

FILED

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING

2011 MAY -9 PM 1:41

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING, BUREAU
OF COMPLIANCE, INVESTIGATION AND
LICENSING

PA DEPT OF BANKING

v.

Docket No.: 11 0089 (ENF-C&D)

JORO RESOURCES, LLC
d/b/a IDEAL GELT

NOTICE OF RIGHT TO APPEAL AND HEARING

You have the right to appeal the attached Cease and Desist Order ("Order") within 10 days of the date of service. See 1 Pa. Code § 35.20. The date of service is the date we deposited the Order in the mail or delivered it to you in person, as the case may be, as set forth in 1 Pa. Code § 33.34. If you appeal the Order, you also have a right to a hearing.

To file an appeal and request a hearing on the Order, you must file a petition with the Secretary of Banking within 10 days of the date of service. The petition must be in writing, state clearly and concisely your grounds of interest in the subject matter, the facts you rely upon, the law you rely upon, and the relief you seek. See 1 Pa. Code §35.17. Please deliver your petition to:

Linnea Freeberg, Docket Clerk
Office of Executive Deputy Secretary
Pennsylvania Department of Banking
17 North Second Street, Suite 1300
Harrisburg, PA 17101

The petition must be received by the Docket Clerk within the aforementioned 10 day deadline. If the Docket Clerk does not receive your petition on time, you will waive your right to an appeal and a hearing and the Order will be deemed final.

You must also serve a copy of the petition on the person who signed the attached Order pursuant to 1 Pa. Code §33.32 by providing a copy to their counsel set forth below:

Begene A. Bahl, Assistant Counsel
Commonwealth of Pennsylvania
Pennsylvania Department of Banking
17 North Second Street, Suite 1300
Harrisburg, PA 17101

Once you file your petition appealing the Order and requesting a hearing, you will be notified of the hearing date, time, place, the person who will preside at your hearing, and any other pertinent information.

You have the right to be represented by an attorney. Corporations may be required to be represented by an attorney.

The hearing and all other procedural matters will be governed by the Pennsylvania Administrative Agency Law, 2 Pa. C.S. §§501-508, 701-704, and the General Rules of Administrative Practice and Procedure, 1 Pa. Code §§31.1.-35.251.

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COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING, BUREAU	:	
OF COMPLIANCE, INVESTIGATION AND	:	
LICENSING	:	
v.	:	Docket No.: 11 <u>0089</u> (ENF-C&D)
JORO RESOURCES, LLC	:	
d/b/a IDEAL GELT	:	

CEASE AND DESIST ORDER

WHEREAS, the Commonwealth of Pennsylvania Department of Banking, ("Department") is a Pennsylvania administrative agency authorized and empowered to administer and enforce the Consumer Discount Company Act ("CDCA") 7 P.S. § 6201 *et seq.*, and the Loan Interest and Protection Law ("LIPL"), 41 P.S. § 101 *et seq.*; and

WHEREAS, the Department's Bureau of Compliance, Investigation and Licensing ("Bureau") is the Bureau within the Department with the primary responsibility of administering and enforcing the CDCA and the LIPL for the Department; and

WHEREAS, as of February 1, 2009, the Department required persons who engage in the business of making loans to Pennsylvania residents of less than \$25,000 and who charge fees, interest or other considerations which aggregate in excess of 6% per annum be licensed as a consumer discount company; and

WHEREAS, as of February 1, 2009, the Department required persons who hold themselves out as willing or able to arrange for or negotiate loans for Pennsylvania residents of less than \$25,000 and who charge fees, interest or other considerations which aggregate in excess of 6% per annum be licensed as a consumer discount company; and

BACKGROUND

WHEREAS, Joro Resources, LLC is a limited liability company registered as a consumer lender in Utah; and

WHEREAS, Joro Resources, LLC does business as Ideal Gelt; and

WHEREAS, Ideal Gelt is located at 790 West Sam Houston Parkway North, Suite 202, Houston, Texas 77024; and

WHEREAS, Ideal Gelt solicits, advertises and makes payday loans to consumers through its website located at <http://www.idealgelt.com>; and

WHEREAS, payday loans are high-rate, short-term loans secured by either a post-dated check or a debt authorization from a bank; and

WHEREAS, the post-dated check or a debit authorizations become payable to the lender at the end of the loan term, usually set at two weeks to coincide with the borrower's payday; and

WHEREAS, Ideal Gelt provides an application on its website so that consumers may apply for a payday loan; and

