

LAWRENCE G. WASDEN
Attorney General

BRIAN D. NICHOLAS – I.S.B. #3585
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8092
Facsimile: (208) 332-8016
brian.nicholas@finance.idaho.gov

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF
FINANCE, CONSUMER FINANCE
BUREAU,

Complainant,

vs.

VIP PDL SERVICES, LLC a/k/a
THE VIP LOAN SHOP,

Respondent.

Docket No. 2012-6-13

ORDER TO CEASE AND DESIST

The State of Idaho, Department of Finance (Department), pursuant to the Idaho Credit Code, and specifically the provisions relating to payday loans, codified at Idaho Code § 28-46-401 *et seq.* (the payday loan provisions), hereby alleges the following facts that constitute a basis for the issuance of an order pursuant to Idaho Code § 28-46-402(4), requiring VIP PDL SERVICES, LLC also doing business as THE VIP LOAN SHOP (hereinafter “Respondent”) to immediately cease and desist from violating the payday loan provisions of the Idaho Credit Code.

RESPONDENT

1. Respondent maintains an internet website, www.theviploanshop.com. According to this website Respondent is based in the West Indies. It lists its address as 4 Solomon's Arcade, Charlestown, Nevis, West Indies.

2. Respondent does not possess a Certificate of Authority to do business in Idaho. It also does not possess a license, as required by the Idaho Credit Code to make regulated consumer loans in Idaho. Respondent is an entity of unknown form.

3. On its website, Respondent offers to make payday loans to consumers.

FINDINGS OF FACT

4. On July 19, 2012, an Idaho resident DG obtained a \$500.00 loan from Respondent. The \$500 was deposited into DG's bank account, but she did not receive a written contract. However, she was required to repay the loan along with a fee within thirty days. During August of 2012, another Idaho resident, MC, after being solicited for a loan by Respondent over the internet, entered into an agreement with Respondent to obtain a loan in the amount of \$500.00. A copy of the contract was not provided to MC. However, the \$500 was deposited into his bank account. Respondent was required to repay the loan, plus a fee within thirty days.

5. On September 24, 2012, MC filed a complaint with the Department asserting that he became aware Respondent was not licensed. On October 1, 2012, DG filed a complaint with the Department asserting that she became aware Respondent was not licensed. The Department sent letters to Respondent on October 2, 2012 and October 10, 2012, requesting that it provide all information relating to the loans of MC and DG as well as a complete listing of its Idaho customers.

6. On October 22, 2012, one of the Department's investigators called Respondent using a phone number she obtained from an online search. She left a message but never received a call back.

7. Based on information provided to the Department, the Department concludes as follows:

- a. Respondent has solicited, at least, two Idaho residents for loans, which resulted in a contractual agreement.
- b. Respondent loaned each of the Idaho residents \$500.00.

CONCLUSIONS OF LAW AND VIOLATIONS

COUNTS ONE: UNLICENSED PAYDAY LENDING IN DAHO

8. The allegations set forth in paragraphs 1 through 7 above are fully incorporated herein by this reference.

9. Idaho Code § 28-46-401 provides as follows, in pertinent part:

28-46-401. Definitions. –(1) As used in this act, unless the context otherwise requires, “payday loan” means a transaction pursuant to a written agreement between a creditor and the maker of a check whereby the creditor:

- (a) Accepts a check from the maker;
- (b) Agrees to hold the check for a period of time prior to negotiation, deposit or presentment; and
- (c) Pays to the maker of the check the amount of the check, less the fee permitted by this chapter.

...
(3) As used in this section, “check” refers to a check or the electronic equivalent of a check.

10. Idaho Code § 28-46-402 provides as follows, in pertinent part:

28-46-402. – License required. – (1) No person shall engage in the business of payday loans, offer or make a payday loan, or arrange a payday loan for a third party lender in a payday loan

transaction without having first obtained a license under this chapter. A separate license shall be required for each location from which such business is conducted.

