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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. 2010-6-01
Complainant,)	
)	ORDER TO CEASE AND DESIST
vs.)	
)	
LOANPOINTE LLC; and EASTBROOK LLC, also d/b/a Ecash and GeteCash,)	
)	
Respondents.)	
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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 within the ICC, hereby alleges the following facts that constitute a basis for the issuance of an order pursuant to Idaho Code §§ 28-46-402(4) and 28-46-108(1) and -(7), requiring LOANPOINTE LLC and EASTBROOK LLC, also d/b/a Ecash and GeteCash (the Respondents), 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 conduct in connection with a payday loan.

RESPONDENTS

1. Utah Code § 7-23-201(1)(a) requires that consumer lenders, to include payday lenders, must register with the Utah Department of Financial Institutions (Utah DFI) to conduct a consumer lending business in that state. Respondent Eastbrook LLC, d/b/a ECash is a Utah limited liability company registered as a consumer lender with the Utah DFI. Utah DFI's records do not show that Eastbrook LLC, d/b/a/ GeteCash is registered as a consumer lender with that agency, nor is the other Respondent named herein, LoanPointe LLC. The Utah DFI lists the business address for Respondent Eastbrook LLC d/b/a/ ECash as 357 S. 670 W., Suite #107, Lindon, Utah 84042.

2. The Utah Secretary of State, Department of Commerce, lists business addresses for the following businesses currently or previously registered with that office:

- a. Eastbrook LLC - 696 North 1890 West, Provo, Utah 84601 (failed to file renewal due on January 5, 2010);
- b. ECash - 696 N. 1890 W., Provo, Utah 84601 (currently in good standing);
- c. LoanPointe LLC - 11529 N. Bull River Cir., Highland, Utah 84003 (currently in good standing).

3. The Utah Secretary of State, Department of Commerce, includes no listing for Respondents Eastbrook LLC, d/b/a ECash or d/b/a GeteCash.

4. Records of the Utah Secretary of State, Department of Commerce, show that Joe Strom is the registered agent for Respondents Eastbrook LLC, ECash, and LoanPointe LLC.

The Department also has reason to believe that Joe Strom is a manager, officer, or principal of Eastbrook LLC, and LoanPointe LLC.

FINDINGS OF FACT

5. Neither of the Respondents named herein has ever held an Idaho payday lender license issued by the Department authorizing it to engage in a payday lending business in Idaho.

6. On or about November 29, 2009, the State of California, Business, Transportation and Housing Agency, Department of Corporations issued an “Amended Desist and Refrain Order” against LoanPointe, LLC and GeteCash for engaging in unlicensed payday lending in the state of California, and for other violations of California’s payday lending laws.

7. On or about December 1, 2009, the Department received a complaint from Boise, Idaho resident E.H. The substance of E.H.’s complaint was that GeteCash had extended payday loans to E.H. via the Internet and that GeteCash had served a wage garnishment on E.H.’s employer to collect on a debt allegedly owed by E.H. Accompanying the wage garnishment was a letter to E.H.’s employer representing that GeteCash was authorized by federal law to garnish a debtor’s wages without complying with Idaho collection statutes, which statutes allow wage garnishments only with a state court’s authority, and provide an avenue for a debtor to challenge the wage garnishment. GeteCash’s representation that it was authorized to skirt Idaho’s collection laws to garnish E.H.’s paycheck was false. Nevertheless, E.H.’s employer accepted the garnishment and deducted amounts from at least ten (10) of E.H.’s paychecks, which amounts it forwarded to GeteCash.

8. On December 17, 2009, a Department staff member sent a letter addressed to GeteCash, attention Joe Strom, requesting an explanation of the circumstances concerning the

complaint filed by E.H., and also requesting that GeteCash provide a list of all Idaho residents as to whom GeteCash had extended payday loans.

9. A review of a website for GeteCash conducted by a Department staff member on January 27, 2010 showed that on that date GeteCash represented itself as qualified to extend payday loans to Idaho residents, despite the fact that it failed to maintain the license required under the ICC and the IPLA authorizing it to do so. As of the date of this Order to Cease and Desist, the Respondents continue to advertise the availability of Idaho payday loans as within the Respondents' "service area." *SEE* <http://www.getecash.com/idaho-payday-loans.php> and http://www.getecash.com/service_areas.php.