WHEREAS, Pennsylvania residents may apply for and receive a payday loan from Ideal Gelt by completing the application on its website; and

WHEREAS, Ideal Gelt also accepts applications from Pennsylvania residents for payday loans through other websites such as www.moneymutual.com; and

WHEREAS, Pennsylvania residents access the websites from Pennsylvania locations, including home or work computers; and

WHEREAS, Ideal Gelt provides the payday loans to Pennsylvania residents by transmitting monies into their bank accounts; and

WHEREAS, Pennsylvania residents pay off the payday loans plus interest, fees and other considerations, by allowing Ideal Gelt to debit the money from their bank accounts; and

WHEREAS, Ideal Gelt charges fees, interest and other considerations which aggregate in excess of 6% per annum for the payday loans; and

WHEREAS, Ideal Gelt retains persons to engage in collection activities, on its behalf, to obtain payment for payday loans that it has made to Pennsylvania residents; and

WHEREAS, Joro Resources, LLC d/b/a Ideal Gelt has not obtained a consumer discount company license from the Department; and

CONSUMER COMPLAINTS

WHEREAS, the Department received complaints from Pennsylvania residents regarding the amount of interest and fees that they paid to Ideal Gelt for payday loans that they obtained through the internet; and

WHEREAS, on or about July 1, 2010, the Department received a complaint from _____, a Pennsylvania resident, regarding Ideal Gelt; and

WHEREAS, in her complaint, Ms. _____ expressed concern regarding the amount of fees that she had been paying to Ideal Gelt for her payday loan; and

WHEREAS, Ms. _____ received a payday loan from Ideal Gelt in the amount of \$400 and paid in excess of \$480 for the loan; and

WHEREAS, Ms. _____ is a Pennsylvania resident that obtained a loan from Ideal Gelt of less than \$25,000 in which the aggregate fees on the loan exceeded 6% per annum; and

WHEREAS, on or about December 15, 2010, the Department received a complaint from _____, a Pennsylvania resident, regarding Ideal Gelt; and

WHEREAS, in his complaint, Mr. _____ explained that he obtained a loan from Ideal Gelt on or about November 30, 2010; and

WHEREAS, Mr. [redacted] expressed concern that he was charged too much interest on the loan; and

WHEREAS, Mr. [redacted]'s loan amount was \$500 and he was charged a "service fee" of \$150 for the loan; and

WHEREAS, Mr. [redacted] is a Pennsylvania resident that obtained a loan from Ideal Gelt of less than \$25,000 in which the aggregate fees on the loan exceeded 6% per annum; and

WHEREAS, the Department has received similar complaints from other Pennsylvania residents, to date, regarding the amount of interest and fees paid to Ideal Gelt for payday loans; and

VIOLATIONS

WHEREAS, by engaging in the business of making loans of less than \$25,000 to Pennsylvania residents and by charging and collecting fees, interest and other considerations which aggregate in excess of 6% per annum for the loans, without being licensed by the Department, Joro Resources, LLC d/b/a Ideal Gelt violated Section 3.A of the CDCA, 7 P.S. § 6203.A, and Section 201(a) of the LIPL, 41 P.S. § 201(a), on at least two occasions; and

DEPARTMENT'S AUTHORITY

WHEREAS, as a result of Joro Resources, LLC d/b/a Ideal Gelt's violations, the Department has the authority to:

1. Order Joro Resources, LLC to cease and desist the unlicensed payday lending activity and to make restitution for actual damages to any aggrieved person, 41 P.S. § 506(c)(3); and
2. Require Joro Resources, LLC to pay the costs of the Department's enforcement action, 41 P.S. § 506(c)(4); and

3. Prohibit or permanently remove Joro Resources, LLC from continuing the unlicensed payday lending activity, 41 P.S. § 506(c)(2); and
4. Impose a fine of up to \$10,000 per offense, 41 P.S. § 505(b); and
5. Impose such other conditions on Joro Resources, LLC as the Department deems appropriate, 41 P.S. § 506(c)(5); and

ORDER

AND NOW THEREFORE, because Joro Resources, LLC d/b/a Ideal Gelt engages in the business of making loans of less than \$25,000 to Pennsylvania residents and charges and collects fees, interests and other considerations which aggregate in excess of 6% per annum for the loans, without a license, the Bureau hereby imposes the following order ("Order") in accordance with its authority as set forth above. Upon the effective date of this Order:

