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

STATE OF IDAHO, DEPARTMENT OF FINANCE, CONSUMER FINANCE BUREAU,)	
)	Docket No. 2010-6-04
Complainant,)	
)	ORDER TO CEASE AND DESIST
vs.)	
)	
FLOBRIDGE GROUP, LLC, dba FLOWBRIDGE.COM and MAINSTREETLOANSONLINE.COM,)	
)	
<u>Respondent.</u>)	

The State of Idaho, Department of Finance, Consumer Finance Bureau (Department), pursuant to the Idaho Credit Code, Idaho Code § 28-41-101 *et seq.* (the ICC), and the Idaho Payday Loan Act, Idaho Code § 28-46-401 through § 28-46-413 (the IPLA) included as part 4 of the ICC, hereby alleges the following facts that constitute a basis for the issuance of an order pursuant to Idaho Code §§ 28-46-402(1) and -(4) and 28-46-108(1) and -(7), requiring FLOBRIDGE GROUP, LLC, dba FLOWBRIDGE.COM and MAINSTREETLOANSONLINE.COM (the Respondent), to immediately cease and desist from violating the ICC and the IPLA by engaging in payday lending activities in Idaho without

maintaining the license required by the ICC and the IPLA, and from engaging in fraudulent or unconscionable conduct in connection with a payday loan.

RESPONDENT

1. The Respondent is a Utah limited liability company registered as a consumer lender with the Utah Department of Financial Institutions (Utah DFI). Utah Code § 7-23-201(1)(a) requires that consumer lenders, to include payday lenders, must register with the Utah DFI to conduct a consumer lending business in that state. The Utah DFI lists the Respondent's business address as 691 W. 1200 N., Suite 100, Springville, UT 84663, and the Respondent's current managing member as Blake Collins.

2. The Respondent has never held an Idaho payday lender license issued by the Department authorizing it engage in a payday lending business in Idaho.

FINDINGS OF FACT

COMPLAINANT T.D.

3. On or about April 9, 2010, the Department received a complaint from Idaho resident T.D. In such complaint, T.D. asserted that the Respondent had extended a payday loan to T.D. via the Internet and arranged for loan payments to be electronically debited from her account. During the repayment period, the Respondent was unable to electronically debit T.D.'s bank account for a payment due on the loan. According to T.D., the reason the electronic debit was blocked resulted from a freeze T.D. had placed on her bank account due to an apparently fraudulent check that had been written on her account. Although she attempted to work out the problem with the Respondent, the Respondent repeatedly called, e-mailed, and texted T.D., threatening garnishment of her paycheck. The Respondent also repeatedly called T.D.'s employer. The Respondent then presented T.D.'s employer with wage garnishment documents

that included a representation to T.D.'s employer that the Respondent was authorized to garnish T.D.'s wages without first obtaining a court order. Such representation was false. Nevertheless, T.D.'s employer accepted the garnishment documents and deducted amounts from at least two of T.D.'s paychecks, which amounts it forwarded to the Respondent.

4. On April 12, 2010, a Department staff member sent a letter addressed to Chad Jardine, as registered agent for the Respondent. Such letter requested that the Respondent provide information to the Department, to include a copy of T.D.'s complete loan file, a response to T.D.'s complaint, a list of all Idaho residents to whom the Respondent had extended payday or other regulated consumer loans, and the period of time the Respondent had been engaging in regulated consumer lending activity in Idaho.

5. On May 4, 2010, Chad Jardine, representing himself as the Respondent's CEO, responded to the Department's April 12, 2010 letter, stating that the Respondent would forgive the outstanding amount due on T.D.'s payday loan and that it would cease further contact with T.D. and her employer. No additional information was provided.

COMPLAINANT D.B.

6. On or about April 27, 2010, the Department received a complaint from Idaho resident D.B. In such complaint, D.B. asserted that the Respondent had extended a payday loan to in the amount of \$375 to D.B. via the Internet. D.B. reported that when she fell behind in a payment on such loan, the Respondent repeatedly contacted her employer's payroll department and then attempted to garnish her wages. In a letter to D.B.'s employer, the Respondent represented that it was authorized to place a garnishment on D.B.'s wages, although the Respondent had not obtained a court judgment upon which to base a garnishment. Such

representation was false. The Respondent was apparently unsuccessful in garnishing D.B.'s wages.

CONCLUSIONS OF LAW AND VIOLATIONS

7. The allegations set forth in paragraphs 1 through 6 above are fully incorporated herein by this reference.

8. Idaho Code § 28-46-402(1) provides that 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 (in Idaho) without having first obtained a license under the ICC, and particularly under the sections of the ICC referred to as "The Payday Loan Act."

9. The Respondent's acts of issuing payday loans to at least two (2) Idaho residents, as referenced above, while it failed to hold a license under the ICC and IPLA authorizing it to do so, constitute violations of Idaho Code § 28-46-402(1). Each payday loan issued constitutes a separate violation.

