

IN THE MATTER OF:

**JORO RESOURCES, LLC d/b/a
IDEALGELT**

Respondent.

**BEFORE THE MARYLAND
COMMISSIONER OF
FINANCIAL REGULATION**

Case No.: CFR-FY2012-085

**FINAL ORDER
TO CEASE AND DESIST**

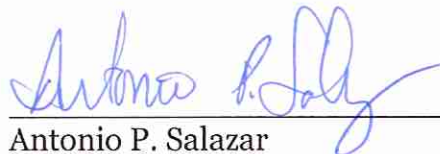
The Maryland Department of Labor, Licensing, and Regulation, Office of the Commissioner of Financial Regulation ("Commissioner") issued a Summary Order to Cease and Desist ("Summary Order") against Joro Resources, LLC d/b/a IdealGelt ("Respondent") on April 13, 2016. Pursuant to Md. Code Ann., Fin. Inst. §2-115, the Agency notified the Respondent(s) in the Summary Order that: (1) Respondent(s) are entitled to a hearing before the Commissioner to determine whether the Summary Order should be vacated, modified, or entered as a final order of the Commissioner; and (2) should the Respondent(s) fail to request a hearing in the manner described in the Summary Order, (a) the Summary Order will be entered as a Final Order of the Commissioner within fifteen (15) days after the Respondent(s) receipt of the Summary Order; and (b) in addition to taking any other action authorized by law, the Commissioner may, in the Commissioner's discretion issue an order requiring the Respondent(s) to pay **RESTITUTION** pursuant to Md. Code. Ann., FI § 2-116 (b) (7).

The Respondent(s) having failed to request a hearing in the manner described in the Summary Order, **IT IS, THIS 11th DAY OF October, 2017, BY THE MARYLAND COMMISSIONER OF FINANCIAL REGULATION:**

ORDERED that the attached Summary Cease and Desist Order was entered as a Final Order of the Commissioner effective May 1, 2015; and it is further

ORDERED that pursuant to Md. Code Ann., FI § 2-1116 (b) (7), the Respondent(s) shall pay restitution to the Consumers A, F, G and H listed in **Appendix 1** the total amount of \$ 3,930.00, proportionately to each consumer more particularly described in **Appendix 1**, within (30) days of the date of this Final Order to Cease and Desist. If Respondents are unable to locate any consumer listed in **Appendix 1**, Respondents must notify the Commissioner immediately, but no later than within fifteen (15) days of this Final Order.

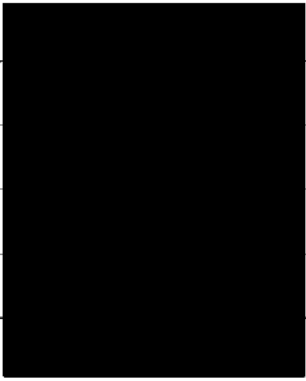
The respondents may have the right to file a petition for judicial review, however filing of a petition for judicial review does not automatically stay the enforcement of this order.



Antonio P. Salazar

**MARYLAND COMMISSIONER OF
FINANCIAL REGULATION**

APPENDIX 1

Consumer ID	Name	Number of Loans	Total Amount Borrowed	Total Amount Paid	
Consumer A		2	\$900.00	\$1,810.00	
Consumer D		1	\$800.00	\$0	
Consumer E		1	\$750.00	Unknown	
Consumer F		2	\$550.00	\$875.00	
Consumer G		1	\$350.00	\$420.00	
Consumer H		1	\$400.00	\$825.00	
		TOTAL LOANS:	8		\$3,930

IN THE MATTER OF:

**JORO RESOURCES, LLC d/b/a
IDEALGELT**

Respondent.

**BEFORE THE MARYLAND
COMMISSIONER OF
FINANCIAL REGULATION**

Case No.: CFR-FY2012-085

**SUMMARY ORDER TO CEASE AND DESIST
AND ORDER TO PRODUCE**

This is a Summary Order to Cease and Desist and Order to Produce issued by the Maryland Department of Labor, Licensing and Regulation, Office of the Commissioner of Financial Regulation (“OCFR”), based on the finding by the Commissioner of Financial Regulation (the “Commissioner”), following an investigation, that Respondent Joro Resources, LLC d/b/a IdealGelt (“Respondent”) has violated Maryland lending laws, as detailed below.

