

OCCC CASE NO. L21-00097

IN THE MATTER OF:	§	BEFORE THE
	§	
AOROY MACHINE TOOL	§	OFFICE OF CONSUMER
SERVICES, INC.	§	
3950 AMALFI SHORES CT.	§	CREDIT COMMISSIONER
MISSOURI CITY, TEXAS 77459	§	
	§	STATE OF TEXAS

**AMENDED ORDER TO CEASE AND DESIST
AND TAKE AFFIRMATIVE ACTION**

The Office of the Consumer Credit Commissioner (“OCCC”) issues this Amended Order to Cease and Desist and Take Affirmative Action against Aoroy Machine Tool Services, Inc. (“Aoroy”), based on the violations of law described below.¹ On November 20, 2020, the OCCC issued an Order to Cease and Desist and Take Affirmative Action against Aoroy. This Amended Order supersedes and replaces the Order issued on November 20.

Background

The OCCC licenses and regulates nondepository financial institutions in the State of Texas, including credit access businesses.² Under Chapter 393 of the Texas Finance Code, a person must hold a credit access business license to obtain for a consumer, or assist a consumer in obtaining, a payday loan or motor vehicle title loan.³ To obtain a credit access business license, a person must submit a license application subject to approval by the OCCC.⁴ A person may not use a device, subterfuge, or pretense to evade the application of Chapter 393’s requirements for credit access businesses.⁵

Aoroy is a Texas corporation formed on July 16, 2020, whose sole director is Zhi Hua Ma. The primary business activity of Aoroy is machine tool services.

¹ Tex. Fin. Code § 14.208.

² Tex. Fin. Code § 14.101 (authorizing the OCCC’s commissioner to enforce Chapter 393 with respect to credit access businesses); Tex. Fin. Code Ch. 393 (regulating credit access businesses).

³ Tex. Fin. Code § 393.603 (requiring a license to operate as a credit access business).

⁴ Tex. Fin. Code § 393.604 (requiring a person to file an application to obtain a credit access business license);

⁷ Tex. Admin. Code Ch. 83, Subch. B, Division 3 (describing procedures to file an application to obtain a credit access business license).

⁵ Tex. Fin. Code § 393.602.

Invalid Credit Access Business License

On September 4, 2020, the OCCC received an email from Marton Precision Manufacturing (“Marton”), a California business.⁶ Marton asked the OCCC to confirm the validity of a credit access business license purportedly issued to Aoroy Machine Tools Services, Inc. After searching its records, the OCCC found that this license had not been issued by the OCCC, and was not otherwise valid.

Marton’s business involves aerospace, satellite, defense, scientific instruments, medical and energy industries.⁷ Effective January 1, 2020, a California state law required businesses to classify workers as employees unless the business could prove the worker acted as an independent contractor.⁸ Roy Ma had previously performed work for Marton, and both parties wished to continue the business relationship. Therefore, Marton requested documents from Mr. Ma to prove his status as an independent contractor.

In response, Mr. Ma provided two documents to Marton. The first was a certificate of formation issued by the Texas Secretary of State to Aoroy Machine Tools Services, Inc. The second was an invalid credit access business license purportedly issued by the OCCC on July 16, 2020 under license number 1630024273-163594.

The certificate of formation for Aoroy filed with the Texas Secretary of State lists the address of its registered agent and director (Zhi Hua Ma) as 3950 Amalfi Shores Ct., Missouri City, Texas 77459. The invalid OCCC credit access business license also lists the address for Aoroy as 3950 Amalfi Shores Ct., Missouri City, Texas 77459. The Fort Bend County Appraisal District records show this address as belonging to Roy Ma.

The OCCC has not issued a license to anyone at this address, has not issued a license to Zhi Hua Ma or Roy Ma, has not issued a license to an entity owned or controlled by Zhi Hua Ma or Roy Ma, and has not issued a license to Aoroy Machine Tools Services, Inc. Therefore, the license purportedly issued to Aoroy Machine Tools Services, Inc. is invalid.

