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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 Practices Act of Washington
by:

A1 PREMIUM BUDGET, INC., d/b/a
CASH IN A WINK, PAUL H. SILVERMAN,
President, and VICKI M. SILVERMAN,
Secretary,

Respondents.

No.: C-12-0880-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO 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 February 1, 2013, the Director,
through his designee, Division of Consumer Services Director Deborah Bortner, institutes this
proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. A1 Premium Budget, Inc., d/b/a Cash In A Wink (Respondent Cash in a Wink) is
a Delaware corporation with offices located at 3422 Old Capitol Trail, Suite 1109, in Wilmington,
Delaware and 8304 Wornall Road, in Kansas City, Missouri.

B. Paul H. Silverman (Respondent Paul Silverman) is the president of Respondent
Cash in a Wink.

1 **C. Vicki M. Silverman (Respondent Vicki Silverman)** is the Secretary of Respondent
2 Cash in a Wink.

3 **1.2 Unlicensed Activity.** For at least the period beginning April 2011 through October 2012,
4 Respondents have conducted business by providing loans to at least seven consumers in Washington
5 State from the internet website www.cashinawink.com, without being licensed by the Department as
6 a check casher or check seller with a small loan endorsement.

7 **1.3 Unlicensed Location.** Respondents have been operating the website www.cashinawink.com
8 from a location that is not licensed by the Department.

9 **1.4 Failure to Obtain and Maintain A License.** To date, the Department has not issued a license
10 to the Respondents to conduct the business of a check casher or check seller with a small loan
11 endorsement.

12 **1.5 Unauthorized Advertisements.** Respondents advertised on their website their ability to
13 make loans to Washington consumers when they were not licensed to make loans beginning in or
14 around April 2011 through the date of this Statement of Charges.

15 **1.6 Failure to Comply with the Department's Investigation Authority.** Between August 29,
16 2011, and the date of this Statement of Charges, the Department issued at least seven Directives and
17 Subpoenas to Respondents requiring production of various documents and information related to at
18 least eight consumer complaints. To date, Respondents have not provided an appropriate response to
19 any of these Directives or Subpoenas.

20 **1.7 Charging Interest or Fees on Small Loans in Excess of Statutory Maximum.**

21 Respondents have charged interest or fees in the aggregate exceeding fifteen percent (15%) of the
22 first five hundred dollars (\$500.00) of aggregated principal and ten percent (10%) of the next two
23 hundred dollars (\$200.00) of aggregated principal of small loans outstanding at any one time on at

1 least one loan. Loan documents provided to borrower [REDACTED] disclose the principal amount of the loan
2 as \$200, and the “finance charge” as \$60, which constitutes 30% of the principal amount of the loan.

3 **1.8 Failure to Obtain and Maintain Surety Bond.** Respondents did not obtain and maintain a
4 surety bond or bonds, or an acceptable alternative, as required by the Act.

5 **1.9 On-going Investigation.** The Department’s investigation into the alleged violations of the
6 Act by 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
9 an individual, partnership, unincorporated association, or corporation that, for compensation,
10 engages, in whole or in part, in the business of cashing checks, drafts, money orders, or other
11 commercial paper serving the same purpose.

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

17 **2.3 Definition of Small Loan.** Pursuant to RCW 31.45.010(21), a “Small Loan” is defined as a
18 loan up to the maximum amount and for a period of time up to the maximum term specified in RCW
19 31.45.073.

20 **2.4 Requirement to Obtain a Check Casher and Seller License.** Based on the Factual
21 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.45.030(1)
22 and RCW 31.45.105(1)(a) and (b) for engaging in the business of a check cashier and seller without
23 first obtaining a license from the Director.

1 **2.5 Requirement to Obtain a Small Loan Endorsement.** Based on the Factual Allegations set
2 forth in Section I above, Respondents are in apparent violation of RCW 31.45.070(1)(d), RCW
3 31.45.073(1), and RCW 31.45.105(1)(a), (b), and (c) for engaging in the business of making small
4 loans without first obtaining a small loan endorsement from the Director.

5 **2.6 Statutory Maximum Interest or Fees on Small Loans.** Based on the Factual Allegations
6 set forth in Section I above, Respondents are in apparent violation of RCW 31.45.073(5) and RCW
7 31.45.105(b) and (c) for charging interest or fees in the aggregate exceeding fifteen percent (15%) of
8 the first five hundred dollars (\$500.00) of principal and ten percent (10%) of the next two hundred
9 dollars (\$200.00) of principal of the small loans.