11. The loans between Respondent and MC and DG constitute payday loans within the meaning of Idaho Code § 28-46-401.

12. Respondent, since it is engaged in the business of making payday loans, is required to be licensed pursuant to Idaho Code § 28-46-402.

REQUESTED RELIEF

13. Idaho Code § 28-46-402(4) provides that whenever the Director of the Department finds “that a person subject to this part has violated, is violating, or that there is reasonable cause to believe that a person is about to violate the provisions of this part, or any rule promulgated under this act and pertinent to this part, the administrator may, in his discretion, order the person to cease and desist from the violations.”

ORDER

The Director, having reviewed the foregoing, good cause being shown, and the public interest being served thereby,

NOW, THEREFORE, the Director HEREBY FINDS that Respondent has violated the payday loan provisions of the Idaho Credit Code (section 400 of chapter 46, title 28, Idaho Code).

Pursuant to Idaho Code § 28-46-402, IT IS HEREBY ORDERED that Respondent and its agents and employees immediately CEASE AND DESIST from acts, practices, or omissions which constitute a violation of the Act, including specifically from engaging in making payday loans or other similar loans in Idaho without the license required by the Act.

This ORDER TO CEASE AND DESIST is effective upon issuance.

IT IS SO ORDERED.

DATED this 18th day of March, 2013.



STATE OF IDAHO
DEPARTMENT OF FINANCE

A handwritten signature in black ink, appearing to read "Gavin M. Gee", written over a horizontal line.

GAVIN M. GEE, Director

NOTICE

Respondent is HEREBY NOTIFIED that this ORDER TO CEASE AND DESIST is a final order of the Director.

Respondent may file a motion for reconsideration or request for hearing concerning this final order within fourteen (14) days of the service date of this order. Any such motion for reconsideration or request for hearing must be in writing, addressed to:

Michael Larsen
Consumer Finance Bureau Chief
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

A copy of such motion for reconsideration or request for a hearing shall also be served on the Department's counsel, Brian D. Nicholas, Deputy Attorney General, at the same address.

The Department will dispose of a motion for reconsideration within twenty-one (21) days of the receipt of a motion for reconsideration, or the motion will be considered denied by operation of law. Idaho Code § 67-5246(4); Idaho Rules of Administrative Procedure of the Attorney General (IRAP) at IDAPA 4.11.01.740.02.a. Should Respondent make a timely request for a hearing, the Department shall schedule a hearing within the twenty-one (21) day time period.

Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order may appeal to the district court by filing a petition in the district court of the county in which:

- i. A hearing was held;
- ii. The final agency action was taken;
- iii. The party seeking review of the order resides, or operates its principal place of business in Idaho; or
- iv. The real property or personal property that was the subject of the agency action is located.

See IDAPA 04.11.01.740.02.b.

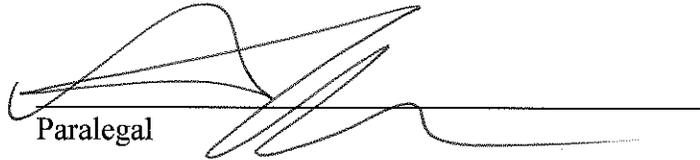
An appeal must be filed within twenty-eight (28) days of (a) the service date of this final order, (b) of an order denying a motion for reconsideration, or (c) the failure within twenty-one (21) days to grant or deny a motion for reconsideration or schedule a hearing, whichever is later. See Idaho Code § 67-5273. The filing of an appeal to the district court does not itself stay the effectiveness or enforcement of the order under appeal. See IDAPA 04.11.01.740.02.c.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19th day of March, 2013, I caused a true and correct copy of the foregoing fully-executed ORDER TO CEASE AND DESIST to be served on the following by the designated means:

VIP PDL Services, LLC
a/k/a The VIP Loan Shop
4 Solomon's Arcade
Charlestown, Nevis, West Indies

- U.S. mail, postage prepaid
- Certified mail
- Facsimile:
- Email:


Paralegal