1. Joro Resources, LLC d/b/a Ideal Gelt shall immediately cease and desist from making loans to Pennsylvania residents of less than \$25,000 and charging interest, fees and other considerations which aggregate in excess of 6% per annum until licensed by the Department.
2. Joro Resources, LLC d/b/a Ideal Gelt shall immediately cease and desist from advertising, soliciting, and arranging loans of less than \$25,000 and charging interest, fees and other considerations which aggregate in excess of 6% per annum until licensed by the Department.
3. Joro Resources, LLC d/b/a Ideal Gelt shall immediately cease and desist from attempting to collect or collecting (directly or indirectly through third parties such as collection agencies) interest, fees or any other considerations which aggregate in excess of 6% per annum on loans made that were less \$25,000 to Pennsylvania residents since February 1, 2009.

4. Joro Resources, LLC d/b/a Ideal Gelt shall not transfer, assign or sell to any persons, companies or entities any loans of less than \$25,000 that it has made to Pennsylvania residents since February 1, 2009 where the interest, fees or other considerations aggregate in excess 6% per annum for the loans.

5. Joro Resources, LLC d/b/a Ideal Gelt shall not purchase any loans of less than \$25,000 that it has made to Pennsylvania residents since February 1, 2009 where the interest, fees or other considerations aggregate in excess of 6% per annum for the loans.

6. Joro Resources, LLC d/b/a Ideal Gelt shall not directly or indirectly (through third parties or collection agencies) file a negative report with any credit agency regarding any Pennsylvania resident to which it has provided a loan of less than \$25,000 since February 1, 2009 if the consumer has paid back the principal amount of the loan plus interest, fees and other considerations which aggregate in excess of 6% per annum.

7. Joro Resources, LLC d/b/a Ideal Gelt shall refund to Pennsylvania residents (that have obtained a loan of less than \$25,000 since February 1, 2009) any monies paid by the residents on the loans in excess of that permitted by the LIPL and CDCA.

8. Within 10 days of the effective date of this Order, Joro Resources, LLC d/b/a Ideal Gelt shall provide to the Department a list of loans and cash advances made to Pennsylvania residents from February 1, 2009 to the present. The list shall include:

- a. The name, address and phone number of each consumer; and
- b. The date of the loan; and
- c. The terms of the loan including the amount financed, any and all charges, interest, fees or other considerations including, but not limited to interest charges, finance charges, renewal fees, and the total amount of payments to be paid by the resident; and

d. The status of the loans including total amounts still owed by the resident to Joro Resources, LLC d/b/a Ideal Gelt or if the loans have been transferred to a third party such as another lender or collection agency, when such transfer occurred and the contact information for the third party; and

e. Any other additional information that the Department shall request relating to these loans as the Department deems necessary.

9. Joro Resources, LLC d/b/a Ideal Gelt shall pay a fine to the Department in an amount of \$20,000 for making and collecting on payday loans to two Pennsylvania residents in violation of the CDCA and LIPL.

10. Joro Resources, LLC d/b/a Ideal Gelt shall pay the reasonable costs and expenses incurred by the Department to prove the averments in this Order should Joro Resources, LLC d/b/a Ideal Gelt challenge this Order without success. To this end, the Department expressly requests a separate hearing to ascertain the amount of monies expended by the Department.

This Order shall not preclude the Department from commencing additional enforcement action against Joro Resources, LLC d/b/a Ideal Gelt and any additional entities, companies, or persons associated with Joro Resources, LLC d/b/a Ideal Gelt as it deems necessary.

IT IS SO ORDERED.

Ryan Walsh, Administrator
Department of Banking,
Bureau of Compliance, Investigation and Licensing

May 9, 2011
(Date)

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Cease and Desist Order upon the parties below, who constitute the only parties of record in this proceeding, in accordance with the requirements of 1 Pa. Code §§ 33.35 and 33.36:

BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED
AND FIRST CLASS MAIL:

Joro Resources, LLC d/b/a Ideal Gelt
National Registered Agents, Inc.
160 Greentree Drive, Suite 101
Dover, Delaware 19904

Joro Resources, LLC d/b/a Ideal Gelt
790 W. Sam Houston Pkwy. N. Ste. 202
Houston, Texas 77024-4546

Dated: 5/9/11

Begene A. Bahl, Assistant Counsel
Pennsylvania Department of Banking
Bureau of Compliance, Investigation and
Licensing
17 North Second Street, Suite 1300
Harrisburg, PA 17101
(717) 787-1471