

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

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Check Cashers and Sellers Practices of
7 Washington by:

No.: C-10-240-11-FO01

FINAL ORDER

8 SANDY ENTERPRISES LLC, and SANDRA L.
9 HAGELEEN, President and Owner,

10 Respondents.

11 I. DIRECTOR'S CONSIDERATION

12 A. Default. This matter has come before the Director of the Department of Financial
13 Institutions of the State of Washington (Director), through his designee, Consumer Services Division
14 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On February 22,
15 2011, the Director, through the Director's designee, issued a Statement of Charges and Notice of
16 Intention to Enter an Order to Revoke or Suspend License, Ban from Industry, Impose Fine, Order
17 Restitution, and Collect Investigation Fee (Statement of Charges) against Sandy Enterprises LL C
18 and Sandra L. Hageleen (collectively, Respondents). A copy of the Statement of Charges is attached
19 and incorporated into this order by this reference. The Statement of Charges was accompanied by a
20 cover letter dated February 23, 2011, a Notice of Opportunity to Defend and Opportunity for
21 Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively,
22 accompanying documents).

23 On February 23, 2011, the Department served Respondents with the Statement of Charges and
24 accompanying documents, sent by Federal Express overnight delivery and United States Postal
Service First-Class mail (First-Class mail). On March 7, 2011, the documents sent via Federal

1 Express overnight delivery were returned to the Department as undeliverable. The documents sent
2 via First-Class mail were not returned to the Department by the United States Postal Service.

3 On March 16, 2011, after a request by the Department, the Anacortes, Washington Branch
4 Office of the United States Postal Services provided a postal service verification of the address used
5 by the Department to serve Respondents with the Statement of Charges and accompanying
6 documents. This was the same address provided by Respondent Sandra Hageleen to the Washington
7 State Department of Licensing, when she renewed her driver's license in December, 2010.

8 Respondents did not request an adjudicative hearing within twenty calendar days after the
9 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for
10 in WAC 208-08-050(2).

11 B. Record Presented. The record presented to the Director's designee for her review and
12 for entry of a final decision included the following:

- 13 1. Statement of Charges, cover letter Notice of Opportunity to Defend and
14 Opportunity for Hearing, and blank Applications for Adjudicative Hearing for
Respondents, with documentation for service.
- 15 2. Post Office Address Verification Request form completed by Anacortes,
16 Washington Branch Office of the United States Post Office received by the
Department on March 16, 2011.
- 17 3. Abstract of Respondent Sandra Hageleen's driver's license received from
18 Washington State's Department of Licensing on or about February 8, 2011.

19 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the
20 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

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22 //

23
24 **II. FINAL ORDER**

1 Based upon the foregoing, and the Director's designee having considered the record and being
2 otherwise fully advised, NOW, THEREFORE:

3 A. IT IS HEREBY ORDERED, That:

- 4
- 5 1. Respondent Sandy Enterprises LLC's license to conduct the business of a check
6 cashier with a small loan endorsement is revoked.
 - 7 2. Respondents Sandy Enterprises LLC and Sandra L. Hageleen are banned from
8 participation in the conduct of the affairs of any check cashier or check cashier with
9 a small loan endorsement or check seller subject to licensure by the Director, in
10 any manner, for a period of five (5) years.
 - 11 3. Respondents Sandy Enterprises LLC and Sandra L. Hageleen jointly and severally
12 pay a fine of \$3,000.
 - 13 4. Respondents Sandy Enterprises LLC and Sandra L. Hageleen submit a full and
14 complete response to the Department's report of examination dated December 31,
15 2009.
 - 16 5. Respondents Sandy Enterprises LLC and Sandra L. Hageleen submit a completed
17 closure report and assessment.
 - 18 6. Respondents Sandy Enterprises LLC and Sandra L. Hageleen jointly and severally
19 pay an investigation fee of \$828.
 - 20 7. Respondents Sandy Enterprises LLC and Sandra L. Hageleen, maintain records in
21 compliance with the Act and provide the Director with the location of the books,
22 records and other information relating to Respondent Sandy Enterprises' business,
23 and the name, address and telephone number of the individual responsible for
24 maintenance of such records in compliance with the Act.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
must be filed in the Office of the Director of the Department of Financial Institutions by courier at
150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
2 Reconsideration a prerequisite for seeking judicial review in this matter.

3 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
4 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
5 written notice specifying the date by which it will act on a petition.