INTRODUCTION

WHEREAS, the Commissioner has authority to investigate potential violations of laws, regulations, rules, and orders over which the Commissioner has jurisdiction, including authority to order the production of information, documents and records, pursuant to Md. Code Ann., Financial Institutions Art. (“FI”), § 2-114;

WHEREAS, the Commissioner has authority to issue orders, including summary orders, and to take additional actions for violations of laws, regulations, rules, and orders over which the Commissioner has jurisdiction pursuant to FI § 2-115;

WHEREAS, the Commissioner undertook an investigation of the business activities of Respondent following receipt of consumer complaints regarding Respondent;

WHEREAS, as a result of that investigation, the Commissioner has concluded, subject to Respondent's right to a hearing as described below, that Respondent has violated Md. Code Ann., Commercial Law Art. ("CL"), §12-301 *et seq.* and FI §11-201 *et seq.* (collectively the "Maryland Consumer Loan Law," or "MCLL"). Specifically, the Commissioner has concluded, *inter alia*, that Respondent has violated the Maryland Consumer Loan Law by making loans in Maryland without a license and charging interest rates which exceed the maximum rates permissible pursuant to Maryland law, as set forth in CL §12-301 *et seq.*

WHEREAS, the Commissioner finds that action under FI §§ 2-115(a) and 11-215(b), including issuance of a summary order, is appropriate;

NOW, THEREFORE, based upon the foregoing, the Commissioner has determined that it is in the public interest that Respondent immediately cease and desist from making any further loans to Maryland consumers, and from collecting, directly or indirectly through third party collection agencies or law firms, on any loans previously made to Maryland consumers.

The grounds for these conclusions and the Commissioner's specific orders are set forth below. OCFR's investigation revealed that Respondent engaged in loan transactions with at least nine Maryland residents. A table listing these consumers is attached to this document as Attachment A.

FACTUAL DETERMINATIONS

OCFR's investigation of the business activities of Respondent revealed the following:

1. Respondent was registered to do business in the state of Utah as a limited liability company until May 1, 2012, when it voluntarily withdrew its registration.

Respondent continues to advertise its services on the internet at www.idealgelt.com, including to residents of Maryland. Respondent is not registered with the Maryland Department of Assessments and Taxation.

2. Pursuant to an agreement with [REDACTED] (“Consumer A”), Respondent provided a \$250.00 loan to Consumer A on or about June 1, 2011, in exchange for which Consumer A was required to pay \$325.00 on June 17, 2011 (16 days after Consumer A received the loan). The Respondent calculated the annual interest rate to be 782.143% in the Loan Agreement and Promissory Note provided to Consumer A.

3. Previously, on or about January 26, 2011, Respondent provided Consumer A with a \$650.00 loan. From February 11, 2011 to June 3, 2011, Consumer A made payments to Respondent totaling \$1,810.00, reflecting an actual interest rate of approximately 582%.

4. OCFR’s investigation revealed that Respondent engaged in similar transactions with at least eight (8) other Maryland residents, Consumers B-I, as identified on Attachment A, who had obtained consumer loans from Respondent. All of these Maryland consumers applied for their loans from Respondent by completing and submitting on-line loan applications while these consumers were located in Maryland. Therefore, the loans originated in Maryland.

5. Based on the evidence provided by the consumers, it is hereby alleged that the loans issued to Consumers B-I contain interest rates in excess of 33% *per annum*.

6. Respondent’s transactions with Consumers A-I constituted “loans” under CL § 12-301(e), and thus Respondent and all of Respondent’s consumer loans to Maryland consumers are subject to the MCLL.

7. Respondent is not licensed by the State of Maryland to make consumer loans; nor is Respondent exempt from licensing under the MCLL.

CHARGES

**VIOLATIONS OF THE MARYLAND CONSUMER LOAN LAW AND THE
INTEREST AND USURY LAW**

Based on the foregoing, Respondent violated the MCLL, as follows:

COUNT 1:

Respondent made loans in Maryland without being licensed to do so and without being exempt from the licensing requirement, in violation of FI § 11-204 and CL § 12-302. Moreover, pursuant to CL § 12-314(b)(2), Respondent (who is neither licensed nor exempt from licensing), “may not receive or retain any principal, interest, or other compensation with respect to any loan that is unenforceable under this subsection.” As a result, not only are Respondent’s loans to all Maryland consumers unenforceable, but Respondent is prohibited from collecting the principal amount of those loans from any of these consumers or from collecting any other money related to those loans.

COUNT 2:

Respondent violated CL §§ 12-306(a)-(d) by charging interest rates on the loans made to Consumers A-I in excess of the rates allowed pursuant to CL §§ 12-306(a)-(d). Pursuant to CL § 12-314(b)(1), as Respondent’s loans to Consumers A-I and to all other unnamed Maryland consumers contain a “rate of interest, charge, discount or other consideration greater than that authorized by the laws of this State,” Respondent’s loans to all Maryland consumers are illegal and unenforceable.

