

Terms Completed

ORDER SUMMARY – Case Number: C-13-1325

Name(s): CP Investors, LLC; Brian Bergfalk; Eric Quinlan

Order Number: C-13-1325-14-CO01

Effective Date: April 1, 2014

License Number: U/L
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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:

Not Apply Until: April 1, 2019

Not Eligible Until: April 1, 2019

Prohibition/Ban Until: April 1, 2019

Investigation Costs	\$828	Due 4/1/14	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 4/1/14
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
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:				

Comments: Respondents also agree to cease and desist from providing online loans to Washington borrowers, to void and forfeit loans that had been extended to Washington borrowers, and to forgo collection on any loans previously made to Washington borrowers.

1
2
3
4
5
6
7

**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-13-1325-14-CO01

CONSENT ORDER

CP INVESTORS, LLC;
BRIAN BERGFALK, Manager; and
ERIC QUINLAN, Manager,

Respondents.

8
9
10
11
12
13
14
15

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and CP Investors, LLC (Respondent CPI), Brian Bergfalk, manager (Respondent Bergfalk), and Eric Quinlan, manager (Respondent Quinlan) (hereafter, 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 the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

16
17
18
19
20
21
22
23
24

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-13-1325-14-SC01 (Statement of Charges), entered December 17, 2013, (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-13-1325-14-CO01
CP INVESTORS, LLC; BRIAN BERGFALK;
and ERIC QUINLAN

1

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 have been informed of the right to a
4 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondents, by their signatures below, withdraw their appeal to the Office of
7 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 are prohibited from participating, in any capacity, in
10 the conduct of the affairs of any check casher or seller licensed by the Department or subject to
11 licensure or regulation by the Department.

12 **D. Settlement Agreement with the California Department of Business Organization.** It
13 is AGREED that Respondents have provided the Department with the Settlement Agreement entered
14 into with the California Department of Business Oversight (California DBO) on or about December
15 18, 2013.

16 **E. Declaration of Financial Condition.** It is AGREED that Respondents have provided the
17 Department with Declarations comprehensively describing their current financial conditions and
18 representing their current inability to pay a fine due to the financial obligations required by the
19 Settlement Agreement entered into with the California DBO.

20 **F. No Further Lending or Collection.** It is AGREED that Respondents have ceased and
21 desisted from providing online loans to Washington borrowers. In addition, it is AGREED that
22 Respondents have voided and/or forfeited loans that had been extended to Washington borrowers by
23 ceasing collection on outstanding loans and canceling defaulted loans. It is further AGREED that
24 Respondents will not collect on any loans previously made to Washington borrowers in the future.

1 **G. Investigation Fee.** It is AGREED that Respondent CPI shall pay to the Department an
2 investigation fee of \$828, in the form of a cashier's check made payable to the "Washington State
3 Treasurer," upon entry of this Consent Order.

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

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

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

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

15 **RESPONDENTS:**

16 CP Investors, LLC

17 By:

18 Brian Bergfalk
19 Manager

20 Eric Quinlan
21 Manager

22
23 Brian Bergfalk
24 Individually

3-19-14

Date

3/19/14

Date

3-19-14

Date

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

[Redacted]

3/19/14

Eric Quinlan
Individually

Date

Approved for Entry:

[Redacted]

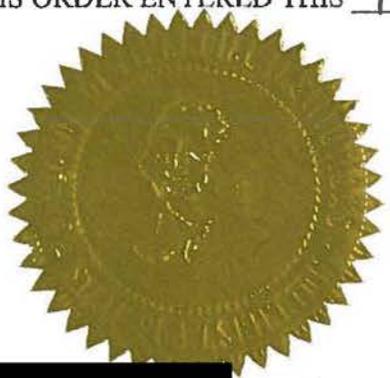
3/20/14

Brad Seiling
Manatt, Phelps & Phillips, LLP
Attorney for Respondents

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 1st DAY OF April, 2014.



[Redacted]

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

Presented by:

[Redacted]

DEVON P. PHELPS
Financial Legal Examiner

Approved by:

[Redacted]

CHARLES E. CLARK
Enforcement Chief

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

**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:

CP INVESTORS, LLC;
BRIAN BERGFALK, Manager;
ERIC QUINLAN, Manager; and
[REDACTED]

Respondents.

No.: C-13-1325-13-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. **CP Investors, LLC (Respondent CP Investors)** is a Nevada Limited Liability Company with its principal place of business believed to be located at 101 Parkshore Drive, Suite 300, Folsom, California 95630. Respondent CP Investors has never obtained a license in accordance with the Act to make loans.