6 C. Stay of Order. The Director's designee has determined not to consider a Petition to
7 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
8 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

9 D. Judicial Review. Respondents have the right to petition the superior court for judicial
10 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
11 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

12 E. Non-compliance with Order. If you do not comply with the terms of this order, the
13 Department may seek its enforcement by the Office of the Attorney General to include the collection
14 of the fines, documents, and fees imposed herein. The Department also may assign the amounts
15 owed to a collection agency for collection.

16 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
17 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
18 attached hereto.

19 DATED this 19th day of April, 2011



20 STATE OF WASHINGTON
21 DEPARTMENT OF FINANCIAL INSTITUTIONS

22 
23 DEBORAH BORTNER
24 Director
Division of Consumer Services

1 B. **Sandra L. Hagaleen (Respondent Hagaleen)** is owner and President of Respondent
2 Sandy Enterprises.

3 **1.2 Failure to Submit a Response to a Report of Examination or Comply with Department**
4 **Directives.** On or about December 31, 2009, the Department, after an examination of Respondents'
5 business, issued a Report of Examination along with a cover letter requiring Respondents to submit a
6 response to the Report of Examination by January 30, 2010. Respondents did not do so.

7 **1.3** On or about February 12, 2010, the Department served a directive via United States Postal
8 Service Certified Mail. Respondent Hagaleen signed for the directive on or about February 17, 2010.
9 The directive required Respondents to submit a response to the Report of Examination by March 10,
10 2010. Respondents did not do so.

11 **1.4** On or about March 10, 2010, and March 29, 2010, Respondent Hagaleen was contacted by a
12 Department representative. On both dates, Respondent Hagaleen stated that she would send in the
13 response to the Report of Examination that week. Respondents did not do so.

14 **1.5** On or about December 22, 2010, the Department issued another directive requiring
15 Respondents to submit a response to the Report of Examination by January 5, 2011. The directive
16 was sent to Respondent Sandy Enterprises' address of record, and to Respondent Hagaleen's home
17 address via Federal Express overnight delivery and United States Postal Service First-Class mail
18 (First-Class mail). Both directives sent via Federal Express overnight delivery were returned to the
19 Department as undeliverable. The First-Class mail sent to Respondent Sandy Enterprises' address of
20 record was also returned as "moved, left no address". However, the First-Class mail sent to
21 Respondent Hagaleen's home address was not returned to the Department. To date, Respondents
22 have not submitted a response to the Report of Examination as required.

1 **1.6 Failure to Comply with Closure Requirement.** Based on the return of all mail sent to
2 Respondent Sandy Enterprises' address of record and an ambiguous letter received from Respondents
3 on or about April 26, 2010¹, it appears Respondents are no longer in business. Respondents did not
4 provide to the Department in writing, at least thirty days prior to closure, the date Respondents
5 planned to cease small loan activity, the email address and contact address to be used to reach
6 Respondents, a list of open and pending transactions, or a plan for the orderly closure of open loans,
7 or Respondents did not submit a closure report as required.

8 **1.7 On-going Investigation.** The Department's investigation into the alleged violations of the
9 Act by Respondents continues to date.

10 II. GROUNDS FOR ENTRY OF ORDER

11 **2.1 Requirement to Respond to a Report of Examination.** Based on the Factual Allegations
12 set forth in Section I above, Respondents are in apparent violation of RCW 31.45.100, WAC 208-
13 630-340(7) and WAC 208-630-370(12) for failing to provide a response to a Report of Examination
14 as required.

15 **2.2 Requirement to Comply with Closure Requirements.** Based on the Factual Allegations set
16 forth in Section I above, Respondents are in apparent violation of WAC 208-630-836 and WAC 208-
17 630-890 for failing to provide, at least thirty days prior to closing, the date Respondents will cease
18 small loan activity, a list of all open and pending transactions, the contact address and email address
19 of Respondents, and the plan for orderly closure of open loans or for failing to submit a closing
20 annual report within one hundred and five days of closure.

21 **2.3 Requirement to Maintain Business Books and Records.** Based on the Factual Allegations
22 set forth in Section I above, Respondents are in apparent violation of RCW 31.45.060(2) for failing to

23 ¹ On or about April 26, 2010, Respondents submitted a letter to the Department along with their 2009 Annual Report.
24 The letter submitted stated that they were no longer offering small loans, but they had not officially closed their business.

