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

6 **BEFORE THE DIRECTOR OF THE DEPARTMENT**  
7 **OF CONSUMER AND BUSINESS SERVICES**

8 In the Matter of:

**I-11-0001**

9 **CREDIT PAYMENT SERVICES, INC.**  
10 **and CREDIT PROTECTION DEPOT,**  
11 **INC.,**

**FINAL ORDER TO CEASE AND**  
**DESIST AND ORDER ASSESSING**  
**CIVIL PENALTY ENTERED BY**  
**DEFAULT**

12 Respondents.

13 On February 7, 2011, the Director of the Department of Consumer and Business Services  
14 for the State of Oregon (hereafter “the Director”), acting by and pursuant to the authority of the  
15 Oregon Consumer Finance Act, Oregon Revised Statutes (“ORS”) chapter 725, and other  
16 applicable authority, issued Administrative Order No. I-11-0001, ORDER TO CEASE AND  
17 DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO  
18 A HEARING (“the Proposed Order”) against Respondents Credit Payment Services, Inc. and  
19 Credit Protection Depot, Inc.

20 On February 19, 2011, Respondents Credit Payment Services, Inc. and Credit Protection  
21 Depot, Inc. were duly served with a true copy of the Proposed Order by certified United States  
22 Mail, postage prepaid, Item No. 7007 0220 0004 7206 3385, and addressed to Aaron Shoaf,  
23 Credit Payment Services, Inc. and Credit Protection Depot, Inc., at the following last known  
24 address: 3315 Hwy 50, Silver Springs, Nevada 89429.

25 On February 19, 2011, Respondents Credit Payment Services, Inc. and Credit Protection  
26 Depot, Inc. were duly served with a true copy of the Proposed Order by certified United States  
27 Mail, postage prepaid, Item No. 7007 0220 0004 7206 3378, and addressed to Credit Payment  
28 Services, Inc. and Credit Protection Depot, Inc., in care of Silver Shield Services, Inc. at PO Box  
29 3540, Silver Springs, Nevada 89429.



1 Respondents Credit Payment Services, Inc. and Credit Protection Depot, Inc. have not  
2 made a written request for a contested case hearing in this matter and time to do so has now  
3 expired.

4 NOW THEREFORE, after consideration of the file in this matter maintained by the  
5 Division of Finance and Corporate Securities, including any materials that Respondents may  
6 have submitted, the Director hereby issues the following Findings of Fact, Conclusions of Law,  
7 and Final Order.

8 **I.**

9 **FINDINGS OF FACT**

10 The Director FINDS that:

11 1. Credit Payment Services, Inc. (“Credit Payments Services”) and Credit Protection  
12 Depot, Inc. (“Credit Protection Depot” and collectively “Respondents”) are businesses registered  
13 with the State of Nevada Secretary of State. The Nevada registered agent for both Respondents  
14 is Silver Shield Services, Inc., located at 2840 Hwy. 95 Alt. S. #7, Silver Springs, Nevada 89429.

15 Neither Credit Protection Depot nor Credit Payment Services are registered to do business in  
16 Oregon with the Oregon Secretary of State.

17 2. Respondents are associated companies that hold themselves out to be, and in fact are,  
18 in the business of making payday loans to Oregon consumers. Respondents together do business  
19 under a number of assumed business names including: MyCashNow, Payday Max, and Discount  
20 Advances, among others. Respondents have also established websites using these assumed  
21 business names. None of these assumed business names have been registered with the Oregon  
22 Secretary of State.

23 3. At all relevant times herein, Respondents were not licensed in Oregon with the  
24 Director as consumer lenders.

25 4. At all times relevant to this matter, individuals identified herein as “BO”, “GB”,  
26 “JH”, “KJ”, “RG”, and “WB” (collectively “borrowers”) were residents of the State of Oregon

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
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1 who obtained consumer loans from Respondents through one or more of the Respondents'  
2 assumed business names using Internet websites.

3 5. During the period August 2007 to July 2009, each of the borrowers negotiated two or  
4 more consumer loans with Respondents through one or more of the Respondents' associated  
5 businesses. Borrower "BO" obtained three loans. Borrower "GB" obtained two loans.  
6 Borrower "JH" obtained three loans. Borrower "KJ" obtained eight loans. Borrower "RG"  
7 obtained two loans. Borrower "WB" obtained ten loans.

8 6. The principal amounts of the loans ranged from \$205 to \$840. All negotiations for  
9 the loans were conducted via the Internet while the borrowers were physically present in Oregon.

10 7. The term of each loan was 14 days. Most loans were "rolled over" or renewed for a  
11 new term of 14 days.

12 8. Each of the loans was made primarily for personal, family or household purposes.

13 9. Each of the borrowers provided Respondents with their respective bank account  
14 information which Respondents used in debiting the borrowers' accounts for loan fees. Each of  
15 the borrowers' bank accounts was with a branch of a financial institution located in Oregon.

