

TERMS COMPLETE

ORDER SUMMARY – Case Number: C-13-1161

Name(s): The Seven Group, LLC and Steven A Sobek

Order Number: C-13-1161-14-CO01

Effective Date: November 17, 2014

License Number: Unlicensed

Or NMLS Identifier [U/L]

License Effect: N/A

Not Apply Until: November 17, 2019

Not Eligible Until: November 17, 2019

Prohibition/Ban Until: November 17, 2019

Investigation Costs	\$3,518	Due 11/18/14	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 11/14/14
Fine	\$3,000	Due 11/18/14	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 11/14/14
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?	<input type="checkbox"/> Y <input type="checkbox"/> N			
No. of Victims:	1			

Comments: R will also do no further lending or collection on prior loans.

**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-13-1161-14-CO01

CONSENT ORDER

THE SEVEN GROUP, LLC,
STEVEN A. SOBEK, Former Managing Member,

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 Seven Group, LLC (Respondent Seven Group), and Steven A. Sobek, former managing member (Respondent Sobek), 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 the 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-13-1161-14-SC01 (Statement of Charges), entered September 20, 2014, (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:

CONSENT ORDER
C-13-1161-14-CO01
The Seven Group, LLC
and Steven A. Sobek

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

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

3 **B. Waiver of Hearing.** It is AGREED that Respondents Seven Group and Sobek have been
4 informed of the right to a hearing before an administrative law judge, and hereby waive their right to
5 a hearing and any and all administrative and judicial review of the issues raised in this matter, or of
6 the resolution reached herein. Accordingly, Respondents Seven Group and Sobek, by their signatures
7 below, withdraw their appeal to the Office of Administrative Hearings.

8 **C. Prohibition from Industry.** It is AGREED that, for a period of five (5) years from the
9 date of entry of this Consent Order, Respondents Seven Group and Sobek are prohibited from
10 participating, in any capacity, in the conduct of the affairs of any check casher or seller licensed by
11 the Department or subject to licensure or regulation by the Department.

12 **D. No Further Lending or Collection.** It is AGREED that Respondents Seven Group and
13 Sobek have ceased and desisted from providing online loans to Washington borrowers. In addition, it
14 is AGREED that Respondents Seven Group and Sobek have voided and/or forfeited loans that had
15 been extended to Washington borrowers by ceasing collection on outstanding loans and canceling
16 defaulted loans. It is further AGREED that Respondents Seven Group and Sobek will not collect on
17 any loans previously made to Washington borrowers in the future.

18 **E. Fine.** It is AGREED that Respondents Seven Group and Sobek shall pay a fine to the
19 Department in the amount of \$3,000, in the form of a cashier's check made payable to the
20 "Washington State Treasurer," upon entry of this Consent Order.

21 **F. Investigation Fee.** It is AGREED that Respondents Seven Group and Sobek shall pay to
22 the Department an investigation fee of \$3,518, in the form of a cashier's check made payable to the
23 "Washington State Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee
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1 may be paid together in one \$6,518 cashier's check made payable to the "Washington State
2 Treasurer."

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

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

11 **I. Voluntarily Entered.** It is AGREED that Respondents Seven Group and Sobek have
12 voluntarily entered into this Consent Order, which is effective when signed by the Director's
13 designee.

14 **J. Completely Read, Understood, and Agreed.** It is AGREED that Respondents Seven
15 Group and Sobek have read this Consent Order in its entirety and fully understand and agree to all of
16 the same.

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18 **RESPONDENTS:**

19 **The Seven Group, LLC**

20 By:

21 

22 John Kennyhertz, Attorney
23 for The Seven Group, LLC

24 Date

11.6.14

1 [REDACTED]
2 Steven A. Sobek
Individually

Date

11/5/14

3 Approved for Entry:

4 [REDACTED]
5 John Kennyhertz
Kennyhertz Perry, Attorneys At Law
6 Attorney for Respondent The Seven Group, LLC

Date

11.6.14

7 DO NOT WRITE BELOW THIS LINE

8 THIS ORDER ENTERED THIS 17th DAY OF November, 2014.



13 [REDACTED]
14
15 DEBORAH BORTNER
Director, Division of Consumer Services
Department of Financial Institutions

16 Presented by:

17 [REDACTED]
18
19 DEVON P. PHELPS
Financial Legal Examiner

20 Approved by:

21 [REDACTED]
22
23 CHARLES E. CLARK
Enforcement Chief

**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 SEVEN GROUP, LLC,
STEVEN A. SOBEK, Former Managing Member,

Respondents.

