

Terms Completed

ORDER SUMMARY – Case Number: C-09-114

Name(s): Ambassador Financial Services Inc dba Nationwide Cash

Order Number: C-09-114-09-CO01

Effective Date: June 9, 2010

License Number: n/a

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
If applicable, you must specifically note the ending dates of terms.

License Effect: n/a

Not Apply Until: n/a

Not Eligible Until: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$1,173	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$15,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$25,848	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: Restitution to consumers of fees obtained in excess of amount loaned.

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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:

NO. C-09-114-09-CO01

AMBASSADOR FINANCIAL SERVICES INC
d/b/a NATIONWIDE CASH,

CONSENT ORDER

Respondent.

9 COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
10 Deborah Bortner, Division Director, Division of Consumer Services, and Ambassador Financial Services Inc d/b/a
11 Nationwide Cash (hereinafter Respondent), and finding that the issues raised in the above-captioned matter may
12 be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered
13 pursuant to chapter 31.45 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative
14 Procedure Act, based on the following:

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AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent
have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-09-114-09-SC01
(Statement of Charges), entered October 14, 2009, (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, Respondent
hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the
above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties
intend this Consent Order to fully resolve the Statement of Charges.

23 Based upon the foregoing:
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CONSENT ORDER
C-09-114-09-CO01
AMBASSADOR FINANCIAL SERVICE INC d/b/a
NATIONWIDE CASH

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

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

3 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing
4 before an administrative law judge, and that it hereby waives its right to a hearing and any and all administrative
5 and judicial review of the issues raised in this matter, or of the resolution reached herein.

6 C. **Cease and Desist.** It is AGREED that Respondent will not engage in the business of a check casher,
7 check seller, or payday lender as defined by Chapter 31.45 RCW with Washington residents unless and until
8 Respondent obtains a license and small loan endorsement from the Department.

9 D. **Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$15,000, in the form of a
10 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

11 E. **Restitution.** It is AGREED that prior to the entry of this Consent Order, Respondent paid restitution
12 to the consumers identified in the attached Restitution Schedule. Such payments were made in the form of a check
13 and were sent to borrowers' last known address via the United States mail. Respondent included a letter with each
14 check notifying the borrower that the check was a refund and that the borrower had 30 days to cash the check or
15 the refund amount would be provided to the State Department of Revenue as unclaimed property. Respondent
16 provided the Department with a signed affidavit attesting to mailing the checks, and a copy of the checks mailed
17 (each with the accompanying explanatory cover letter). All checks that were not returned as undeliverable, but
18 were not cashed within 30 days of mailing, were immediately turned over to the State Department of Revenue,
19 pursuant to Department of Revenue procedures, as unclaimed property. A list of such checks was provided to the
20 Department. Further, Respondent notified the Department of all checks that were returned as undeliverable and
21 the Department attempted to locate a current address. Upon notification by the Department that no new address
22 was available, Respondent immediately sent the refund amounts to the State Department of Revenue, pursuant to
23 Department of Revenue procedures, as unclaimed property.

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1 F. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation fee
2 of \$1,173, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this
3 Consent Order.

4 G. **Authority to Execute Order.** It is AGREED that the undersigned Respondent represented and
5 warranted that it has the full power and right to execute this Consent Order on behalf of the parties represented.

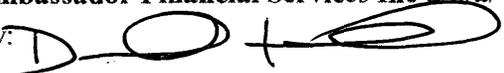
6 H. **Non-Compliance with Order.** It is AGREED that Respondent understands that failure to abide
7 by the terms and conditions of this Consent Order may result in further legal action by the Director. In the
8 event of such legal action, Respondent may be responsible to reimburse the Director for the cost incurred in
9 pursuing such action, including but not limited to, attorney fees.

10 I. **Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into
11 this Consent Order, which is effective when signed by the Director's designee.

12 J. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this Consent
13 Order in its entirety and fully understands and agrees to all of the same.

14 **RESPONDENT:**

15 **Ambassador Financial Services Inc d/b/a/ Nationwide Cash**

16 By: 

17 David Frascella

1/26/10

18 Print Name
19 Title(s) President

Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 9th DAY OF June, ~~2009~~ ^{2010 DEC 4/20/12}



Deborah Bortner

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Marnie Sheeran

MARNIE SHEERAN
Financial Legal Examiner

Approved by:

James R. Brusselback

JAMES R. BRUSSELBACK
Enforcement Chief

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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:

AMBASSADOR FINANCIAL SERVICES INC
d/b/a NATIONWIDE CASH,

Respondent.

NO. C-09-114-09-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO BAN FROM INDUSTRY, IMPOSE
FINE, ORDER RESTITUTION, 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 Statement of Charges, the Director, through his designee Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Ambassador Financial Services Inc d/b/a Nationwide Cash (Respondent) is known to have conducted the business of a payday lender via the internet with consumers located in the State of Washington. Respondent has never been licensed or endorsed by the Department of Financial Institutions of the State of Washington (Department) to conduct the business of a payday lender.

