debited from VT's Oregon bank account in accordance with
4 the loan agreement. Contrary to the agreement, PDM debited a third payment of \$290
5 from VT's Oregon bank account on October 9, 2013. In total, VT paid \$770 for the \$400
6 loan, an APR of approximately 359.18%.

7 9. The payments PDM debited from VT's bank account did not pay off the
8 principal of the loan.

9 10. PDM renewed the VT loan 3 times in the period July 17, 2013 to September
10 11, 2013.

11 II. CONCLUSIONS OF LAW

12 The Director CONCLUDES that:

13 11. The short term consumer loan made to Oregon resident VT by PDM was a
14 payday loan as defined by ORS 725A.010(5)(a) in that the loan was made primarily for
15 personal, family or household purposes; was in an amount less than \$50,000; and was
16 evidenced by a check or electronic repayment agreement provided by or on behalf of the
17 borrower.
18

19 12. In accordance with ORS 725A.012(3)(a), PDM is subject to ORS 725A.010 to
20 725A.092 and 725A.990 because PDM, in its capacity as a lender, made a payday loan to
21 the individual identified herein as VT, who resided in or maintained a domicile in
22 Oregon.

23 13. The loan obtained by VT was subject to ORS 725A.010 to 725A.092 and
24 725A.990 because the consumer, VT:

25 a. Negotiated or agreed to the terms of the payday loan in person, by mail, by
26 telephone, or via the Internet while physically present in Oregon;



1 b. Entered into or executed a contract with PDM for a payday loan in person, by
2 mail, by telephone, or via the Internet while physically present in Oregon; or

3 c. Made payment on the payday loan while in Oregon.

4 14. The consumer, VT, made payments on the loan in this state as that term is
5 defined in ORS 725A.012(3)(b) when PDM debited VT's Oregon bank account, which
6 was held in a branch of a financial institution located in Oregon.

7 15. PDM violated ORS 725A.020(1)(a) by conducting a business in which it
8 made payday loans as defined by ORS 725A.010(5)(a) to an Oregon resident without first
9 obtaining a license under ORS 725A.024.

10 16. PDM violated ORS 725A.064(1) by making and renewing a payday loan at a
11 rate of interest exceeding 36 percent per annum, excluding a one-time origination fee of
12 \$30 for a new loan. Each instance PDM made or renewed the payday loan with VT at a
13 rate of interest exceeding 36 percent per annum is a separate and distinct violation of
14 ORS 725A.064(1).

15 17. PDM violated ORS 725A.064(6) by renewing an existing payday loan more
16 than two times.

17
18 III. ORDERS

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

20 Order to Cease and Desist

21 18. As authorized by ORS 725A.082(1), the Director ORDERS PDM, and all
22 entities owned or controlled by PDM, their successors and assignees, to CEASE AND
23 DESIST from violating any provision of ORS 725A.010 to 725A.092 and 725A.990, or
24 any administrative rule adopted by the Director under those statutes.

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1 Order Suspending Collection Activities

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

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

12 Order Assessing Civil Penalty

13 21. As authorized by ORS 725A.990(1), the Director may assess a CIVIL
14 PENALTY in an amount determined by the Director of not more than \$2,500 per
15 violation against any person who violates any provision of ORS 725A.010 to 725A.092
16 and 725A.990. In accordance with this provision, the Director assesses PDM a CIVIL
17 PENALTY in the amount of \$15,000 (fifteen thousand dollars) as follows:

18 a. A CIVIL PENALTY of \$2,500 (two thousand five hundred dollars) for
19 violation of ORS 725A.020(1)(a) by conducting a business in which it made a payday
20 loan as defined by ORS 725A.010(5)(a) to one Oregon resident without first obtaining a
21 license under ORS 725A.024;

22 b. A CIVIL PENALTY of \$10,000 (ten thousand dollars) for four violations of
23 ORS 725A.064(1) by making, and then renewing three times, a payday loan to an
24 Oregon consumer at a rate of interest exceeding 36 percent per annum, excluding a one-
25 time origination fee of no more than \$30; and

26 c. A CIVIL PENALTY of \$2,500 (two thousand five hundred dollars) for

1 violations of ORS 725A.064(6) by renewing an existing payday loan more than two
2 times.

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4 IV. AUTHORITY OF THE DIRECTOR TO SEEK
OTHER REMEDIES UNDER OREGON LAW

5 22. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
6 provision, the entry of this Order does not limit other remedies that are available to the
7 Director under Oregon law.

8 IT IS SO ORDERED.

9 Dated this 5th day of March, 2014.

10 PATRICK M. ALLEN, Director
11 Department of Consumer and Business Services

12 /s/ David Tatman
13 David C. Tatman, Administrator
14 Division of Finance and Corporate Securities

15 NOTICE OF RIGHT TO JUDICIAL REVIEW

16 You are entitled to judicial review of this order. Judicial review may be obtained
17 by filing a petition for review within 60 days from the service of this order. Judicial
18 review is in accordance with ORS 183.482(1) to the Oregon Court of Appeals.

19 *[The rest of this section intentionally left blank.]*
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