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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
Check Cashers and Sellers Act of Washington by:

NO. C-10-256-11-CO01

THE CASH BOX INC. d/b/a THE CASH BOX,
and MICHAEL A. BAIRD, 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 The Cash Box Inc d/b/a The Cash Box (Respondent The Cash Box), Michael A. Baird, Owner (Respondent Baird) (collectively Respondents), 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 31.45 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-10-256-10-SC01 (Statement of Charges), entered November 8, 2010, (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 entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges.

Based upon the foregoing:

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

CONSENT ORDER
C-10-256-11-CO01
THE CASH BOX INC d/b/a THE CASH BOX and
MICHAEL A. BAIRD

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

1 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing
2 before an administrative law judge, and hereby waive their right to a hearing and any and all administrative and
3 judicial review of the issues raised in this matter, or of the resolution reached herein.

4 **C. Cease and Desist.** It is AGREED that Respondents shall immediately cease and desist engaging in
5 the business of a check casher or seller or payday lender in the state of Washington or with Washington residents
6 unless and until such time as Respondents obtain a license from the Department to do so.

7 **D. Annual Assessment Fee.** It is AGREED that Respondents shall pay to the Department an annual
8 assessment fee for its 2009 Annual Assessments of \$513.95, in the form of a cashier's check made payable to the
9 "Washington State Treasurer," upon entry of this Consent Order.

10 **E. Prohibition from Industry.** It is AGREED that Respondents are prohibited from participating in the
11 conduct of the affairs, in any capacity, of any check casher or seller or payday lender licensed by the Department
12 or any person subject to licensure or regulation by the Department for five (5) years from the date of entry of this
13 Consent Order.

14 **F. Records Retention.** It is AGREED that Respondents shall maintain all records in compliance with
15 the Act and provide the Department with the location of the books, records and other information relating to
16 Respondents' check casher or seller business, and the name, address, and telephone number of the individual
17 responsible for maintenance of such records in compliance with the Act.

18 **G. Authority to Execute Order.** It is AGREED that the undersigned have represented and warranted
19 that they have the full power and right to execute this Consent Order on behalf of the parties represented.

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

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

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

5 **RESPONDENTS:**

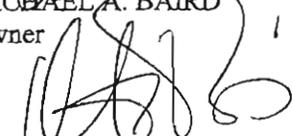
6 **THE CASH BOX INC d/b/a THE CASH BOX**

7 By:

8 

9 MICHAEL A. BAIRD
Owner

2/7/11
Date

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11 MICHAEL A. BAIRD
Individually

2/7/11
Date

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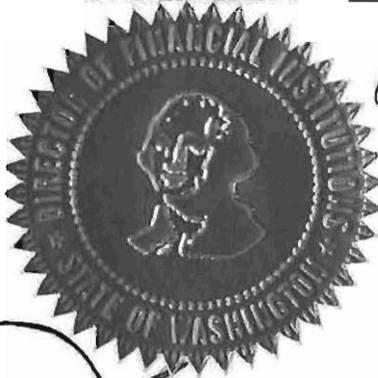
FEB 10 2011

ENFORCEMENT UNIT
DIVISION OF CONSUMER SERVICES
DEPT OF FINANCIAL INSTITUTIONS

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THIS ORDER ENTERED THIS 14th DAY OF April, 2011.



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

CONSENT ORDER
C-10-256-11-CO01
THE CASH BOX INC d/b/a THE CASH BOX and
MICHAEL A. BAIRD

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

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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:

THE CASH BOX INC. d/b/a THE CASH
BOX, and MICHAEL A. BAIRD, Owner,

Respondents.

NO. C-10-256-10-SC01

STATEMENT OF CHARGES and NOTICE OF
INTENTION TO ENTER AN ORDER TO CEASE
AND DESIST, BAN FROM INDUSTRY, IMPOSE
FINE, SUBMIT ANNUAL REPORTS, PAY
ASSESSMENTS, LATE FEES AND
RESTITUTION, AND COLLECT
INVESTIGATION FEE

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, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **The Cash Box Inc d/b/a The Cash Box (Respondent Cash Box)** 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 and a check seller on August 26, 2004, and continued to be licensed until its license expired on April 26, 2010. Respondent Cash Box was licensed to conduct the business of a check casher with a small loan endorsement at 1405 NE McWilliams Road, Bremerton, Washington 98311¹. Respondent Cash surrendered its small loan endorsement on or about November 21, 2008.

B. **Michael A. Baird (Respondent Baird)** is the Owner of Respondent Cash Box.

¹ The Department notes that Respondent submitted an address change for its main office location. However, this amendment has not been approved by the Department as the materials submitted were not complete.