1.2 Unlicensed Activity. Respondent was engaged in the business of a payday lender or made small loans, via the internet, to borrowers located in the State of Washington from at least January 1, 2007, through at least December 25, 2007. To date the Department has not issued a check seller or check casher's license or small loan endorsement to Respondent.

1.3 The Department received complaints from two separate State of Washington residents regarding payday loans received via the internet from Respondent. The Department reviewed loan documents related to

1 the loans received by the two consumers as part of its investigation. The Department found violations of the
2 Act as outlined below.

3 **1.4 Charging Interest or Fees in Excess of Statutory Maximum.** Respondent charged interest or fees for
4 small loans exceeding the aggregate of fifteen percent of the first five hundred dollars of principal, or, on loans
5 with principal over five hundred dollars, Respondent charged interest or fees exceeding ten percent on that
6 portion of the principal in excess of the first five hundred dollars.

7 **1.5 Charging Returned Check Fees in Excess of Statutory Maximum.** Respondent charged returned or
8 dishonored check fees in excess of twenty-five dollars.

9 **1.6 Allowing Use of a New Small Loan to Pay Off an Existing Small Loan.** Respondent, routinely and
10 as part of its loan agreements, allowed consumers to use a new small loan to pay off an existing small loan held
11 by Respondent.

12 **1.7 Failure to Comply with Investigation.** On or about May 9, 2007, the Department issued a subpoena
13 to Respondent, which required Respondent to provide certain information and documents on or before May 24,
14 2007. The subpoena was delivered via Federal Express overnight delivery on May 10, 2007. Respondent did
15 not respond.

16 **1.8** On or about May 18, 2009, the Department issued a subpoena to Respondent, which required
17 Respondent to provide certain information and documents on or before by May 30, 2009. The subpoena was
18 delivered via Federal Express overnight delivery on May 19, 2009. On or about June 1, 2009, the Department
19 received a letter from Respondent, but Respondent did not provide the information or documents requested.

20 **1.9** On or about July 16, 2009, the Department issued a Directive, requiring Respondent to comply with the
21 Department's May 18, 2009, subpoena by August 3, 2009. The Directive was delivered via Federal Express
22 overnight delivery on July 17, 2009. While Respondent provided some documents on or about July 21, 2009,
23 Respondent did not fully or timely comply with the Department's subpoenas.

24 **1.10 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
25 Respondent continues to date.

1 **II. GROUNDS FOR ENTRY OF ORDER**

2 **2.1 Definition of Check Casher.** Pursuant to RCW 31.45.010(5), a "Check Casher" is defined as an
3 individual, partnership, unincorporated association, or corporation that, for compensation, engages, in whole or
4 in part, in the business of cashing checks, drafts, money orders, or other commercial paper serving the same
5 purpose.

6 **2.2 Definition of Check Seller.** Pursuant to RCW 31.45.010(6), a "Check Seller" means and individual,
7 partnership, unincorporated association, or corporation that, for compensation, engages, in whole or in part, in
8 the business of or selling checks, drafts, money orders, or other commercial paper serving the same purpose.

9 **2.3 Definition of Small Loan.** Pursuant to RCW 31.45.010(19), a "Small Loan" is defined as a loan up to
10 the maximum amount and for a period of time up to the maximum term specified in RCW 31.45.073.

11 **2.4 Definition of Licensee.** Pursuant to RCW 31.45.010(12), a "Licensee" is defined as a check casher or
12 seller licensed by the director to engage in business in accordance with the Act. For the purpose of the
13 enforcement powers of the Act, "licensee" also means a check casher or seller who fails to obtain the license
14 required by the Act.

15 **2.5 Requirement to Obtain a Check Casher or Seller License.** Based on the Factual Allegations set
16 forth in Section I above, Respondent is in apparent violation of RCW 31.45.030(1) for engaging in the business
17 of a check casher or seller without first obtaining a license from the Director.

18 **2.6 Requirement to Obtain a Small Loan Endorsement.** Based on the Factual Allegations set forth in
19 Section I above, Respondent is in apparent violation of RCW 31.45.040(1), RCW 31.45.073(1), RCW
20 31.45.079, and RCW 31.45.105(1)(d) for engaging in the business of making small loans without first obtaining
21 a small loan endorsement from the Director.

22 **2.7 Statutory Maximum Interest or Fees on Small Loan.** Based on the Factual Allegations set forth in
23 Section I above, Respondent is in apparent violation of RCW 31.45.073(3) for charging interest or fees for
24 small loans exceeding in the aggregate fifteen percent of the first five hundred dollars of principal or ten
25 percent of that portion of principal in excess of the first five hundred dollars.

