

# Terms Completed

## ORDER SUMMARY – Case Number: C-10-119

**Name(s):** Moneytree, Inc.

**Order Number:** C-10-119-11-CO01

**Effective Date:** July 6, 2011

**License Number:** DFI: 16489

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)

**License Effect:** 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>	\$8,971.30	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$34,322	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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JUL 06 2011

1 STATE OF WASHINGTON  
2 DEPT. OF FINANCIAL INSTITUTIONS DEPARTMENT OF FINANCIAL INSTITUTIONS  
OLYMPIA, WASHINGTON DIVISION OF CONSUMER SERVICES

3 IN THE MATTER OF DETERMINING: No. C-10-119-11-CO01  
4 Whether there has been a violation of the Check Cashers and Sellers Act of Washington by: CONSENT AGREEMENT  
5 MONEYTREE, INC.,  
Respondent.

6  
7 COMES NOW the Director of the Department of Financial Institutions (Director), through his  
8 designee Deborah Bortner, Division Director, Division of Consumer Services, and Moneytree, Inc.  
9 (Moneytree), and agree to the entry of this Consent Agreement based on the following:

10 AGREEMENT

11 The Department of Financial Institutions, Division of Consumer Services (Department) and  
12 Respondent have agreed upon a basis for resolution of the Final Decision and Order Affirming Initial  
13 Order, No. C-10-119-10-FO1 (Final Order), entered on March 15, 2011, and matters alleged in  
14 Statement of Charges, No. C-10-119-11-SC01 (Statement of Charges), entered March 24, 2011.  
15 Pursuant to Chapter 31.45 RCW, the Check Cashers and Sellers Act (Act), and RCW 34.05.060 of  
16 the Administrative Procedure Act, Respondent agrees to the Department's entry of this Consent  
17 Agreement and further agrees that all issues raised in the above-referenced matters are hereby settled  
18 in their entirety by entry of this Consent Agreement.

18 Based upon the foregoing:

19 A. **Withdrawal of Appeal and Dismissal.** Upon entry of this Consent Agreement, the  
20 Respondent agrees to forgo all administrative and judicial review of the Final Order, and it waives  
21 its right to a hearing and any and all administrative and judicial review of the issues raised in the  
22 Statement of Charges, or of the resolution reached herein. Upon entry of this Consent Agreement,  
23 Respondent agrees to dismiss its Petition before King County Superior Court in Cause No. 11-2-  
13760-1 SEA, with prejudice.

1           **B. Limitation on Rescissions of Small Loans.** Respondent agrees not to permit  
2 borrowers to rescind a small loan more than one business day after the origination of such small  
3 loan; provided however, Respondent may administratively close a small loan if the loan cannot be  
4 processed because of an unintentional bona fide error, such as transposition of numbers or other data  
5 entry error, mathematical error, computer or network malfunction, programming or printing error, or  
6 if the loan cannot be funded because of an action or inaction of the customer.

7           **C. Legislative Changes to the Act.** In the event of any future legislative changes to the  
8 Act or any administrative changes to the Regulations which affect or change the requirements  
9 relating to rescission of small loans, Respondent shall comply with such changes in the Act and/or  
10 Regulations.

11           **D. No Admission of Liability.** It is agreed that Respondent does not admit to any  
12 violations of the Act by entry of this Consent Agreement and that the Department shall not refer or  
13 cite to this Consent Agreement as constituting an admission of wrongdoing. It is further the intent of  
14 the parties that this Consent Agreement should not be admissible in any other proceeding as  
15 evidence of wrongdoing or a concession of responsibility.

16           **E. Payment of Investigative Fees.** It is agreed that Respondent shall pay to the  
17 Department the investigative fee set forth in the Statement of Charges in the amount of \$8,971.30. It  
18 is further agreed that this payment will be in the form of a cashier's check made payable to the  
19 "Washington State Treasurer" and shall be made upon entry of this Consent Agreement.

20           **F. Restitution.** Respondent shall not be required to make restitution payments to any  
21 borrowers.

22           **G. Monetary Penalty.** It is agreed that Respondent will pay a monetary penalty to the  
23 Department in the amount of \$34,332 in the form of a cashier's check made payable to the  
24 "Washington State Treasurer" and will be made upon entry of this Consent Agreement. Respondent  
may pay both the investigation fee and the monetary penalty in the form of a single cashier's check  
in the amount of \$43,303.30 made payable to the "Washington State Treasurer."

1 H. **Release.** It is agreed that this Consent Agreement fully and finally resolves the Final  
2 Order and the Statement of Charges, and concludes the investigation by the Department and any  
3 other action that the Department could commence under the Check Cashers and Sellers Act, RCW  
4 31.45 *et seq.*, in connection with the transactions that are the subject of the Statement of Charges  
5 and/or the Final Order.