1 keep and maintain the business books, accounts and records as required by the Director for at least
2 two years from the completion of a transaction.

3 III. AUTHORITY TO IMPOSE SANCTIONS

4 **3.1 Authority to Revoke or Suspend License.** Pursuant to RCW 31.45.110(2)(a), the Director
5 may revoke or suspend a license if a licensee is violating or has violated the Act including rules and
6 orders, or commits any act or engages in conduct that demonstrates incompetence or
7 untrustworthiness, or is a source of injury or loss to the public.

8 **3.2 Authority to Remove and Ban from the Industry.** Pursuant to RCW 31.45.110(2)(e), the
9 Director may remove from office or ban from participation in the conduct of the affairs of any
10 licensee any director, officer, sole proprietor, partner, controlling person, or employee of a licensee
11 that is violating or has violated the Act including rules and orders, or commits any act or engages in
12 conduct that demonstrates incompetence or untrustworthiness, or is a source of injury or loss to the
13 public.

14 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a
15 fine, not to exceed one hundred dollars per day for each day's violation of the Act, on any licensee or
16 applicant, or any director, officer, sole proprietor, partner, controlling person, or employee of a
17 licensee or applicant, that is violating or has violated the Act including rules and orders, or commits
18 any act or engages in conduct that demonstrates incompetence or untrustworthiness, or is a source of
19 injury or loss to the public.

20 **3.4 Authority to Take Affirmative Action.** Pursuant to RCW 31.45.110(2)(d), the Director may
21 order restitution to borrowers or any parties damaged by the licensee's violation of this chapter or
22 take affirmative action as necessary to comply with this chapter.

1 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100,
2 WAC 208-630-350 and WAC 208-630-380, the Director shall collect from the licensee the actual cost
3 of an examination or investigation of the business, books, accounts, records, files, or other
4 information of a licensee or person who the Director has reason to believe is engaging in the business
5 governed by the Act. The investigation charge will be calculated at the rate of sixty-nine dollars
6 (\$69) per hour that each staff person devoted to the investigation, plus actual expenses.

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

8 Respondents' 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
- 13 **3.1** Respondent Sandy Enterprises LLC;'s license to conduct the business of a check seller check
14 cashier with a small loan endorsement be revoked or suspended; and
- 15 **3.2** Respondents Sandy Enterprises LLC and Sandra L. Hagaleen be banned from participation in
16 the conduct of the affairs of any check cashier or check cashier with a small loan endorsement
17 or check seller subject to licensure by the Director, in any manner, for a period of five (5)
18 years; and
- 19 **3.3** Respondents Sandy Enterprises LLC and Sandra L. Hagaleen jointly and severally pay a fine,
20 which as of this Statement of Charges totals \$3,000; and
- 21 **3.4** Respondents Sandy Enterprises LLC and Sandra L. Hagaleen submit a full and complete
22 response to the Department's report of examination; and
- 23 **3.5** Respondents Sandy Enterprises LLC and Sandra L. Hagaleen submit a completed closure
24 report and assessment; and
- 3.6** Respondents Sandy Enterprises LLC and Sandra L. Hagaleen jointly and severally pay
investigation fee, which as of the date of these charges totals \$828, calculated at \$69 per hour
for the twelve (12) staff hours devoted to the investigation; and

1 3.7 Respondents Sandy Enterprises LLC and Sandra L. Hagaleen shall maintain records in
2 compliance with the Act and provide the Department with the location of the books, records,
3 and other information relating to Respondent Sandy Enterprises LLC's business and the
4 name, address, and telephone number of the individual responsible for maintenance of such
5 records in compliance with the Act.

6 **V. AUTHORITY AND PROCEDURE**

7 This Statement of Charges is entered pursuant to the provisions of RCW 31.45.110 and RCW
8 31.45.200, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure
9 Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF
10 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
11 Statement of Charges.

12 Dated this 22nd day of February, 2011



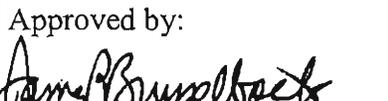
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14 DEBORAH BORTNER
15 Director
16 Division of Consumer Services
17 Department of Financial Institutions

18 Presented by:

19 
20 MARNIE SHEERAN
21 Financial Legal Examiner

22 Approved by:

23 
24 JAMES R. BRUSSELBACK
25 Enforcement Chief