

# Terms Completed

## ORDER SUMMARY – Case Number: C-10-063

**Name(s):** QR Lending, Inc.

**Order Number:** C-10-063-11-CO01

**Effective Date:** March 2, 2011

**License Number:** DFI: 53436 [NMLS: 1598]

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)

**License Effect:** n/a  
If applicable, you must specifically note the ending dates of terms.

**Not Apply Until:** n/a

**Not Eligible Until:** \_\_\_\_\_

**Prohibition/Ban Until:** n/a

<b>Investigation Costs</b>	\$1,104.16	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$18,500	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

**Comments:** \_\_\_\_\_

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FEB 28 2011

ENFORCEMENT UNIT  
DIVISION OF CONSUMER SERVICES  
DEPT OF FINANCIAL INSTITUTIONS

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

No.: C-10-063-11-CO01

CONSENT ORDER

QR LENDING, INC.,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and QR Lending, Inc. (Respondent) and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 31.04 of the 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 Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-10-063-10-SC01 (Statement of Charges), entered November 30, 2010, (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan 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.

Based on the Foregoing:

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

1           **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a  
2 hearing before an administrative law judge, and hereby waives its right to a hearing and any and all  
3 administrative and judicial review of the issues raised in this matter, or of the resolution reached  
4 herein. Accordingly, Respondent, by the signature of its representative below, withdraws its appeal  
5 to the Office of Administrative Hearings.

6           **C. Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$18,500, in  
7 the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this  
8 Consent Order.

9           **D. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an  
10 investigation fee of \$1,104.16, in the form of a cashier's check made payable to the "Washington  
11 State Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid  
12 together in one \$19,604.16 cashier's check made payable to the "Washington State Treasurer."

13           **E. License Application.** It is AGREED that nothing in this Consent Order, or the facts  
14 giving rise to, or underlying the Statement of Charges, will be considered by the Department in the  
15 assessment of Respondent's license application.

16           **F. Maintain Records.** It is AGREED that Respondent will maintain records in compliance  
17 with the Act and provide the Director with the location of the books, records, and other information  
18 relating to Respondent's consumer loan business, and the name, address, and telephone number of the  
19 individual responsible for maintenance of such records in compliance with the Act.

20           **G. Authority to Execute Order.** It is AGREED that the undersigned has represented and  
21 warranted that he has the full power and right to execute this Consent Order on behalf of the party  
22 represented.

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

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

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

9 **RESPONDENTS:**

10 **QR Lending, Inc.**

11 By:

12 

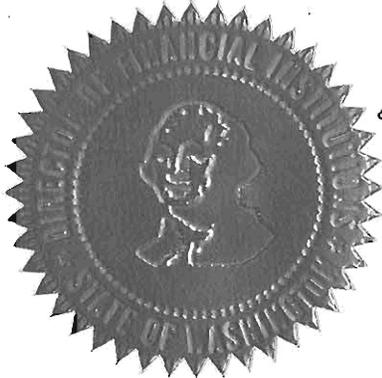
13 Peter T. Sorce  
14 Executive Vice President and CFO

Feb. 17<sup>th</sup>, 2011

Date

15 **DO NOT WRITE BELOW THIS LINE**

16 THIS ORDER ENTERED THIS 2<sup>nd</sup> DAY OF March, 2011

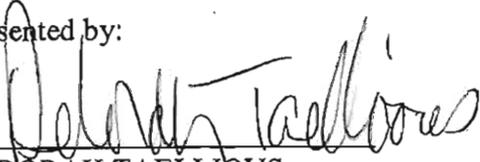


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23 DEBORAH BORTNER  
24 Director  
Division of Consumer Services  
Department of Financial Institutions

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1 Presented by:



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3 DEBORAH TAEILLIOUS  
Financial Legal Examiner

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5 Approved by:



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7 JAMES R. BRUSSELBACK  
Enforcement Chief

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1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 CONSUMER SERVICES DIVISION

4 IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

5 QR LENDING, INC.,

6 Respondent.

NO. C-10-063-10-SC01

STATEMENT OF CHARGES and NOTICE OF  
INTENTION TO ENTER AN ORDER TO IMPOSE  
FINE AND COLLECT INVESTIGATION FEES

7 INTRODUCTION

8 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions  
9 of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer  
10 Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts  
11 available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer  
12 Services Director Deborah Bortner, institutes this proceeding and finds as follows:

13 I. FACTUAL ALLEGATIONS

14 **1.1 Respondent QR Lending, Inc.** (Respondent) is headquartered at 555 Zor Shrine Place, Suite 100,  
15 Madison, Wisconsin. Respondent has never been licensed by the Department of Financial Institutions of the  
16 State of Washington (Department) to conduct business as a consumer loan company in the State of Washington.  
The Respondent applied for a consumer loan license with the Department on or about February 26, 2010.

17 **1.2 Unlicensed Activity.** Between at least January 1, 2008, and July 31, 2010, Respondent performed the  
18 business of a consumer loan company in at least 42 residential mortgage loan transactions when it was not  
19 exempt from licensing or did not possess a valid license.

20 **1.3 On-Going Investigation:** The Department's investigation into the alleged violations of the Act by  
21 Respondent continues to date.

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**II. GROUNDS FOR ENTRY OF ORDER**

**2.1 Requirement to Obtain and Maintain License.** Based on the factual allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.035 for engaging in the business as a consumer loan company without first obtaining and maintaining a license in accordance with the Act.

**III. AUTHORITY TO IMPOSE SANCTION**

**3.1 Authority to Impose Fine:** Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one hundred dollars per day upon the licensee for any violation of the Act or failure to comply with any order or subpoena issued by the Director under the Act.

**3.2 Authority to Charge Investigation Fees:** Pursuant to RCW 31.04.145(3) and WAC 208-620-590, every licensee investigated by the Department shall pay for the cost of the examination or investigation, calculated at the rate of \$69.01 per staff hour.

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

Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set forth in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165 and RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

- 4.1 Respondent QR Lending, Inc. pay a fine which as of the date of these charges totals \$36,500;
- 4.2 Respondent QR Lending, Inc. pay an investigation fee, which as of the date of these charges totals \$1,104.16, calculated at \$69.01 per hour for 16 staff hours devoted to the investigation; and
- 4.3 Respondent QR Lending Inc. maintain records in compliance with the Act and provide the Director with the location of the books, records and other information relating to Respondent QR Lending, Inc.'s consumer loan company 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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V. AUTHORITY AND PROCEDURE

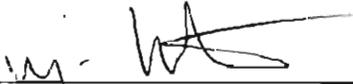
This Statement of Charges and Notice of Intention to Enter an Order Impose Fine and Collect Investigation Fees is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202 and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent 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 30<sup>th</sup> day of November, 2010.



DEBORAH BORTNER  
Director and Enforcement Chief  
Division of Consumer Services  
Department of Financial Institutions

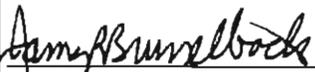
Presented by:



WILLIAM HALSTEAD  
Financial Legal Examiner



Approved by:



JAMES R. BRUSSELBACK  
Enforcement Chief