16 10. The interest rates for the loans made to the borrowers ranged from 400 percent to  
17 2292 percent.

18 11. Respondents collected fees from each of the borrowers and interacted directly with  
19 the borrowers by virtue of the debiting of their Oregon bank accounts. Respondents also acted as  
20 intermediaries between the Oregon borrowers and other lenders either associated with  
21 Respondents or who had contracted with Respondents to refer borrowers to those lenders.

## 22 II.

### 23 CONCLUSIONS OF LAW

24 The Director CONCLUDES that:

25 12. Respondents, acting in concert or jointly, negotiated and/or offered and/or facilitated  
26 the offering of consumer loans to Oregon residents.



1 13. The loans negotiated and/or offered and/or facilitated by Respondents are payday  
2 loans as defined in ORS 725.600(3).

3 14. Respondents violated ORS 725.045(1) by conducting a business in which they made  
4 consumer finance loans as defined by ORS 725.010(2) to Oregon residents without first  
5 obtaining a license under ORS chapter 725.

6 15. Respondents violated ORS 725.622(1)(a) by making or renewing consumer loans at  
7 an interest rate exceeding 36 percent. Each loan made or renewed with an interest rate over 36  
8 percent is a separate violation of ORS 725.622(1)(a).

9 16. Respondents violated ORS 725.622(1)(d) by making or renewing consumer loans for  
10 terms of less than 31 days. Each loan made or renewed for a term of less than 31 days is a  
11 separate violation of ORS 725.622(1)(d).

12 17. Respondents violated ORS 726.626(1) by withdrawing funds electronically from  
13 consumers' bank accounts, or otherwise collecting the principal of, interest on, or fees or charges  
14 for loans subject to ORS 725.600 to 725.630 without having a current and valid license to make  
15 loans in Oregon.

16 **III.**

17 **ORDERS**

18 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

19 Cease and Desist Order

20 18. Pursuant to the authority of ORS 725.400, the Director hereby ORDERS Respondents  
21 Credit Payment Services, Inc. and Credit Protection Depot, Inc. to CEASE AND DESIST from  
22 violating any provision of the Oregon Consumer Finance Act, ORS chapter 725, OAR 441-730-  
23 0000 through 441-730-0320, or any rule, order, or policy issued by the Director under ORS  
24 chapter 725.

25 Order Assessing Civil Penalty

26 19. Pursuant to the authority of ORS 725.910, the Director may assess a CIVIL



1 PENALTY in an amount determined by the Director of not more than \$2,500 per violation  
2 against any person who violates any provision of the Oregon Consumer Finance Act, ORS  
3 chapter 725.

4 20. Pursuant to ORS 725.910, the Director hereby ORDERS Respondents Credit  
5 Payment Services, Inc. and Credit Protection Depot, Inc., jointly and severally, to pay a CIVIL  
6 PENALTY in the amount of \$77,500 (seventy-seven thousand five hundred dollars) as follows:

7 A. A CIVIL PENALTY of \$2,500 (two thousand five-hundred dollars) for violation of  
8 ORS 725.045(1) by conducting a business in which Respondents made consumer finance loans  
9 as defined by ORS 725.010(2) to Oregon residents without first obtaining a license under ORS  
10 chapter 725;

11 B. A CIVIL PENALTY of \$25,000 (twenty-five thousand dollars) for 28 violations of  
12 ORS 726.622(1)(a) for making or renewing consumer loans at an interest rate exceeding 36  
13 percent; and

14 C. A CIVIL PENALTY of \$25,000 (twenty-five thousand dollars) for 28 violations of  
15 ORS 725.622(1)(d) for making or renewing consumer loans for terms of less than 31 days.

16 D. A CIVIL PENALTY of \$25,000 (twenty-five thousand dollars) for at least 28  
17 violations of ORS 725.626(1) for withdrawing funds electronically from the six Oregon  
18 residents' bank accounts at a time when the Respondents did not have a current and valid  
19 license from the Director to make loans in Oregon.

20 21. The entry of this Order in no way limits further remedies which may be available to

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1 the Director under Oregon law.

2 IT IS SO ORDERED.

3 Dated this 16<sup>th</sup> day of March, 2011 at Salem, Oregon,

4 NUNC PRO TUNC February 7, 2011.

5 SCOTT L. HARRA, Acting Director  
6 Department of Consumer and Business Services

7 /s/ David Tatman  
8 David C. Tatman, Administrator  
9 Division of Finance and Corporate Securities

10 **NOTICE OF RIGHT TO APPEAL**

11 You are entitled to seek judicial review of this order. Judicial review may be obtained by  
12 filing a petition for review with the Oregon Court of Appeals within sixty (60) days from the  
13 service of this final order. Judicial review is pursuant to the provisions of ORS 183.482.

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