

ORDER SUMMARY – Case Number: C-11-0729

Name(s): LendXFinancial, LLC

Order Number: C-11-0729-13-FO01

Effective Date: January 9, 2013

License Number: 520-CL-50082 NMLS ID:47814

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: LICENSE REVOKED

Investigation Costs	\$ 0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$ 0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$ 0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$ 0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$ 0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed? N/A		<input type="checkbox"/> Y <input type="checkbox"/> N		
	No. of Victims:	N/A		

Comments: Bond claim paid by The CNA Surety in the amount of \$6,500 (received payment on

August 13, 2012).

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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
Consumer Loan Act of Washington by:

No.: C-11-0729-13-FO01

LENDXFINANCIAL, LLC,

FINAL ORDER

Respondent.

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 December 10, 2012, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Revoke License (Statement of Charges) against LendXFinancial, 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 December 11, 2012, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

On December 11, 2012, the Department served Respondent with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. The Statement of Charges and accompanying documents sent by First-Class mail to the Principals of the company were not returned by the United States Postal Service. The Statement of Charges and accompanying documents sent by First-Class mail to Respondent's last known business address was returned by the United States Postal Service. On December 12, 2012, delivery confirmation was

1 received from Federal Express for delivery of the Statement of Charges and accompanying
2 documents sent to David Kanis, one of the four Principals.

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

6 B. Record Presented. The record presented to the Director's designee for her review and
7 for entry of a final decision included the following: Statement of Charges, cover letter dated
8 December 11, 2012, Notice of Opportunity to Defend and Opportunity for Hearing, and blank
9 Application for Adjudicative Hearing for Respondent, with documentation for service.

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

12 II. FINAL ORDER

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

15 A. IT IS HEREBY ORDERED, That: Respondent LendXFinancial, LLC's license to
16 conduct business as a consumer loan company is revoked.

17 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
18 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
19 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
20 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
21 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
22 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
23 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

10 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
11 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
12 attached hereto.

13 DATED this 9th day of January, 2013



16 STATE OF WASHINGTON
17 DEPARTMENT OF FINANCIAL INSTITUTIONS

18 [Redacted Signature]
19 DEBORAH BORTNER
20 Director
21 Division of Consumer Services

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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
Consumer Loan Act of Washington by:

No. C-11-0729-12-SC01

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LENDXFINANCIAL, LLC,

STATEMENT OF CHARGES and NOTICE
OF INTENTION TO REVOKE LICENSE

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Respondent.

INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, 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. LendXFinancial, LLC (Respondent LendX) was licensed by the Department to conduct business as a Consumer Loan Company on or about January 12, 2009, and has continued to be licensed to date. Respondent is licensed to conduct the business at 1155 Perimeter Center West, Suite 600, Atlanta, Georgia.

B. Respondent's Members are as follows: Ronald D. Eckland, Robert D. Duer, Robert Anderson, and David Kanis.

1.2 Failure to Maintain Bond. On or about November 9, 2010, the Department received a notice from CNA Surety that Respondent LendX's surety bond would be cancelled, effective

1 December 23, 2010. From December 23, 2010, through the date of this Statement of Charges,
2 Respondent LendX has not maintained the required surety bond.

3 **1.3 Failure to File Reports.** A Consolidated Annual Report and an Annual Assessment Report
4 concerning the business and operations of each licensed place of business conducted during the
5 preceding calendar year are due to the Department on or before the first day of March or within 30
6 days of closure. Assessment Reports for the calendar years 2009, 2010, and 2011, were due to the
7 Department on or before March 1, 2010, 2011, and 2012 respectively. If Respondent LendX has
8 closed, it did not file a Consolidated Annual Report and Annual Assessment Report within 30 days of
9 closure.

10 **1.4 Failure to Pay Annual Assessments.** Payment of an annual assessment, as calculated on the
11 Annual Assessment Report, is due to the Department on or before the first day of March or within 30
12 days of closure. As of the date of this Statement of Charges, Respondent LendX has not paid an
13 annual assessment for each of the calendar years 2009, 2010, and 2011, that were due to the
14 Department on or before March 1, 2010, 2011, and 2012 respectively. If Respondent LendX has
15 closed, it did not pay an annual assessment within 30 days of closure.