10. On or about January 15, 2010, the Department received a letter from Abraham Yaksich, who represented himself as "Controller" of GeteCash. Attached to that letter was a list of thirty-three (33) Idaho residents, as to whom payday loans were funded by GeteCash over the time period between March 3, 2009 and December 31, 2009. That list included Idaho resident E.H., referenced in paragraph 7 above.

11. On or about March 15, 2010, the Federal Trade Commission (FTC) filed a lawsuit in the United States District Court for the District of Utah, Central Division, against LoanPointe, LLC; Eastbrook, LLC, also d/b/a/ Ecash and GeteCash; and certain principals of such companies, to include Joe Strom. The FTC's complaint alleged that LoanPointe, LLC and Eastbrook, LLC operated as a common enterprise while engaging in the violations of law alleged in such complaint, to include violations of various federal laws. In such complaint, the FTC alleged that both LoanPointe, LLC and Eastbrook, LLC had illegally garnished employee paychecks to collect on a debt, in violation of various federal laws and rules.

12. On or about April 2, 2010, LoanPointe LLC, Eastbrook LLC, and Joe S. Strom, defendants named in the FTC lawsuit referenced in paragraph 11 above, entered into a stipulated preliminary injunction, whereby such defendants agreed to be preliminarily restrained and enjoined from misrepresentations and other acts associated with improperly garnishing an employee's paycheck to collect on a debt.

CONCLUSIONS OF LAW AND VIOLATIONS

13. The allegations set forth in paragraphs 1 through 12 above are fully incorporated herein by this reference.

14. Idaho Code § 28-46-402(1) provides that no person shall engage in the business of payday loans, or make a payday loan, or arrange for a payday loan for a third party lender in a payday loan transaction without having first obtained a license under the ICC, and particularly under the sections of the ICC referred to as "The Payday Loan Act."

15. The Respondents' acts of issuing payday loans in Idaho to at least thirty-three (33) Idaho residents, as referenced in paragraph 10 above, while not licensed under the ICC and IPLA to do so, constitute violations of Idaho Code § 28-46-402(1). Each payday loan issued constitutes a separate violation.

16. The Respondents' acts of representing to E.H.'s employer that the Respondents were authorized by federal law to garnish E.H.'s paycheck to collect on an allegedly defaulted payday loan, when that representation was clearly false, constituted a fraudulent act within the meaning of Idaho Code § 28-46-108(7).

17. The Respondent's continuing act of representing on its Internet website that it is authorized to engage in payday lending in Idaho is false, and constitutes a fraudulent act within the meaning of Idaho Code § 28-46-108(7).

18. 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.

19. 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,

NOW, THEREFORE, the Director HEREBY FINDS that the Respondents have 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 acts 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 Respondents and its agents and employees immediately CEASE AND DESIST from any further payday lending activities in Idaho, to include engaging in fraudulent acts in connection with payday lending activities in Idaho, and from any other conduct under the ICC constituting a violation of the ICC.

NOTICE

20. The Respondents are HEREBY NOTIFIED that the foregoing ORDER TO CEASE AND DESIST is a final order of the Director, subject to the Respondents' 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

21. 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.

22. 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.*

23. 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.

24. 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.

25. 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 11th day of MAY, 2010.



STATE OF IDAHO
DEPARTMENT OF FINANCE


GAVIN M. GEE, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 11 day of May, 2010, I served a true and correct copy of the foregoing ORDER TO CEASE AND DESIST upon the following by the designated means:

Eastbrook LLC
357 S. 670 W., Suite 107
Lindon, UT 84042

U.S. mail, postage prepaid
 Certified mail
 Facsimile _____

ECash
696 N. 1890 W.
Provo, UT 84601

U.S. mail, postage prepaid
 Certified mail
 Facsimile: _____

LoanPointe LLC
11529 N. Bull River Cir.
Highland, UT 84003

U.S. mail, postage prepaid
 Certified mail
 Facsimile: (801) 772-2001

GeteCash
PO Box 424
Orem, UT 84057

U.S. mail, postage prepaid
 Certified mail
 Facsimile: _____