No.: C-13-1161-14-SC01

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

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 Seven Group, LLC (Respondent Seven Group)** is a Nevada Limited Liability Company. Respondent Seven Group was organized October 12, 2010, and managed by Respondent Steven A. Sobek, until it was sold on November 27, 2012. Respondent Seven Group has never obtained a license in accordance with the Act to make loans.

B. **Steven A. Sobek (Sobek)** was the sole managing member of Respondent Seven Group during all relevant times.

1.2 Unlicensed Activity. For at least the period from April 2012 through June 2012,

Respondents conducted business by providing small loans to at least one consumer physically located

1 in Washington State without being licensed by the Department as a check casher or seller with a
2 small loan endorsement.

3 **1.3 On-going Investigation.** The Department's investigation into the alleged violations of the
4 Act by Respondents continues to date.

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

6 **2.1 Definition of Small Loan.** Pursuant to RCW 31.45.010(21), "Small Loan" means a loan of
7 up to the maximum amount and for a period of time up to the maximum term specified in RCW
8 31.45.073.

9 **2.2 Definition of Licensee.** Pursuant to RCW 31.45.010(13), "Licensee" means a check casher
10 or seller licensed by the director to engage in business in accordance with this chapter. "Licensee"
11 also means a check casher or seller, whether located within or outside of this state, who fails to obtain
12 the license or small loan endorsement required by this chapter.

13 **2.3 Requirement to Obtain a Check Casher and Seller License.** Based on the Factual
14 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.45.030(1)
15 for engaging in the business of a check casher or seller without first obtaining a license from the
16 Director.

17 **2.4 Requirement to Obtain a Small Loan Endorsement.** Based on the Factual Allegations set
18 forth in Section I above, Respondents are in apparent violation of RCW 31.45.070, RCW 31.45.073,
19 and RCW 31.45.105(1)(a)-(d) for engaging in the business of making small loans without first
20 obtaining a small loan endorsement from the Director.

21 **III. AUTHORITY TO IMPOSE SANCTIONS**

22 **3.1 Authority to Issue Cease and Desist Order.** Pursuant to RCW 31.45.110(2)(b), the Director
23 may order a licensee to cease and desist from practices in violation of the Act or practices that
24 constitute unsafe and unsound financial practices in the sale of checks.

1 **3.2 Authority to Ban from the Industry.** Pursuant to RCW 31.45.110(2)(e), the Director may
2 ban from participation in the conduct of the affairs of any licensee any director, officer, sole
3 proprietor, partner, controlling person, or employee of a licensee that is violating or has violated the
4 Act including rules.

5 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a
6 fine, not to exceed one hundred dollars per day for each day's violation of the Act, on any licensee or
7 applicant, or any director, officer, sole proprietor, partner, controlling person, or employee of a
8 licensee or applicant, that is violating or has violated the Act including rules.

9 **3.4 Authority to Order Restitution.** Pursuant to RCW 31.45.110(2)(d), the Director may order
10 restitution to borrowers damaged by the licensee's violation of this chapter.

11 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100,
12 WAC 208-630-360, WAC 208-630-370, and WAC 208-630-380, the Director shall collect from the
13 licensee the actual cost of an investigation of the business, books, accounts, records, files, or other
14 information of a licensee or person who the Director has reason to believe is engaging in the business
15 governed by the Act. The investigation charge will be calculated at the rate of sixty-nine dollars
16 (\$69) per hour that each staff person devoted to the investigation, plus actual expenses.

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IV. NOTICE OF INTENTION TO ENTER ORDER

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

- 4.1 Respondents The Seven Group, LLC and Steven A. Sobek cease and desist from offering or making small loans to Washington State residents;
- 4.2 Respondents The Seven Group, LLC and Steven A. Sobek be banned from participation in the 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, for a period of five (5) years;
- 4.3 Respondents The Seven Group, LLC and Steven A. Sobek jointly and severally pay a fine of \$6,000;
- 4.4 Respondents The Seven Group, LLC and Steven A. Sobek jointly and severally pay restitution to all affected Washington State borrowers for any interest or fees collected on small loans originated without a license; and
- 4.5 Respondents The Seven Group, LLC and Steven A. Sobek jointly and severally pay an investigation fee of \$3,519, calculated at \$69 per hour for the 51 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 Cease and Desist, 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 10th day of September, 2014.



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DEBORAH BORTNER
Director, Division of Consumer Services
Department of Financial Institutions

Presented by:

DEVON P. PHELPS
Financial Legal Examiner

Approved by:

CHARLES E. CLARK
Enforcement Chief