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**State sanctions Medford pawnbroker**  
*Business forfeits \$8,700 for unlawful pawn*

(Salem) — The Oregon Department of Consumer and Business Services (DCBS) has ordered a Medford pawnbroker to forfeit an unlawful pawn and stop violating Oregon pawnbroker laws.

The department's Division of Finance and Corporate Securities (DFCS) received a complaint from a customer of Valley Pawn, dba Valley Pawn & Trading in Medford, that her vehicle – held as collateral on a loan – was sold without her knowledge or consent. The division's investigation found the pawnshop charged an excessive interest rate of 15.6 percent per month; Oregon law limits the rate a pawnbroker may charge to 3 percent per month. The investigation also found that Valley Pawn was not licensed to accept a titled motor vehicle as collateral. Companies must hold a consumer finance license to provide short-term car title loans.

The department ordered Valley Pawn, owner Stephen Ray, and manager Keith Barnes to forfeit the vehicle and return it to the owner, resulting in an \$8,700 loss, and make a \$500 payment to the Jackson County school fund – required by law when a pawnbroker charges excessive interest rates. The payment amount is the interest collected on the loan. The department also levied a \$20,000 civil penalty, suspended as long as Valley Pawn complies with the Oregon Pawnbrokers Act. Any future violations will result in the imposition of the suspended civil penalty and the revocation of Valley Pawn's pawnbroker license.

“In these difficult economic times, licensed pawnbrokers can provide a valuable service to Oregonians; however, they must comply with the law,” said David Tatman, DFCS administrator. “As this case demonstrates, a failure to do so can result in a significant financial loss to the pawnbroker, as well as harm the consumer.”

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit [www.dcbs.oregon.gov](http://www.dcbs.oregon.gov).

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