COUNT 3:

Respondent violated CL §12-313(a) by directly or indirectly contracting for, charging and receiving interest and other amounts in excess of amounts permitted under CL §12-301 *et seq.*

COUNT 4:

Respondent violated CL §12-314(a) by lending \$6,000 or less and directly or indirectly contracting for, charging and receiving interest and other amounts in excess of amounts permitted under the laws of Maryland.

COUNT 5:

Respondent's written agreements do not include the statements and disclosures required under CL § 12-308(a).

COUNT 6:

Respondent does not provide Maryland consumers with receipts for payments as required under CL § 12-308(b).

SUMMARY ORDERS

WHEREFORE, based on the foregoing violations of Maryland law, and having determined that immediate action is in the public interest, the Commissioner of Financial Regulation, **HEREBY** enters the following orders pursuant to his authority under FI § 2-115:

ORDERED that Respondent shall immediately **CEASE AND DESIST** from making unlicensed consumer, installment, or any other loans to Maryland consumers; it is further

ORDERED that Respondent shall immediately **CEASE AND DESIST** from collecting or attempting to collect on any loans previously made to Maryland consumers; and it is further

ORDERED that Respondent shall immediately CEASE AND DESIST from referring any loan accounts involving Maryland consumers to third party collection agencies; and it is further

ORDERED that pursuant to Respondent's duties under both CL § 14-1213 of the Consumer Credit Reporting Agencies Law ("CCRAL") and § 623 [15 U.S.C. §1681s-2] of the Fair Credit Reporting Act ("FCRA"), Respondent shall immediately CEASE AND DESIST from reporting any negative or adverse information to credit reporting agencies concerning any loan transactions which Respondent entered into with Maryland consumers; and it is further

ORDERED that pursuant to Respondent's duties under both CL § 14-1213 of the CCRAL and § 623 of the FCRA, Respondent shall take affirmative action to prevent any third party collection agencies, to which Respondent previously referred loan accounts involving Maryland consumers, from reporting any negative or adverse information to credit reporting agencies concerning such accounts; and it is further

ORDERED that pursuant to Respondent's duties under both CL § 14-1213 of the CCRAL and § 623 of the FCRA, Respondent is required to take corrective action to rectify its noncompliance with the credit reporting laws, including notifying the effected Maryland consumers of its noncompliance, as well as removing from the credit reports of effected Maryland consumers all adverse or negative information which Respondent, or third party collection agencies acting on Respondent's behalf, have previously submitted to credit reporting agencies concerning the loan transactions that Respondent entered into with these Maryland consumers; and it is further

ORDERED that Respondent shall immediately CEASE AND DESIST from violating the aforementioned statutory provisions of Maryland law, and that Respondent should be assessed statutory monetary penalties and ordered to provide restitution for such violations, in addition to any other sanctions or actions against Respondent permitted by law; and it is further

ORDERED that all provisions of this Summary Order to Cease and Desist and Order to Produce, including all Orders and Notices set forth herein, also apply to all unnamed owners, partners, members, officers, and agents of the Respondent business entity named above; and it is further

ORDERED that the Resident Agent for the Respondent business entity named above shall provide a copy of this Summary Order to Cease and Desist and Order to Produce to all unnamed owners, partners, members, officers, and agents of that Respondent business entity; and it is further

ORDERED that, pursuant to the Commissioner's authority under FI §§ 2-114 and 11-214 and under CL §§ 14-1217 and 14-1218, Respondent shall provide to the Office of the Commissioner within 15 days of the receipt of this Summary Order to Cease and Desist and Order to Produce:

(a) A detailed list of all loan agreements which Respondent has entered into with Maryland consumers since January 1, 2010, including all of the following information for each loan transaction:

- the name of the consumer;
- the consumer's phone number(s), home address, and e-mail address;
- the date that the agreement with Respondent was formed;
- the original principal amount of the loan;

- the fees or interest payments that the consumer was required to make on the loan;
- the total annual interest rate on the loan;
- the APR on the loan;
- the date that the funds were originally disbursed to the consumer;
- the date that initial payment was due on the loan;
- the number of times that the loan was refinanced or extended;
- for each refinancing or extension of the loan: indicate each new fee or interest payment that was required, and the dates those payments were due;
- the payment history for each loan transaction, including the date and amount of each payment made by the consumer, and how that money was applied to the loan balance (i.e. whether it was applied to interest, to principal, to late fees or other penalties, etc.);
- the total amount of money paid by the consumer on the loan, including any principal, interest, or any other fees that were paid;
- the status of the loan, including the following for each transaction:
 - whether the loan was paid in full, or if still open, whether it is current or allegedly in default;
 - whether the account was referred to a third party collection agency (if so, provide the name of the collection agency);
 - whether the transaction was ever the subject of any arbitration proceedings (if so, detail the outcome of the arbitration proceeding);
 - whether the transaction was ever the subject of any judicial action (if so, provide the name of all third parties representing the Respondent in the action, the location the action was filed, the court in which it was filed, the current status of the case, and if a final judgment has been entered, the amount of the judgment, any liens that were filed or obtained pursuant to that judgment, and the total amount of money paid by the consumer to date pursuant to the action); and
 - whether the debt was sold to another party (if so, provide the name of the party to whom it was sold);
- indicate whether Respondent or any third party collection agency have ever submitted any negative or adverse information concerning the loans to any consumer reporting agency; and
- for loans that are allegedly in default: provide the date of default, the amount of principal, interest, and any other fees that were allegedly owed by the consumer on the loan at the time of default, and the last payment date;

