

ORDER SUMMARY – Case Number: C-13-1356 and C-13-1371

Name(s): Action PDL Services d/b/a Action Payday;
Integrity PDL Services d/b/a Integrity Payday Loans d/b/a IPL Today;
Joshua L. Mitchem
Jeremy D. Shafer

Order Numbers: C-13-1371-14-CO01, C-13-1371-14-CO02, C-13-1356-CO01,
C-13-1356-CO02

Effective Date: January 2, 2015

License Number: Unlicensed

Or NMLS Identifier [U/L]

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$1,380	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/2/15
Fine	\$178,620	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/2/15
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$21,553.50	Due: 5/2/15 - see CO01 for details	Paid <input type="checkbox"/> Y <input checked="" 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:

Restitution is to be paid to consumers or escheated to the state within 120 days from date of entry of COs

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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:

NO. C-13-1356-14-CO01
C-13-1371-14-CO01

CONSENT ORDER FOR
ACTION PDL SERVICES, LLC and
INTEGRITY PDL SERVICES, LLC

ACTION PDL SERVICES, LLC d/b/a ACTION
PAYDAY; JEREMY D. SHAFFER, Co-Manager;
and JOSHUA L. MITCHEM, Co-Manager;

and

INTEGRITY PDL SERVICES, LLC d/b/a
INTEGRITY PAYDAY LOANS d/b/a IPL TODAY
and JOSHUA L. MITCHEM, Manager,

Respondents.

11 COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
12 Deborah Bortner, Division Director, Division of Consumer Services, and Action PDL Services, LLC d/b/a Action
13 Payday (Respondent Action PDL), Integrity PDL Services, LLC d/b/a Integrity Payday Loans d/b/a IPL Today
14 (Respondent Integrity PDL), by and through their attorney, John L. Bley, and finding that the issues raised in the
15 above-captioned matter may be economically and efficiently settled as to Respondents Action PDL and Integrity
16 PDL, agree to the entry of this Consent Order.

17 This Consent Order is entered pursuant to chapter chapters 31.45 RCW, the Check Cashers and Sellers
18 Act, and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

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AGREEMENT AND ORDER

21 The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents
22 Action PDL and Integrity PDL have agreed upon a basis for resolution of the matters alleged in Statement of
23 Charges No. C-13-1356-14-SC01 and Statement of Charges No. C-13-1371-14-SC01, entered February 5, 2014,
24 (collectively "Statements of Charges," copies attached hereto) as they relate to Respondents Action PDL and
25 Integrity PDL. Pursuant to chapter 31.45 RCW, the Check Cashers and Sellers Act, and RCW 34.05.060 of the

CONSENT ORDER
C-13-1356-14-CO01; C-13-1371-14-CO01
ACTION PDL SERVICES, LLC
and INTEGRITY PDL SERVICES, LLC

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

1 Administrative Procedure Act, Respondents Action PDL and Integrity PDL hereby agree to the Department's
2 entry of this Consent Order and further agree that the issues raised in the above-captioned matter may be
3 economically and efficiently settled by entry of this Consent Order.

4 Based upon the foregoing:

5 **A. Respondent Entities.** This Consent Order shall extend to My Next Day Cash, Red Leaf Lending,
6 SCS Processing, VIP Loan Shop, Bottom Dollar Payday, Fast E Funds, Iggy Loans, My Quick Cash, and Lend Me
7 Now (collectively with Respondent Action PDL and Respondent Integrity PDL "Respondent Entities") or anyone
8 acting on their behalf, including but not limited to their principals, directors, officers, shareholders, employees,
9 successors or assignees of the named corporate respondents in this action, and agents in active concert or
10 participation with any of the foregoing who are involved in the conduct of business that is the subject of this
11 litigation and to any corporations, company, business entity, or other entity or device through which Respondent
12 Entities may now or hereafter act or conduct business that is the subject of this litigation. It is AGREED that My
13 Next Day Cash, Red Leaf Lending, SCS Processing, VIP Loan Shop, Bottom Dollar Payday, Fast E Funds, Iggy
14 Loans, My Quick Cash, and Lend Me Now were not named as respondents in Respondent Action PDL Services'
15 Statement of Charges No. C-13-1356-14-SC01 or Respondent Integrity PDL Services' Statement of Charges No.
16 C-13-1371-14-SC01 but agree to be legally bound by the terms of this Consent Order as if they had been named as
17 respondents in the aforementioned Statements of Charges. My Next Day Cash, Red Leaf Lending, SCS
18 Processing, VIP Loan Shop, Bottom Dollar Payday, Fast E Funds, Iggy Loans, My Quick Cash, and Lend Me
19 Now agree to be jointly and severally liable for the financial obligations of this Consent Order with Respondents
20 Action PDL and Integrity PDL.

21 **B. Jurisdiction.** Respondent Entities consent to the jurisdiction of the Department to enter this Consent
22 Order, and solely for purposes of entering into this Consent Order, as well as the jurisdiction of the Department
23 and Washington State courts to the extent required for the Department to enforce all terms contained in this
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1 Consent Order, including but not limited to this provision. The limited consent provided herein may not be
2 construed as a waiver or consent to jurisdiction for any other purpose as to the Respondent Entities.