1 **2.8 Statutory Prohibition on Use of New Small Loan to Pay Off Existing Small Loan.** Based on the
2 Factual Allegations set forth in Section I above, Respondent is in apparent violation of WAC 208-630-770 for
3 allowing consumers to use a new small loan to pay off an existing small loan held by Respondent.

4 **2.9 Statutory Maximum Dishonored or Returned Check Fee.** Based on the Factual Allegations set forth
5 in Section I above, Respondent is in apparent violation of RCW 31.45.082 and WAC 208-630-750(2) for
6 charging dishonored or returned check fees in excess of twenty-five dollars.

7 **2.10 Requirement to Comply with Investigation.** Based on the Factual Allegations set forth in Section I
8 above, Respondent is in apparent violation of RCW 31.45.100, WAC 208-630-320, and WAC 208-630-370 for
9 failing to comply with the Department's investigation authority.

10 III. AUTHORITY TO IMPOSE SANCTIONS

11 **3.1 Authority to Ban from the Industry.** Pursuant to RCW 31.45.110(2)(e), the Director may remove
12 from office or ban from participation in the conduct of the affairs of any licensee any director, officer, sole
13 proprietor, partner, controlling person, or employee of a licensee that is violating or has violated the Act
14 including rules and orders, or commits any act or engages in conduct that demonstrates incompetence or
15 untrustworthiness, or is a source of injury or loss to the public.

16 **3.2 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a fine, not to
17 exceed one hundred dollars per day for each day's violation of the Act, on any licensee or applicant, or any
18 director, officer, sole proprietor, partner, controlling person, or employee of a licensee or applicant, that is
19 violating or has violated the Act including rules and orders, or commits any act or engages in conduct that
20 demonstrates incompetence or untrustworthiness, or is a source of injury or loss to the public.

21 **3.3 Authority to Order Restitution.** Pursuant to RCW 31.45.110(2)(d), the Director may order any
22 licensee, or any director, officer, sole proprietor, partner, controlling person, or employee of a licensee to pay
23 restitution to borrowers or other parties damaged by the licensee's violation of this chapter or take other
24 affirmative action as necessary to comply with this chapter.

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1 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1) and WAC 208-630-380 the
2 Director shall collect from the licensee the actual cost of an examination or investigation of the business, books,
3 accounts, records, files, or other information of a licensee or person who the Director has reason to believe is
4 engaging in the business governed by the Act. The investigation charge will be calculated at the rate of sixty-nine
5 dollars (\$69) per hour that each staff person devoted to the investigation, plus actual expenses.

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

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

10 **4.1** Respondent Ambassador Financial Services Inc d/b/a Nationwide Cash be banned from participation in the
11 conduct of the affairs of any check seller, check casher or check casher with a small loan endorsement
subject to licensure by the Director, in any manner, for a period of five (5) years; and

12 **4.2** Respondent Ambassador Financial Services Inc d/b/a Nationwide Cash pay a fine, which as of the date of
13 these charges totals, \$25,000; and

14 **4.3** Respondent Ambassador Financial Services Inc d/b/a Nationwide Cash refund all fees or monies it
15 collected from the borrowers listed in paragraphs 1.2 through 1.6 and notify all consumer reporting
agencies to delete all references to the transactions between Respondent Ambassador Financial Services
Inc d/b/a Nationwide Cash and the borrower from their records; and

16 **4.4** Respondent Ambassador Financial Services Inc d/b/a Nationwide Cash pay an investigation fee in the
17 amount of \$1,173, calculated at \$69 per hour for seventeen (17) staff hours, as of the date of these charges,
devoted to the investigation; and

18 **4.5** Respondent Ambassador Financial Services Inc d/b/a Nationwide Cash shall maintain records in
19 compliance with the Act and provide the Department with the location of the books, records and other
information relating to Respondent's business, and the name, address and telephone number of the
individual responsible for maintenance of such records in compliance with the Act.

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1 **IV. AUTHORITY AND PROCEDURE**

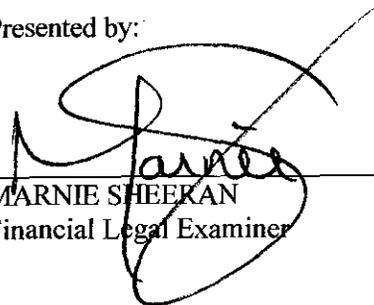
2 This Statement of Charges and Notice of Intention to Ban From Industry, Impose Fine, Order
3 Restitution, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of
4 RCW 31.45.110 and RCW 31.45.200, and is subject to the provisions of chapter 34.05 RCW (The
5 Administrative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

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9 Dated this 14th day of October, 2009.

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11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 
17 MARNIE SHEERAN
18 Financial Legal Examiner



19 Approved by:

20 
21 JAMES R. BRUSSELBACK
22 Enforcement Chief