16 **1.5 Failure to Notify Department of Significant Developments.**

- 17 • Correspondence sent by the Department to Respondent LendX's licensed location has been
18 returned as "undeliverable" since at least in or around April 2010. As of the date of this
19 Statement of Charges, Respondent LendX has not notified the Department of this change in
20 its principal place of business and this change in its mailing address.
- 21 • As discussed in paragraph 1.2 above, Respondent LendX's surety bond was cancelled on
22 December 23, 2010. As of the date of this Statement of Charges, Respondent LendX has not
23 notified the Department of receipt of notification of cancellation of Respondent's surety bond.
- 24 • Respondent LendX's corporate license expired on or about October 31, 2010. As of the date
of this Statement of Charges, Respondent LendX has not notified the Department of this
change in standing with the Washington Secretary of State.

- If Respondent LendX has closed, it has not notified the Department of such closure as of the date of this Statement of Charges.

1.6 On-Going Investigation. The Department's investigation into the alleged violations of the Act by Respondent LendX continues to date.

II. GROUNDS FOR ENTRY OF ORDER

2.1 Requirement to Maintain Surety Bond. Based on the Factual Allegations set forth in Section I above, Respondent LendX is in apparent violation of RCW 31.04.045(6) for failing to maintain in effect a surety bond or permitted substitute.

2.2 Requirement to File Annual Reports. Based on the Factual Allegations set forth in Section I above, Respondent LendX is in apparent violation of RCW 31.04.155, WAC 208-620-430(1), WAC 208-620-460(1), and WAC 208-620-499(2) for failing to file a Consolidated Annual Report and an Annual Assessment Report with the Director on or before the first day of March of each year, or within thirty days of closure, giving such relevant information as the Director may reasonably require concerning the business and operations of each licensed place of business conducted during the preceding calendar year.

2.3 Requirement to Pay Annual Assessment. Based on the Factual Allegations set forth in Section I above, Respondent LendX is in apparent violation of RCW 31.04.085(1), WAC 208-620-430(1), WAC 208-620-460(1), and WAC 208-620-499(2) for failing to pay an annual assessment, as calculated on the Annual Assessment Report, to the Director on or before the first day of March of each year, or within thirty days of closure.

2.4 Requirement to Report Significant Developments. Based on the Factual Allegations set forth in Section I above, Respondent LendX is in apparent violation of:

- 1 • RCW 31.04.075 and WAC 208-620-490(1)(a) for failing to notify the Department in
2 writing at least ten days prior to a change in Respondent LendX's principal place of
3 business.
- 4 • WAC 208-620-490(1)(f) for failing to notify the Department in writing at least ten days
5 prior to closure.
- 6 • WAC 208-620-490(2) for failing to notify the Department in writing within ten days of: a
7 change in Respondent LendX's mailing address, telephone number, fax number, or e-mail
8 address; a change in Respondent LendX's standing with the state of Washington secretary
9 of state, including the resignation or change of the registered agent; and receipt of a
10 notification of cancellation of Respondent LendX's surety bond.

11 **2.5 Requirement to Maintain Records.** Pursuant to RCW 31.04.155 and WAC 208-620-520, a
12 licensee shall preserve the books, accounts, records papers, documents, files, and other information
13 relevant to a loan for at least twenty-five months after making the final entry on any loan.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Revoke License:** Pursuant to RCW 31.04.093(3)(a) and (b), and WAC 208-
3 620-570(1), the Director may revoke a license if a licensee violates any provision of the Act or any
4 rule adopted under the Act either knowingly or without exercise of due care.

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

6 Respondent LendX’s violations of the provisions of chapter 31.04 RCW and chapter 208-620
7 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to
8 Impose Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW
9 31.04.165, and RCW 31.04.205. Therefore, it is the Director’s intention to ORDER that:

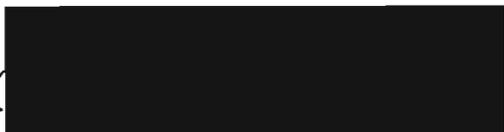
10 **4.1** Respondent LendXFinancial, LLC’s license to conduct business as a consumer loan company
11 be revoked.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW
3 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05
4 RCW (The Administrative Procedure Act). Respondent LendX may make a written request for a
5 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
6 HEARING accompanying this Statement of Charges.

7 Dated this 10th day of December, 2012



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10 DEBORAH BORTNER
11 Director
12 Division of Consumer Services
13 Department of Financial Institutions

14 Presented by:



15 WILMA M. COLWELL
16 Financial Legal Examiner

17 Approved by:



18 CHARLES E. CLARK
19 Enforcement Chief