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

8 **D. No Admission of Liability.** The parties intend this Consent Order to fully resolve the Statements of
9 Charges and agree that Respondent Entities neither admit nor deny any of the allegations contained in the
10 Statements of Charges.

11 **E. Cease and Desist.** Respondent Entities have represented to the Department that Respondent Entities
12 ceased making small loans to individuals located in Washington prior to May 15, 2014. Further, Respondent
13 Entities represented to the Department that Respondent Entities ceased collecting payments on loans made to
14 individuals located in Washington, that loans made to individuals located in Washington have been written-off or
15 charged-off, and that loans made to individuals in Washington have not been sold, transferred, or assigned to any
16 affiliates or other third parties since prior to May 15, 2014. The Department AGREES to take no further
17 enforcement action against Respondent Entities for lending activities related to individuals located in Washington
18 that occurred prior to May 15, 2014.

19 **F. Agreement to Not Conduct Business with Individuals Located in Washington State.** It is
20 AGREED that Respondent Entities shall not conduct the business of a Check Cashier or Check Seller with a
21 small loan endorsement with respect to any individual located in the state of Washington. Respondent Entities
22 agree that this provision precludes them from making small loans to any individual located in the state of
23 Washington. Respondent Entities further agree that any loans they made previously made to any individual
24 located in the state of Washington are not enforceable or collectable. Respondent Entities further agree that

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1 they will not collect or attempt to collect outstanding loans that have been made to any individual located in the
2 state of Washington. It is further AGREED that Respondent Entities shall not sell, transfer, or assign any small
3 loans made to individuals located in the state of Washington.

4 **G. Restitution to Washington Borrowers.** It is AGREED that Respondent Entities provided funds
5 to a non-affiliated escrow company in the amount of \$21,553.50 to be placed in a trust account and distributed
6 to Washington borrowers identified on Appendix A who filed complaints with the Department prior to entry of
7 this Consent Order. These borrowers identified on Appendix A shall receive refunds for all fees and interest
8 collected by Respondent Entities, which total \$21,553.50. Upon entry of this Consent Order, Respondent
9 Entities shall promptly provide the escrow company with a copy of this Consent Order. Within 30 days from
10 entry of this Consent Order, Respondent Entities shall cause the escrow company to mail restitution payments
11 to the borrowers identified on Appendix A. Each mailed restitution check must be accompanied by an
12 explanatory letter discussing the restitution payment. A copy of the explanatory language is attached as
13 Appendix B. All expenses associated with the escrow company, including but not limited to the cost of
14 mailings and stop payment fees, shall be borne by Respondent Entities. If restitution cannot be made to any
15 particular borrower, Respondent Entities shall cause the escrow company to take the necessary steps to escheat
16 such funds to the state of Washington as unclaimed property in the name of the borrower. It is further agreed
17 that, within 120 days from the entry of this Consent Order, Respondent Entities shall cause the escrow
18 company to provide the Department with an affidavit attesting that the entire restitution amount has either been
19 received by borrowers or escheated to the state.

20 **H. Fine.** It is AGREED that Respondent Entities shall pay to the Department a fine of \$178,620 in the
21 form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

22 **I. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the consent
23 of any person or entity not a party to this Consent Order to take any action concerning their personal legal
24 rights. It is further AGREED that for any person or entity not a party to this Consent Order, this Consent Order

1 does not limit or create any private rights or remedies against Respondent Entities, limit or create liability of
2 Respondents Entities, or limit or create defenses of Respondent Entities to any claims.

3 **J. Investigation Costs.** It is AGREED that Respondent Entities shall pay to the Department
4 Investigation Costs of \$1,380, in the form of a cashier's check made payable to the "Washington State Treasurer,"
5 upon entry of this Consent Order. The Fine and Investigation Costs may be paid together in one cashier's check
6 made payable to the "Washington State Treasurer."

7 **K. Future Application.** It is AGREED the conduct giving rise to the Statements of Charges will not be
8 used by the Department in assessing a future license application by Respondent Entities.

9 **L. Authority to Execute Order.** It is AGREED that the undersigned have represented and warranted
10 that they have the full power and right to execute this Consent Order on behalf of Respondent Entities.

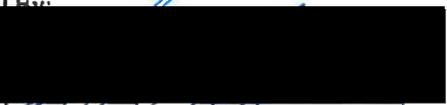
11 **M. Non-Compliance with Order.** It is AGREED that Respondent Entities understand that failure to
12 abide by the terms and conditions of this Consent Order may result in further legal action by the Director. In
13 the event of such legal action, Respondent Entities may be responsible to reimburse the Director for the cost
14 incurred in pursuing such action, including but not limited to, attorney fees.

15 **N. Voluntarily Entered.** It is AGREED that the undersigned Respondent Entities have voluntarily
16 entered into this Consent Order, which is effective when signed by the Director's designee.

17 **O. Completely Read, Understood, and Agreed.** It is AGREED that the undersigned representatives of
18 Respondent Entities have read this Consent Order in its entirety and fully understands and agree to all of the same.