1 **1.2 Failure to Submit Annual Reports and Annual Assessments and Late Fees.** Respondents were
2 required to submit their 2009 annual assessment report, consolidated annual report, annual financial
3 statement and annual assessment by April 15, 2010. Respondents did not submit the required 2009 reports
4 or annual assessment by April 15, 2010.

5 **1.3** On or about April 20, 2010, the Department sent via United States Postal Service First-Class mail
6 and certified mail, a Notice of Suspension that informed Respondents that Respondent Cash Box's license
7 was suspended effective immediately and that the license would expire on April 26, 2010, if the required
8 2009 reports and assessment were not received by that date. The Notice of Suspension also assessed a late
9 penalty of twenty-five percent of the annual assessment due. The certified mail sent to Respondents was
10 delivered on May 1, 2010. The documents sent via First-Class mail were not returned to the Department.
11 Respondents did not respond.

12 **1.4** On or about May 17, 2010, the Department sent via United States Postal Service First-Class mail and
13 certified mail, a Notice of Expiration, which informed Respondents that Respondent Cash Box's license was
14 expired, and that Respondent was required to submit the 2009 annual reports, annual assessment, and late fee
15 to the Department. The Notice of Expiration sent via certified mail was returned by the United States Postal
16 Service as "unclaimed". The Notice of Expiration sent via First-Class mail was not returned to the
17 Department.

18 **1.5** On or about June 2, 2010, Respondent's representative contacted the Department via email, stating
19 that it had resent the required 2009 annual reports and partial payment of the \$513.95 annual assessment
20 owed. Respondent's representative requested additional time to complete payment of the remainder of the
21 annual assessment owed. The Department did not receive the documents and partial payment allegedly sent
22 on or about June 2, 2010. To date the Department has not received any of the required 2009 annual reports
23 or any of the annual assessment or late penalties owed.

24 **1.6 Unlicensed Activity.** As noted above, Respondents were aware at least as early as May 1, 2010,
25 that their license was suspended effective April 20, 2010, and expired effective April 26, 2010, and that they

1 were required to discontinue business until the 2009 annual reports and assessments were delivered to the
2 Department. However, Respondents continued to engage in the business of a payday lender from at least
3 May 1, 2010, through May 29, 2010, by providing payday loans to at least 71 consumers, or from May 1,
4 2010, to present by collecting or continuing to collect payments on outstanding payday loans.

5 **1.7 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
6 Respondents continues to date.

7 II. GROUNDS FOR ENTRY OF ORDER

8 **2.1 Definition of Check Casher.** Pursuant to RCW 31.45.010(5), a "Check Casher" is defined as an
9 individual, partnership, unincorporated association, or corporation that, for compensation, engages, in whole
10 or in part, in the business of cashing checks, drafts, money orders, or other commercial paper serving the
11 same purpose.

12 **2.2 Definition of Licensee.** Pursuant to RCW 31.45.010(13), a "Licensee" is defined as a check casher
13 or seller licensed by the director to engage in business in accordance with the Act. For the purpose of the
14 enforcement powers of the Act, including the power to issue cease and desist orders under RCW 31.45.110,
15 "licensee" also means a check casher or seller who fails to obtain the license required by the Act.

16 **2.3 Definition of Small Loan.** Pursuant to RCW 31.45.010(20), a "Small Loan" is defined as a loan up
17 to the maximum amount and for a period of time up to the maximum term specified in RCW 31.45.073.

18 **2.4 Requirement to Obtain a Check Casher and Seller License.** Based on the Factual Allegations set
19 forth in Section I above, Respondents are in apparent violation of RCW 31.45.030(1) for engaging in the
20 business of a check casher and seller without first obtaining a license from the Director.

21 **2.5 Requirement to Obtain a Small Loan Endorsement.** Based on the Factual Allegations set forth in
22 Section I above, Respondents are in apparent violation of RCW 31.45.070 and RCW 31.45.073 for engaging
23 in the business of making small loans without first obtaining a small loan endorsement from the Director.

24 **2.6 Requirement to submit Annual Reports, Annual Assessment and Late Fees.** Based on the
25 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.45.050;

1 WAC 208-630-400, WAC 208-630-830, and WAC 208-630-8301 for failing to submit an Annual Report,
2 Consolidated Annual Report, Annual Financial Statement, Annual Assessment and late fee by April 15th of
3 each year.

4 **2.7 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondents
5 are in apparent violation of RCW 31.45.105(1)(a), (b), and (d) for directly or indirectly employing any
6 scheme, device, or artifice to defraud or mislead any borrower, or to defraud or mislead any person, or
7 directly or indirectly engaging in any unfair or deceptive practice toward any person or making a loan
8 without first obtaining a small loan endorsement.