⁶ Email dated September 4, 2020, from Denise Duplan to the OCCC.

⁷ <http://martoninc.com/>.

⁸ Cal. Lab. Code § 2750.3; https://edd.ca.gov/Payroll_Taxes/ab-5.htm.

The creation and use of the invalid license is unlawful under the licensing provisions of Chapter 393, Subchapter G, and contravenes the exclusive authority of the OCCC to issue credit access business licenses. Aoroy violated Chapter 393, Subchapter G by engaging in a device, subterfuge, or pretense to evade the licensing requirements of Chapter 393, Subchapter G.⁹

Authority

The Commissioner may issue an order to cease and desist from the violation, an order to take affirmative action, or both if the Commissioner has reasonable cause to believe that a person is violating Chapter 393 of the Texas Finance Code.¹⁰

Order

IT IS ORDERED that Aoroy Machine Tool Services, Inc.:

1. Cease and desist engaging in a device, subterfuge, or pretense to evade the requirements of Texas Finance Code, Chapter 393, Subchapter G;
2. Cease and desist from creating, using, or transferring an invalid license purporting to be issued by the Office of the Consumer Credit Commissioner;
3. No later than 30 days after the date of this order, submit a report:
 - a. Identifying all persons from whom it received an invalid OCCC license, including the person's mailing address, telephone number, and email address,
 - b. Identifying all persons to whom it provided an invalid OCCC license, including the person's mailing address, telephone number, and email address,
 - c. Affirming that it will cease and desist from creating, using, or transferring an invalid OCCC license for any purpose.
4. The report must be sent to Michael Rigby, the OCCC's General Counsel, by mail to 2601 N. Lamar Blvd., Austin, Texas 78705, or by email to michael.rigby@occc.texas.gov

⁹ Tex. Fin. Code § 393.602(c).

¹⁰ Tex. Fin. Code § 14.208(a).

Violation of Order

If you violate this Order, the OCCC may impose an administrative penalty of up to \$1,000 per day.¹¹

Right to Request Hearing

Aoroy has the right to request a hearing regarding this Order.¹² Aoroy's request must be made in writing and sent to the OCCC not later than 30 days after the date of this Order. Aoroy must send its request to Michael Rigby, General Counsel, by mail to 2601 N. Lamar Blvd., Austin, Texas 78705, or by email to michael.rigby@occc.texas.gov.

If Aoroy requests a hearing, a hearing on this matter will be set and conducted in accordance with Chapter 2001 of the Texas Government Code.¹³ If Aoroy fails to request a hearing by this deadline, this Order is considered final and enforceable.¹⁴

All communications with the OCCC concerning this matter must be through Michael Rigby, General Counsel, who may be contacted by mail at 2601 N. Lamar Blvd., Austin, Texas 78705, by telephone at (512) 936-7623, or by email to michael.rigby@occc.texas.gov.

Signed this 21st day of January, 2021.

/s/ Leslie Pettijohn
Leslie L. Pettijohn
Consumer Credit Commissioner
State of Texas

¹¹ Tex. Fin. Code § 14.208(c).

¹² Tex. Fin. Code § 14.208(b).

¹³ Tex. Fin. Code § 14.208(b).

¹⁴ Tex. Fin. Code § 14.208(c).

CERTIFICATE OF SERVICE

I certify that on January 21, 2021, a true and correct copy of this Amended Order to Cease and Desist and Take Affirmative Action has been sent to Aoroy Machine Tool Services, Inc. by the following methods:

Aoroy Machine Tool Services, Inc.
Attn: Zhi Hua Ma, Director and
Registered Agent
3950 Amalfi Shores Ct.
Missouri City, Texas 77459

- hand-delivery
- facsimile
- electronic mail
- regular mail
- certified mail, return receipt requested
#9214 8901 9403 8300 0030 1338 76

/s/Michael Rigby
Michael Rigby
General Counsel
Office of Consumer Credit Commissioner
State Bar No. 50511925
2601 North Lamar Blvd.
Austin, Texas 78705
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