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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

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IN THE MATTER OF DETERMINING:
Whether there has been a violation of the
Check Cashers and Sellers Act of Washington by:

PACK MANAGEMENT GROUP LLC,

Respondent.

No.: C-10-372-11-FO01

FINAL ORDER

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I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On January 20, 2011, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Ban from Industry, Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of Charges) against Pack Management Group LLC (Respondent). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated January 21, 2011, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

On January 21, 2011, the Department served Respondent with the Statement of Charges and accompanying documents, sent by United States Postal Service First-Class mail (First-Class mail) and Federal Express overnight delivery. On January 24, 2011, the documents sent via Federal Express overnight delivery were delivered. The documents sent via First-Class mail were not returned to the Department by the United States Postal Service.

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

4 B. Record Presented. The record presented to the Director's designee for her review and
5 for entry of a final decision included the following: Statement of Charges, cover letter, Notice of
6 Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing
7 for Respondent, with documentation for service.

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

10 II. FINAL ORDER

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

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent Pack Management Group LLC cease and desist offering check casher,
15 check seller, and payday loan services or otherwise conducting the business of a
check casher, check seller, or payday loan provider in the State of Washington.
- 16 2. Respondent Pack Management Group LLC is prohibited from participation in the
17 conduct of the affairs of any check casher or check casher with a small loan
endorsement or check seller subject to licensure by the Director, in any manner,
18 for a period of five (5) years.
- 19 3. Respondent Pack Management Group LLC pay a fine totaling \$8,000.
- 20 4. Respondent Pack Management Group LLC refund all fees or monies it collected
21 from the borrowers listed the attached restitution schedule (herein incorporated by
reference) and notify all consumer collection and consumer reporting agencies to
22 delete all references to the transactions between Respondent Pack Management
Group LLC and the borrower from their records.
- 23 5. Respondent Pack Management Group LLC pay an investigation fee of \$828.

1 6. Respondent Pack Management Group LLC, its officers, employees, and agents
2 maintain records in compliance with the Act and provide the Director with the
3 location of the books, records and other information relating to Respondent Pack
4 Management Group's business, and the name, address and telephone number of
5 the individual responsible for maintenance of such records in compliance with the
6 Act.

7 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
8 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
9 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
10 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
11 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
12 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
13 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

20 D. Judicial Review. Respondent has the right to petition the superior court for judicial
21 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
22 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

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

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

4 DATED this 14th day of June, 2011



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

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9 DEBORAH BORTNER
10 Director
11 Division of Consumer Services

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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-10-372-10-SC01

PACK MANAGEMENT GROUP LLC,

Respondent.

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO CEASE AND DESIST, 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 institutes this proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

1.1 Respondent. Pack Management Group LLC (Respondent) is located at 2533 North Carson Street, Carson City, Nevada, 89706. 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 conducted the business of a payday lender or made small loans, via the internet, to at least two consumers located in the State of Washington between at least June 1, 2010, through October 31, 2010. To date the Department has not issued a check seller or check casher's license or small loan endorsement to Respondent.

1 **1.3 Charging Interest or Fees in Excess of Statutory Maximum.** Respondent charged interest or fees for
2 small loans exceeding the aggregate of fifteen percent of the first five hundred dollars of principal to at least the
3 two consumers referenced in paragraph 1.2 above.

4 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
5 Respondent continues to date.

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

7 **2.1 Definition of Check Casher.** Pursuant to RCW 31.45.010(5), a "Check Casher" is defined as an
8 individual, partnership, unincorporated association, or corporation that, for compensation, engages, in whole or
9 in part, in the business of cashing checks, drafts, money orders, or other commercial paper serving the same
10 purpose.

11 **2.2 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, including the power to issue cease and desist orders under RCW 31.45.110,
14 "licensee" also means a check casher or seller who fails to obtain the license required by the Act.

15 **2.3 Definition of Small Loan.** Pursuant to RCW 31.45.010(19), a "Small Loan" is defined as a loan up to
16 the maximum amount and for a period of time up to the maximum term specified in RCW 31.45.073.

17 **2.4 Requirement to Obtain a Check Casher or Seller License.** Based on the Factual Allegations set
18 forth in Section I above, Respondent is in apparent violation of RCW 31.45.030(1) for engaging in the business
19 of a check casher or seller without first obtaining a license from the Director.

20 **2.5 Requirement to Obtain a Small Loan Endorsement.** Based on the Factual Allegations set forth in
21 Section I above, Respondent is in apparent violation of RCW 31.45.040(1), RCW 31.45.073(1), RCW
22 31.45.079, and RCW 31.45.105(1)(d) for engaging in the business of making small loans without first obtaining
23 a small loan endorsement from the Director.

