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### NEWS RELEASE

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## OFI INSTRUMENTAL IN HAVING LOAN SCAM WEB SITES REMOVED *Two sites operated by illegitimate company removed by host servers*

FRANKFORT, Ky. (July 18, 2007) – The Kentucky Office of Financial Institutions (OFI) has been instrumental in having the Web sites for two companies involved in an apparent illegal loan scam removed.

The sites were removed after OFI served subpoenas on the two Internet service providers hosting the sites. The providers then removed the sites for Kentucky Title Loans Inc. ([www.ktlinc.net](http://www.ktlinc.net)) and World Financial Solutions ([www.never-sayno.com](http://www.never-sayno.com)).

The two companies apparently are not legitimate Kentucky lenders and appear to be using names of former Kentucky businesses that are now defunct. The Web sites purported to offer loans at reasonable rates. However, the companies required an up-front payment, and consumers reported that after sending the money to addresses in Canada, they never received a response or a loan.

Officials at OFI said the practice appeared to be a variation of a common loan scam called an advance fee scheme. According to KRS 367.381, it is a violation of the Consumer Protection Act for a loan broker to assess or collect an advance fee from a borrower.

“Consumers should be aware that requiring an advance fee to obtain a loan is illegal, whether it’s through Internet, direct mail or in person,” said David Coyle, director of OFI’s Division of Financial Institutions.

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OFI received the first consumer complaint regarding Kentucky Title Loans on June 25. The OFI Legal Division issued a subpoena on July 2 to the Internet service hosting [www.ktlinc.net](http://www.ktlinc.net), asking for subscriber contact information. OFI issued a cease-and-desist order on July 11 that can be read on OFI's Web site, under "Mortgage Banking Enforcement Actions," at <http://www.kfi.ky.gov/legalresources/>.

A second subpoena was issued on July 11 to the Internet service hosting [www.never-sayno.com](http://www.never-sayno.com), which is a Web site that was similar in design and promised the same type of service. Shortly after receiving the subpoenas, each Web server removed the pages in question. OFI plans to issue a cease-and-desist order against World Financial Solutions.

Consumers can report suspicious loan activities to OFI investigators at 800-223-2579, ext. 226. Those who believe they are victims of an advance fee scheme can file a complaint through OFI's Web site at [www.kfi.ky.gov/consumerinfo/filecomplaintfi.htm](http://www.kfi.ky.gov/consumerinfo/filecomplaintfi.htm). Canadian loan scams can be reported to a Canadian task force at 888-495-8501.

OFI is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet. It licenses, charters and regulates the activities of state-chartered/licensed depository and nondepository financial institutions.