6 I. **Third Party Rights/Private Right of Action.** It is agreed that this Consent  
7 Agreement is not intended to confer upon any person or entity any rights of remedies, including  
8 rights as a third party beneficiary. This Consent Agreement shall not create a private right of action  
9 on the part of any person or entity other than the parties hereto.

10 J. **Authority to Execute Agreement.** It is agreed that the undersigned have represented  
11 and warranted that they have the full power and right to execute this Consent Agreement on behalf  
12 of Respondent, and that there is no legal impediment to Respondent's entry into this Consent  
13 Agreement.

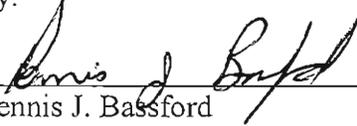
14 K. **Voluntarily Entered.** It is agreed that Respondent has voluntarily entered into this  
15 Consent Agreement, which is effective when signed by the Director's designee.

16 L. **Completely Read, Understood, and Agreed.** It is agreed that Respondent's  
17 representatives have read this Consent Agreement in its entirety and fully understand and agree to all  
18 of the same.

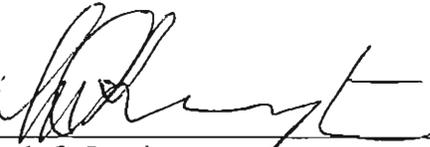
19 **RESPONDENT:**

20 **Moneytree, Inc.**

21 By:

22   
23 \_\_\_\_\_  
24 Dennis J. Bassford  
Chief Executive Officer

07/01/11  
\_\_\_\_\_  
Date

25   
26 \_\_\_\_\_  
27 Mark C. Lewington  
28 General Counsel

7-5-11  
\_\_\_\_\_  
Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 6<sup>th</sup> DAY OF JULY, 2011



A handwritten signature in cursive script, appearing to read "Deborah Bortner".

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions



1 of obtaining a new larger loan or for extending the terms of the existing loan. The amount of the  
2 rescinded loan was then removed from the Veritec system, resulting in the loan not being tallied  
3 against the borrower's statutory limit of 8 small loans in any 12-month period. Respondent made  
4 about 870 loans using this practice.

5 **1.3 Permitting Borrowers to Exceed 8 Loan Limit.** As a direct result of the practice set forth in  
6 section 1.2, at least 243 borrowers received more than 8 small loans in any 12-month period.

7 **1.4 On-going Investigation.** The Department's investigation into the alleged violations of the  
8 Act by Respondent continues to date.

## 9 **II. GROUNDS FOR ENTRY OF ORDER**

10 **2.1 Unauthorized Rescission of Small Loans.** Based on the Factual Allegations set forth in  
11 Section I above, Respondent is in apparent violation of RCW 31.45.086 and WAC 208-630-556 by  
12 permitting borrowers to rescind small loans more than one business day after origination.

13 **2.2 Permitting Borrowers to Exceed Maximum Loan Limit.** Based on the Factual Allegations  
14 set forth in Section I above, Respondent is in apparent violation of RCW 31.45.073(4) by making  
15 more than 8 small loans to individual borrowers in any 12-month period.

16 **2.3 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,  
17 Respondent is in apparent violation of WAC 208-630-8201(b), (f), and (l) for directly or indirectly  
18 engaging in any unfair or deceptive practice toward any person, for structuring a loan transaction in  
19 order to exceed the loan limit in RCW 31.45.073, and for engaging in any device or subterfuge to  
20 evade the requirements of the Act.

## 21 **III. AUTHORITY TO IMPOSE SANCTIONS**

22 **3.1 Authority to Impose Fine.** Pursuant to RCW 31.45.110(1)(b) and (2)(c), the Director may  
23 impose a fine, not to exceed one hundred dollars per day for each day's violation of the Act, on any

1 licensee or applicant, or any director, officer, sole proprietor, partner, controlling person, or employee  
2 of a licensee or applicant, that is violating or has violated the Act or rules promulgated thereunder.

3 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100, and  
4 WAC 208-630-380, the Director shall collect from the licensee the actual cost of an investigation of a  
5 licensee. The investigation charge will be calculated at the rate of \$69.01 per hour for each hour that  
6 each staff person devoted to the investigation, plus actual expenses.

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

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

12 **4.1** Respondent MoneyTree, Inc. pay a fine which as of the date of these charges totals \$87,000;

13  
14 **4.2** Respondent MoneyTree, Inc. pay an investigation fee which as of the date of these charges  
15 totals \$8,971.30, calculated at \$69.01 per hour for the 130 staff hours devoted to the  
investigation to date.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and  
3 Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW  
4 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  
6 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
7 accompanying this Statement of Charges.

8  
9 Dated this 24<sup>th</sup> day of March, 2011



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

Presented by:

*Steven C. Sherman*  
STEVEN C. SHERMAN  
Financial Legal Examiner

Approved by:

*James R. Brunelback*  
JAMES R. BRUSSELBACK  
Enforcement Chief