24 **2.6 Statutory Maximum of Interest or Fees for Small Loans.** Based on the Factual Allegations set forth
25 in Section I above, Respondent is in apparent violation of RCW 31.45.073(3) for charging interest or fees for

1 small loans exceeding in the aggregate fifteen percent of the first five hundred dollars of principal or ten
2 percent on the next two hundred dollars of principal of the small loan.

3 **2.7 Requirement to Maintain Business Books and Records.** Based on the Factual Allegations set forth
4 in Section I above, Respondent is in apparent violation of RCW 31.45.060(2) for failing to keep and maintain
5 the business books, accounts and records as required by the Director for at least two years from the completion
6 of a transaction.

7 **III. AUTHORITY TO IMPOSE SANCTIONS**

8 **3.1 Authority to Issue Cease and Desist Order.** Pursuant to RCW 31.45.110(2)(b), the Director may
9 order a licensee to cease and desist from practices in violation of the Act or practices that constitute unsafe and
10 unsound financial practices in the sale of checks.

11 **3.2 Authority to Remove and Ban from the Industry.** Pursuant to RCW 31.45.110(2)(e), the Director
12 may remove from office or ban from participation in the conduct of the affairs of any licensee any director,
13 officer, sole proprietor, partner, controlling person, or employee of a licensee that is violating or has violated the
14 Act 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 **3.3 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 **3.4 Authority to Order Restitution.** Pursuant to RCW 31.04.105(2) and RCW 31.45.110(2)(d), the
22 Director may order restitution to borrowers damaged by the licensee's violation of this chapter.

23 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100, WAC 208-
24 630-320, WAC 208-630-360, WAC 208-630-380,, the Director shall collect from the licensee the actual cost of an
25 examination or investigation of the business, books, accounts, records, files, or other information of a licensee or
person who the Director has reason to believe is engaging in the business governed by the Act. The investigation

1 charge will be calculated at the rate of sixty-nine dollars (\$69) per hour that each staff person devoted to the
2 investigation, plus actual expenses.

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

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

- 7 **4.1** Respondent Pack Management Group LLC cease and desist offering check casher, check seller,
8 and payday loan services or otherwise conducting the business of a check casher, check seller, or
9 payday loan provider in the State of Washington; and
- 10 **4.2** Respondent Pack Management Group LLC be banned from participation in the conduct of the
11 affairs of any check casher or check casher with a small loan endorsement or check seller subject to
12 licensure by the Director, in any manner, for a period of five (5) years; and
- 13 **4.3** Respondent Pack Management Group LLC pay a fine, which as of the date of these charges totals
14 \$8,000; and
- 15 **4.4** Respondent Pack Management Group LLC refund all fees or monies it collected from the
16 borrowers listed in paragraphs 1.2 and 1.3 above and notify all consumer collection and consumer
17 reporting agencies to delete all references to the transactions between Respondent Pack
18 Management Group LLC and the borrower from their records; and
- 19 **4.5** Respondent Pack Management Group LLC pay investigation costs, which as of the date of these
20 charges totals \$828 calculated at \$69 per hour for the twelve (12) staff hours devoted to the
21 investigation; and
- 22 **4.6** Respondent Pack Management Group LLC shall maintain records in compliance with the Act and
23 provide the Department with the location of the books, records, and other information relating to
24 Respondent Pack Management LLC's business and the name, address, and telephone number of the
25 individual responsible for maintenance of such records in compliance with the Act.

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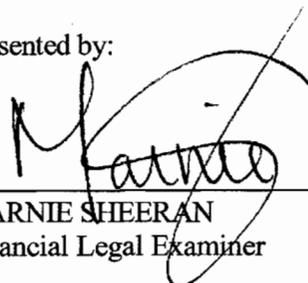
IV. AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of RCW 31.45.110 and RCW 31.45.200, 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.

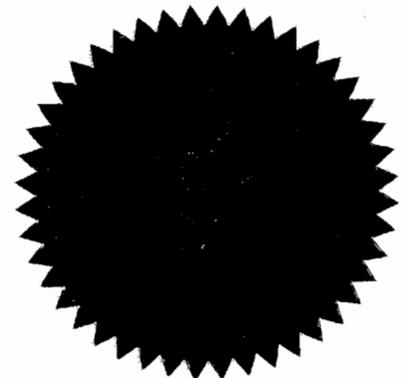
Dated this 20th day of January, 2011.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:


MARNIE SHEERAN
Financial Legal Examiner



Approved by:


JAMES R. BRUSSELBACK
Enforcement Chief