B. **Brian Bergfalk (Respondent Bergfalk)** is a manager of Respondent CP Investors.

C. **Eric Quinlan (Respondent Quinlan)** is a manager of Respondent CP Investors.

1 D. [REDACTED] is a manager of Respondent CP
2 Investors.

3 **1.2 Unlicensed Activity.** For at least the period from October 2010, through August 2012,
4 Respondents have conducted business by providing loans to at least one consumer physically located
5 in Washington State without being licensed by the Department as a check casher and seller with a
6 small loan endorsement.

7 **1.3 On-going Investigation.** The Department's investigation into the alleged violations of the
8 Act by Respondents continues to date.

9 II. GROUNDS FOR ENTRY OF ORDER

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

14 **2.2 Definition of Small Loan.** Pursuant to RCW 31.45.010(21), "Small Loan" means a loan of
15 up to the maximum amount and for a period of time up to the maximum term specified in RCW
16 31.45.073.

17 **2.3 Definition of Licensee.** Pursuant to RCW 31.45.010(13), a "Licensee" means a check casher
18 or seller licensed by the director to engage in business in accordance with this chapter. "Licensee"
19 also means a check casher or seller, whether located within or outside of this state, who fails to obtain
20 the license or small loan endorsement required by this chapter.

21 **2.4 Requirement to Obtain a Check Casher and Seller License.** Based on the Factual
22 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.45.030(1)
23 for engaging in the business of a check casher or seller without first obtaining a license from the
24 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, RCW 31.45.073,
3 and RCW 31.45.105(1)(a)-(d) for engaging in the business of making small loans without first
4 obtaining a small loan endorsement from the Director.

5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Issue Cease and Desist Order.** Pursuant to RCW 31.45.110(2)(b), the Director
7 may order a licensee to cease and desist from practices in violation of the Act or practices that
8 constitute unsafe and unsound financial practices in the sale of checks.

9 **3.2 Authority to Ban from the Industry.** Pursuant to RCW 31.45.110(2)(e), the Director may
10 ban from participation in the conduct of the affairs of any licensee any director, officer, sole
11 proprietor, partner, controlling person, or employee of a licensee that is violating or has violated the
12 Act including rules.

13 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a
14 fine, not to exceed one hundred dollars per day for each day's violation of the Act, on any licensee or
15 applicant, or any director, officer, sole proprietor, partner, controlling person, or employee of a
16 licensee or applicant, that is violating or has violated the Act including rules.

17 **3.4 Authority to Order Restitution.** Pursuant to RCW 31.45.110(2)(d), the Director may order
18 restitution to borrowers damaged by the licensee's violation of this chapter.

19 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100,
20 WAC 208-630-360, WAC 208-630-370, and WAC 208-630-380, the Director shall collect from the
21 licensee the actual cost of an investigation of the business, books, accounts, records, files, or other
22 information of a licensee or person who the Director has reason to believe is engaging in the business
23 governed by the Act. The investigation charge will be calculated at the rate of sixty-nine dollars
24 (\$69) per hour that each staff person devoted to the investigation, plus actual expenses.

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

2 Respondent's 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 **3.1** Respondents CP Investors, LLC, Brian Bergfalk, Eric Quinlan, and [REDACTED]
7 cease and desist from offering or making small loans to Washington State residents;
- 8 **3.2** Respondents CP Investors, LLC, Brian Bergfalk, Eric Quinlan, and [REDACTED]
9 be banned from participation in the conduct of the affairs of any check casher or check
10 casher with a small loan endorsement or check seller subject to licensure by the
11 Director, in any manner, for a period of five (5) years;
- 12 **3.3** Respondents CP Investors, LLC, Brian Bergfalk, Eric Quinlan, and [REDACTED]
13 jointly and severally pay a fine, which as of the date of this Statement of Charges is
14 \$6,000;
- 15 **3.4** Respondents CP Investors, LLC, Brian Bergfalk, Eric Quinlan, and [REDACTED]
16 jointly and severally pay restitution to all affected Washington State borrowers for any
17 interest or fees collected on small loans originated without a license;
- 18 **3.5** Respondents CP Investors, LLC, Brian Bergfalk, Eric Quinlan, and [REDACTED]
19 jointly and severally pay an investigation fee of \$828.

20 //
21 //
22 //
23 //

1 **V. AUTHORITY AND PROCEDURE**

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

8
9 Dated this 17th day of December, 2013



10 [Redacted signature]

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

14 Presented by:

15 [Redacted signature]

16 DEVON P. PHELPS
17 Financial Legal Examiner

18 Approved by:

19 [Redacted signature]

20 CHARLES E. CLARK
21 Enforcement Chief