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DEPT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION
OLYMPIA, WASHINGTON *dl*

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Check Cashers and Sellers Act of Washington
by:

NO. C-06-014-07-CO01

DEE MALLORY, dba CHECK 2 CHECK, and
DEE DIETT MALLORY, Owner,

CONSENT ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Dee Mallory, individually and as owner of Dee Mallory, dba Check 2 Check (collectively Respondents), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 31.45 of Revised Code of Washington (RCW) and RCW 34.05.060 of the Administrative Procedure Act based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-06-014-07-SC01 (Statement of Charges), entered August 3, 2007, (copy attached hereto). Pursuant to chapter 31.45 RCW, the Check Cashers and Sellers Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above captioned matter may be economically and efficiently settled by

1 entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of
2 Charges. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms
3 of this Consent Order.

4 Based upon the foregoing:

5 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of
6 the activities discussed herein.

7 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
8 hearing before an administrative law judge, and that they have waived their right to a hearing and any and
9 all administrative and judicial review of the issues raised in this matter, or of the resolution reached
10 herein.

11 **C. Prohibition from Industry.** It is AGREED that Respondents are prohibited from
12 participating in the conduct of the affairs of any check casher or payday lender licensed by the
13 Department for the duration of their natural life following the entry of this Consent Order, in any
14 capacity, including but not limited to: (1) any financial capacity whether active or passive, or (2) as an
15 owner, officer, director, principal, or employee, or (3) any management, control, oversight, or authority
16 whatsoever.

17 **D. Application for Check Casher or Seller License.** It is AGREED that Respondents shall not
18 apply to the Department for any license issued pursuant to chapter 31.45 RCW under any name for the
19 period of prohibition set forth above.

20 **E. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to
21 abide by the terms and conditions of this Consent Order may result in further legal action by the
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1 Director. In the event of such legal action, Respondents may be responsible to reimburse the Director
2 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

3 F. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily
4 entered into this Consent Order, which is effective when signed by the Director's designee.

5 G. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
6 this Consent Order in its entirety and fully understand and agree to all of the same.

7 **RESPONDENTS:**

8 **Dee Mallory, dba Check 2 Check**

9 By:

10 Dee Mallory
11 Dee Mallory
12 Owner

11/23/07
Date

13 Dee Mallory
14 Dee Mallory
15 Individually

11/23/07
Date

16 **DO NOT WRITE BELOW THIS LINE**

17
18 THIS ORDER ENTERED THIS 3rd DAY OF December, 2007.



Deborah Bortner
DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Check Cashers and Sellers Act of Washington by:

DEE MALLORY, dba CHECK 2 CHECK, and
DEE DIETT MALLORY, Owner,

Respondents.

NO. C-06-014-07-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO BAN FROM INDUSTRY, COLLECT
ANNUAL ASSESSMENT LATE FEE, IMPOSE FINE,
AND COLLECT INVESTIGATION FEE

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INTRODUCTION

Pursuant to RCW 31.45.110 and RCW 31.45.200, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.45 RCW, the Check Cashers and Sellers Act (Act). After having conducted an investigation pursuant to RCW 31.45.100, and based upon the facts available as of the date of this document, the Director institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Dee Mallory, dba Check 2 Check (Respondent Check 2 Check)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a check casher with a small loan endorsement on December 22, 2004. Respondent Check 2 Check was licensed to conduct the business of a check casher with a small loan endorsement at one (1) location. Respondent Check 2 Check surrendered its license effective July 13, 2006.

B. **Dee Diett Mallory (Respondent Mallory)** is the Owner of Respondent Check 2 Check.

1.2 Failure to Comply with Director's Authority. On June 14, 2006, the Department notified Respondents by U.S. mail that the Department would commence an examination of Respondents' records on

1 July 17, 2006, at Respondents' records location in Clarkston, Washington. On July 10, 2006, a person
2 representing himself as Respondent Mallory's husband contacted the Department and stated he was removing
3 all of Respondents' records to a location in Nevada. Mr. Mallory agreed, however, to send the records to the
4 Department after his accountant had an opportunity to review them. Mallory never sent the records, however.

5 **1.3 Annual Report.** For licensees on a calendar year, an Annual Assessment Worksheet and Consolidated
6 Annual Report, as well as the annual assessment calculated thereon, are due to the Department on or before the
7 fifteenth day of April of each year, concerning the business and operations of each licensed place of business
8 conducted during the preceding calendar year. To date, Respondents, who were on a calendar year, have not
9 provided the Annual Assessment Worksheet and Consolidated Annual Report for the following calendar year
10 2005, which was due by April 15, 2006.