9 **2.8 Requirement to Maintain Business Books and Records.** Based on the Factual Allegations set
10 forth in section I above, Respondents are in apparent violation of RCW 31.45.060(2) for failing to keep and
11 maintain the business books, accounts, and records as required by the Director for at least two years from the
12 completion of a transaction.

13 III. AUTHORITY TO IMPOSE SANCTIONS

14 **3.1 Authority to Issue Cease and Desist Order.** Pursuant to RCW 31.45.110(2)(b), the Director may
15 order a licensee to cease and desist from practices in violation of the Act or practices that constitute unsafe
16 and unsound financial practices in the sale of checks.

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

22 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a fine, not to
23 exceed one hundred dollars per day for each day's violation of the Act, on any licensee or applicant, or any
24 director, officer, sole proprietor, partner, controlling person, or employee of a licensee or applicant, that is
25

1 violating or has violated the Act including rules and orders, or commits any act or engages in conduct that
2 demonstrates incompetence or untrustworthiness, or is a source of injury or loss to the public.

3 **3.4 Authority to Order Submission of Annual Reports, Annual Assessment and Late Penalty.**

4 Pursuant to RCW 31.45.110(2)(d), the Director may take other affirmative action as necessary to comply
5 with this chapter.

6 **3.5 Authority to Order Restitution.** Pursuant to RCW 31.45.105(2) and RCW 31.45.110(2)(d), the
7 Director may order restitution to borrowers damaged by the licensee's violation of this chapter.

8 **3.6 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100, WAC 208-630-
9 320, WAC 208-630-360, WAC 208-630-380, the Director shall collect from the licensee the actual cost of an
10 examination or investigation of the business, books, accounts, records, files, or other information of a licensee or
11 person who the Director has reason to believe is engaging in the business governed by the Act. The investigation
12 charge will be calculated at the rate of sixty-nine dollars per person per hour expended, plus actual expenses.

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

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

- 17 **4.1** Respondents The Cash Box Inc d/b/a The Cash Box and Michael A. Baird cease and desist offering
18 check casher, check seller, and payday loan services or otherwise conducting the business of a check
19 **4.2** Respondents The Cash Box Inc d/b/a The Cash Box and Michael A. Baird be banned from participation
20 in the conduct of the affairs of any check casher or check casher with a small loan endorsement or check
21 **4.3** Respondents The Cash Box Inc d/b/a The Cash Box and Michael A. Baird jointly and severally pay a
22 fine, which as of the date of these charges, totals \$5,000;
23 **4.4** Respondents The Cash Box Inc d/b/a The Cash Box and Michael A. Baird submit an accurate and
24 completed annual report, consolidated annual report, and annual financial statement for the year ending
25 **4.5** Respondents The Cash Box Inc d/b/a The Cash Box and Michael A. Baird jointly and severally pay
\$642.44, which consists of an annual assessment of \$513.95 and late penalties of 25%; and

- 1 **4.6** Respondents The Cash Box Inc d/b/a The Cash Box and Michael A. Baird jointly and severally refund
all fees or monies it collected from the borrowers listed in paragraphs 1.6 above;
- 2
- 3 **4.7** Respondents The Cash Box Inc d/b/a The Cash Box and Michael A. Baird jointly and severally pay an
investigation fee, which as of the date of these charges totals \$897, calculated at \$69 per hour for 13
staff hours; and
- 4
- 5 **4.8** Respondents The Cash Box Inc d/b/a The Cash Box maintain records in compliance with the Act and
provide the Department with the location of the books, records, and other information relating to
Respondent The Cash Box Inc d/b/a The Cash Box., and the name, address, and telephone number of the
6 individual responsible for maintenance of such records in compliance with the Act.

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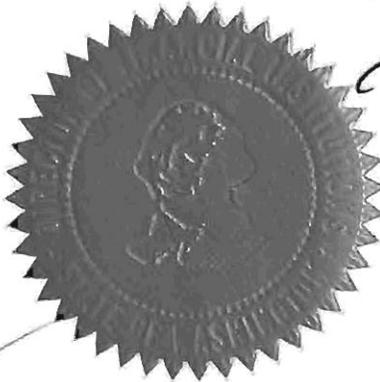
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1 **V. AUTHORITY AND PROCEDURE**

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

8
9 Dated this 8th day of November, 2010.



Deborah Bortner

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

14 Presented by:

Marnie Sheeran

15
16 MARNIE SHEERAN
Financial Legal Examiner

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19 Approved by:

James R. Brusselback

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21 JAMES R. BRUSSELBACK
Enforcement Chief