10 **2.7 Advertising Requirements.** Based on the Factual Allegations set forth in Section I above,
11 Respondents are in apparent violation of RCW 31.45.105(2)(a) for advertising in a manner that is
12 false, misleading, or deceptive, or that omits material information.

13 **2.8 Requirement to Comply with the Department's Investigative Authority.** Based on the
14 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
15 31.45.100 and RCW 31.45.110(k) for failing to comply with the Director's investigative authority
16 and for failing, upon demand by the Director or the Director's designee, to disclose any information
17 within his or her knowledge to, or to produce any document, book, or record in his or her possession
18 for inspection of, the Director or Director's designee.

19 **2.9 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in
20 Section I above, Respondents are in apparent violation of RCW 31.45.030(5)(b) and WAC 208-630-
21 180 for failing to file and maintain a surety bond or approved alternative with the Department.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Remove and Ban from Industry.** Pursuant to RCW 31.45.110, the Director
3 may remove from office or ban from participation in the conduct of the affairs of any licensee any
4 director, officer, sole proprietor, partner, controlling person, or employee of a licensee that is
5 violating or has violated the Act including rules and orders, or commits any act or engages in conduct
6 that demonstrates incompetence or untrustworthiness, or is a source of injury or loss to the public.

7 **3.2 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a
8 fine, not to exceed one hundred dollars per day for each day’s violation of the Act, on any licensee or
9 applicant, or any director, officer, sole proprietor, partner, controlling person, or employee of a
10 licensee or applicant, that is violating or has violated the Act including rules and orders, or commits
11 any act or engages in conduct that demonstrates incompetence or untrustworthiness, or is a source of
12 injury or loss to the public.

13 **3.3 Authority to Order Restitution.** Pursuant to RCW 31.45.110(2)(d), the Director may order
14 restitution to borrowers damaged by the licensee’s violation of this chapter.

15 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100,
16 WAC 208-630-360, WAC 208-630-370, and WAC 208-630-380, the Director shall collect from the
17 licensee the actual cost of an examination or investigation of the business, books, accounts, records,
18 files, or other information of a licensee or person who the Director has reason to believe is engaging
19 in the business governed by the Act. The investigation charge will be calculated at the rate of sixty-
20 nine dollars (\$69) per hour that each staff person devoted to the investigation, plus actual expenses.

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

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

6 **4.1** Respondent A1 Premium Budget, Inc., d/b/a Cash In A Wink be banned from
7 participation in the conduct of the affairs of any check casher or check casher with a
8 small loan endorsement or check seller subject to licensure by the Director, in any
9 manner, for a period of 5 years;

10 **4.2** Respondent Paul H. Silverman 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
12 seller subject to licensure by the Director, in any manner, for a period of 5 years;

13 **4.3** Respondent Vicki M. Silverman be banned from participation in the conduct of the
14 affairs of any check casher or check casher with a small loan endorsement or check
15 seller subject to licensure by the Director, in any manner, for a period of 5 years;

16 **4.4** Respondents A1 Premium Budget, Inc., d/b/a Cash In A Wink, Paul H. Silverman, and
17 Vicki M. Silverman jointly and severally pay a fine of \$100,000;

18 **4.5** Respondents A1 Premium Budget, Inc., d/b/a Cash In A Wink, Paul H. Silverman, and
19 Vicki M. Silverman jointly and severally pay restitution for all loans made by
20 Respondents to borrowers located in Washington State from at least January 1, 2010,
21 through the date of this Statement of Charges;

22 **4.6** Respondents A1 Premium Budget, Inc., d/b/a Cash In A Wink, Paul H. Silverman, and
23 Vicki M. Silverman jointly and severally pay investigation fee of \$4,578.15,
24 calculated at \$69 per hour for the 66.35 staff hours devoted to the investigation.

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1 **V. AUTHORITY AND PROCEDURE**

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

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9 Dated this 5th day of March, 2013.



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

15 Presented by:

16 SHANA L. OLIVER
17 Financial Legal Examiner

18 Approved by:

19 CHARLES E. CLARK
20 Enforcement Chief