10. Idaho Code § 28-46-402(3) provides that a payday loan made in Idaho in violation of the licensing requirement of the ICC is void, uncollectible and unenforceable, and the debtor is not obligated to pay the principal or any fee associated with such payday loan. Pursuant to Idaho Code § 28-46-402(3), Complainants T.D. and D.B. are not required to repay the payday loans extended to them by the Respondent while the Respondent failed to hold a license under the Act.

11. Idaho's collection statutes are found in Idaho Code Title 8, Chapter 5 and Title 11, Chapters 1 through 6. The garnishment process contemplated by such Idaho statutes require writs of attachments to be issued by a court and served on a debtor by a county sheriff, with the sheriff to follow requirements set forth in the law for execution of the writ. Garnishment of a

debtor's wages may be served on a debtor's bank or employer only pursuant to the requirements of such collection statutes. The statutory process requires that the debtor against whom a garnishment is sought be served with a notice of exemption and claim of exemption form, and a process is established by which a debtor may bring its claim of exemption from garnishment before the court. The Respondent failed to follow Idaho's statutory collection process in attempting to garnish, and garnishing, wages of the Idaho residents to whom it had extended payday loans via the Internet, in violation of Idaho's collection laws.

12. The Respondent's acts of representing to T.D.'s and D.B.'s employers that the Respondent was authorized by law to garnish T.D.'s and D.B.'s wages to collect on an allegedly defaulted payday loan, when that representation was clearly false, constituted fraudulent or unconscionable conduct by an unlicensed person who is required to be licensed under the Act, within the meaning of, and in violation of, Idaho Code § 28-46-108(7).

13. Idaho Code § 28-46-108(7) provides that with respect to fraudulent conduct by an unlicensed person who is required to be licensed under the ICC, the Director may issue a cease and desist order without prior notice or hearing.

14. Idaho Code § 67-5247 provides that an agency may act through an emergency proceeding in a situation involving an immediate danger to the public health, safety, or welfare requiring immediate agency action.

ORDER

The Director, having reviewed the foregoing, good cause being shown, and the protection of the public justifying the entry of this Order and that it be effective immediately,

NOW, THEREFORE, the Director HEREBY FINDS that the Respondent has violated the Idaho Credit Code and the Idaho Payday Lender Act, to include engaging in unlicensed

payday loan activity in Idaho and engaging in fraudulent or unconscionable conduct in connection with unlicensed payday lending activity, as set forth above.

Based on the foregoing, and pursuant to Idaho Code §§ 28-46-108(1) and -(7) and 67-5247, IT IS HEREBY ORDERED that the Respondent and its agents and employees immediately CEASE AND DESIST from any further payday lending activities in Idaho, to include engaging in fraudulent or unconscionable acts in connection with payday lending activities in Idaho, which acts include garnishing or attempting to garnish wages of Idaho residents to whom it has extended payday loans while failing to hold the Idaho license required to do so, and from any other conduct under the ICC constituting a violation of the ICC.

NOTICE

15. The Respondent is HEREBY NOTIFIED that the foregoing ORDER TO CEASE AND DESIST is a final order of the Director, subject to the Respondent's right to timely file a motion for reconsideration of such final order or request for a hearing as to such order, pursuant to Idaho Code § 67-5246(4). Such motion for reconsideration or request for a hearing must be in writing and submitted to the Department within fourteen (14) days after the service of this Order. A copy of the motion for reconsideration or request for a hearing shall be served on Michael Larsen, Consumer Finance Bureau Chief, at the following address:

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

A copy of the request for hearing shall also be served on the Department's counsel in this matter, A. René Martin, Deputy Attorney General, at the following address:

A. René Martin
Deputy Attorney General
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

16. If the Respondent timely files a request for hearing, the Department will notify the Respondent of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

17. Any hearing and subsequent proceedings in this matter will be conducted in accordance with the Idaho Administrative Procedure Act, Idaho Code § 67-5201 *et seq.*

18. The Department will dispose of a motion for reconsideration within twenty-one (21) days of its receipt, or the motion will be considered denied by operation of law. Idaho Code § 67-5246(4); Rule 740, Idaho Rules of Administrative Procedure of the Attorney General (IRAP), located at IDAPA 4.11.01.740.

19. 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.

20. 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, 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.

This ORDER TO CEASE AND DESIST is effective upon issuance.

IT IS SO ORDERED.

DATED this 16TH day of DECEMBER, 2010.



STATE OF IDAHO
DEPARTMENT OF FINANCE



GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 20 day of December, 2010, I served a true and correct copy of the foregoing ORDER TO CEASE AND DESIST upon the following by the designated means:

FloBridge Group, LLC
691 W. 1200 N., Ste. 100
Springville, UT 84663

U.S. mail, postage prepaid
 Certified mail
 Facsimile



Paralegal