11 **1.4 Annual Assessment Late Fee.** On May 12, 2006, Respondents paid the maximum annual assessment
12 of \$513.95 without providing the Annual Assessment Worksheet and Consolidated Annual Report upon which
13 the annual assessment is calculated. Respondents failed, however, to pay the 25% late fee of \$128.49 required
14 by WAC 208-630-410.

15 **1.5 Closing Annual Report.** A licensee surrendering its license is required to submit on or before one
16 hundred five (105) days after the effective date of such surrender, a Closing Annual Report covering the twelve
17 months ending with the closure date. The effective closing date for Respondents was July 13, 2006. As a
18 result, Respondents' Closing Annual Report was due on or before October 26, 2006. To date, Respondents
19 have failed to submit its Closing Annual Report.

20 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
21 Respondents continues to date.

22 II. GROUNDS FOR ENTRY OF ORDER

23 **2.1 Failure to Comply with Director's Authority.** Based on the Factual Allegations set forth in Section I
24 above, Respondents are in apparent violation of RCW 31.45.100 for failing to make their records available for
25 the Director's examination.

1 **2.2 Requirement to File Annual Report.** Based on the Factual Allegations set forth in Section I above,
2 Respondents are in apparent violation of RCW 31.45.090(1) for failing to submit an Annual Report to the
3 Director within one hundred five days after the close of each calendar year.

4 **2.3 Requirement to Pay Annual Assessment Late Fee.** Based on the Factual Allegations set forth in
5 Section I above, Respondents are in apparent violation of RCW 31.45.050(2) for failing to pay to the Director a
6 late fee assessed for paying an annual assessment fee later than one hundred five days after the close of a
7 calendar fiscal year.

8 **2.4 Requirement to File Closing Annual Report.** Based on the Factual Allegations set forth in Section I
9 above, Respondents are in apparent violation of RCW 31.45.090(2) and WAC 208-630-890 for failing to
10 submit a Closing Annual Report to the Director within one hundred five days after the surrender of
11 Respondents' license.

12 **III. AUTHORITY TO ENTER ORDER**

13 **3.1 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a fine, not to
14 exceed one hundred dollars per day for each day's violation of the Act, on any licensee, or any director,
15 officer, sole proprietor, partner, controlling person, or employee that is violating or has violated the Act,
16 including rules and orders.

17 **3.2 Authority to Remove and Ban from the Industry.** Pursuant to RCW 31.45.110(2)(e), the Director
18 may remove from office or ban from participation in the conduct of the affairs of any licensee any director,
19 officer, sole proprietor, partner, controlling person, or employee that is violating or has violated the Act,
20 including rules and orders.

21 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100, and WAC 208-
22 630-380, the Director shall collect from the licensee the actual cost of an investigation of the business, books,
23 accounts, records, files, or other information of a licensee or person who the Director has reason to believe is
24 engaging in the business governed by the Act. The investigation charge will be calculated at the rate of sixty-nine
25 dollars (\$69.00) per hour that each staff person devoted to the investigation, plus actual expenses.

1 **IV. NOTICE OF INTENTION TO ENTER ORDER**

2 Respondents' violations of the provisions of chapter 31.45 RCW and chapter 208-630 WAC, as set forth in
3 the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under
4 RCW 31.45.110 and RCW 31.45.200. Therefore, it is the Director's intention to ORDER that:

- 5 **4.1** Respondents Dee Mallory, dba Check 2 Check and Dee Diett Mallory jointly and severally pay a
6 fine of \$5,000.
- 7 **4.2** Respondents Dee Mallory, dba Check 2 Check and Dee Diett Mallory jointly and severally pay a late
8 fee of \$128.49 for paying the 2005 annual assessment after April 15, 2006, and
- 9 **4.3** Respondent Dee Mallory, dba Check 2 Check be banned from participation in the conduct of the
10 affairs of any check casher or check casher with a small loan endorsement or check seller subject to
11 licensure by the Director, in any manner, for a period of five (5) years; and
- 12 **4.4** Respondent Dee Diett Mallory be banned from participation in the conduct of the affairs of any
13 check casher or check casher with a small loan endorsement or check seller subject to licensure by
14 the Director, in any manner, for a period of five (5) years; and
- 15 **4.5** Respondents Dee Mallory, dba Check 2 Check and Dee Diett Mallory jointly and severally pay an
16 investigation fee in the amount of \$828, calculated at \$69.00 per hour for twelve (12) staff hours
17 devoted to the investigation.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Ban From Industry, Collect Annual Assessment Late Fee, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 31.45.110 and RCW 31.45.200, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 3rd day of August, 2007.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions


Presented by:



STEVEN C. SHERMAN
Financial Legal Examiner



Approved by:


JAMES R. BRUSSELBACK
Enforcement Chief