(b) The full names and all addresses for the owners, organizers, directors, managers, loan officers, and other agents acting on behalf of Respondent or any affiliated companies; and

(c) Copies of all lending licenses issued to Respondent or any of the owners, organizers, directors, managers, loan officers, or other agents of Respondent, by the Maryland Commissioner of Financial Regulation or any other state, federal, or foreign governmental entity.

FURTHERMORE,

RESPONDENT IS HEREBY NOTIFIED that, pursuant to FI §§ 2-115(a) and 11-215(b), Respondent is entitled to a hearing before the Commissioner to determine whether this Summary Order to Cease and Desist should be vacated, modified, or entered as a final Order of the Commissioner; and further,

RESPONDENT IS HEREBY NOTIFIED that, pursuant to FI §§ 2-115(a) and 11-215(b), this Summary Order to Cease and Desist will be entered as a final Order of the Commissioner if Respondent does not request a hearing within 15 days of the receipt of this Summary Order to Cease and Desist; and further,

RESPONDENT IS HEREBY NOTIFIED that, pursuant to Md. Code Ann., State Government Art. ("SG") §§ 9-1607.1 and 10-206.1, and in accordance with SG § 10-207(b)(4), business entities are only permitted to request a hearing, and to appear at such hearing, through an attorney authorized to practice law in Maryland at the Respondent's own expense; and further,

RESPONDENT IS HEREBY NOTIFIED that any and all requests for a hearing in this matter must conform to the requirements stated above, must be made in the form of a signed, written request, and must be submitted to the following address:

Enforcement Unit, Administrator
Office of the Commissioner of Financial Regulation
500 North Calvert Street, Suite 402

Baltimore, Maryland 21202;

and further

RESPONDENT IS HEREBY NOTIFIED that, as Respondent's loan transactions with Maryland consumers are all illegal, unenforceable, and uncollectible, all adverse or negative information which Respondent or third party collection agencies acting on Respondent's behalf previously reported to credit reporting agencies concerning these loans was impermissibly and incorrectly reported; and further

RESPONDENT IS HEREBY NOTIFIED that, Respondent's failure to take the corrective actions specified above relating to reporting to credit reporting agencies within 30 days of receipt of this Summary Order to Cease and Desist will be considered as a violation of the relevant credit reporting laws, and will subject Respondent to additional civil fines and penalties; and further

RESPONDENT IS HEREBY NOTIFIED that, pursuant to FI § 2-115(b), as a result of a hearing, or of Respondent's failure to timely request a hearing in the manner described above, the Commissioner may, in the Commissioner's discretion and in addition to taking any other action authorized by law, enter an Order making this Summary Order to Cease and Desist final, issue a penalty order against Respondent imposing a civil penalty up to \$1,000 for the first violation and up to \$5,000 for each subsequent violation, or may take any combination of the aforementioned actions against Respondent. Additionally, pursuant to CL § 12-314(b), the Commissioner may also enter a final order declaring the following: that all consumer loans made by the Respondent in Maryland or otherwise involving Maryland consumers are illegal and unenforceable; and that Respondent "may not receive or retain any principal, interest, or other compensation with respect to [these] loan[s] that [are]

unenforceable.” As such, the Commissioner may enter a final order requiring Respondent to provide restitution to Maryland consumers for all amounts collected on such illegal, unenforceable, and uncollectible loans to date.

MARYLAND COMMISSIONER OF
FINANCIAL REGULATION

4/13/16
Date


By: Teresa M. Louro
Acting Deputy Commissioner

ATTACHMENT A

Consumer ID	Name	Number of Loans	Total Amount Borrowed	Total Amount Paid
Consumer A		2	\$900.00	\$1,810.00
Consumer B		Unknown	Unknown	\$2,510.00
Consumer C		1	Unknown	\$1,300.00
Consumer D		1	\$800.00	\$0
Consumer E		1	\$750.00	\$675.00
Consumer F		2	\$550.00	\$875.00
Consumer G		1	\$350.00	\$420.00
Consumer H		1	\$400.00	\$825.00
Consumer I		1	\$500.00	Unknown