19 **RESPONDENTS:**

20 **Action PDL Services, LLC d/b/a Action Payday**

21 By: 

22
23 Joshua L. Mitchem
24 Authorized Representative

12/18/14
Date

1 Integrity PDL Services, LLC d/b/a Integrity
Payday Loans d/b/a IPL Today

2 By: [Redacted]
3 [Redacted]

12/18/14
Date

4 Joshua L. Mitchem
Authorized Representative

- 5 My Next Day Cash
- 6 Red Leaf Lending
- 7 SCS Processing
- 8 VIP Loan Shop
- 9 Bottom Dollar Payday
- 10 Fast E Funds
- 11 Iggy Loans
- 12 My Quick Cash
- 13 Lend Me Now

10 By: [Redacted]
11 [Redacted]

12/18/14
Date

12 Joshua L. Mitchem
13 Authorized Representative

14 Approved as to Form:
15 [Redacted]

12/12/14
Date

16 John L. Bley, WSBA No. 15230
17 Attorney at Law, Foster Pepper PLLC
Attorney for Respondents

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 2nd DAY OF January, 2015.

~~DEBORAH BORTNER~~ *Charles Clark*
Director
Division of Consumer Services
Department of Financial Institutions

Presented by: *[Signature]*
~~DEBORAH TAELLIUS~~
Financial Legal Examiner Supervisor

Approved by: *[Signature]*
~~CHARLES E. CLARK~~ *Steven C. Sherman*
Enforcement Chief



BORROWER	RESTITUTION
N.C.	\$ 445.00
J.P.	\$ 90.00
S. H.	\$ 270.00
G. S	\$ 150.00
A.N.	\$ 50.00
K.C.	\$ 1,267.50
B.M.	\$ 80.00
P.B.	\$ 540.00
D.D.	\$ 355.50
C.A.	\$ 968.50
S.P.	\$ 25.00
K.D.	\$ 952.00
W.G.	\$ 604.00
S.C.	\$ 266.00
J.M.	\$ 80.00
C.B.	\$ 1,693.00
D.P.	\$ 220.00
C.G.	\$ 72.50
O.K.	\$ 47.50
M.C.	\$ 100.00
T.M.	\$ 25.00
B.J.	\$ 294.00
B.G.	\$ 408.00
S.N.	\$ 540.00
D.E.	\$ 75.00
J.H.	\$ 90.00
A.A.	\$ 500.00
R.W.	\$ 375.00
K.K.	\$ 1,167.50
J.T.	\$ 360.00
J.S.	\$ 1,229.00
S.T.	\$ 100.00
N.B.	\$ 1,200.00
P.W.	\$ 175.00
A.Y.	\$ 145.00
D.M.	\$ 1,957.50
R.D.	\$ 100.00
H.L.	\$ 352.50
R.R.	\$ 517.50
R.J.	\$ 543.00
E.B.	\$ 195.00
S.H.	\$ 300.00
M.H.	\$ 667.50
T.W.	\$ 247.50
S.E.	\$ 660.00
M.M.	\$ 240.00
J.S.	\$ 813.00
TOTAL	\$21,553.50



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

P.O. Box 41200 • Olympia, Washington 98504-1200
Telephone (360) 902-8703 • TDD (360) 664-8128 • FAX (360) 664-2258 • <http://www.dfi.wa.gov/cs>

December , 2014

Dear Borrower:

As you may be aware, the Department of Financial Institutions (Department) regulates check cashers, check sellers, and payday lenders in the state of Washington. The Department is authorized under chapter 31.45 RCW, the Check Cashers and Check Sellers Act (the Act), to conduct investigations into possible violations of the Act.

In April 2014, the Department took formal enforcement action against Action PDL Services and Integrity PDL Services, as well as their company managers.

In December 2014, the Department and Action PDL Services and Integrity PDL Services reached an agreement resolving the formal action. One provision of the settlement is restitution to borrowers like you. Integrity PDL Services and Action PDL Services, and their attorney, have agreed to enclose this letter with your restitution check to help explain why you are receiving restitution. For your information, the formal administrative action (Statement of Charges) and the agreement (Consent Order) are available on the Department's website: <http://www.dfi.wa.gov/cs>.

Thank you for your patience throughout this process. If you have any questions, please feel free to contact Deborah Taellious at (360) 725-7821 or 1-877-746-4334.

Sincerely,

Deborah Taellious
Financial Legal Examiner Supervisor

APPENDIX B

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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:

NO. C-13-1356-14-CO02
C-13-1371-14-CO02

ACTION PDL SERVICES, LLC d/b/a ACTION
PAYDAY; JEREMY D. SHAFFER, Co-Manager;
and JOSHUA L. MITCHEM, Co-Manager;

CONSENT AGREEMENT FOR
JOSHUA L. MITCHEM and
JEREMY D. SHAFFER

and

INTEGRITY PDL SERVICES, LLC d/b/a
INTEGRITY PAYDAY LOANS d/b/a IPL TODAY
and JOSHUA L. MITCHEM, Manager,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
Deborah Bortner, Division Director, Division of Consumer Services, and Joshua L. Mitchem (Respondent
Mitchem) and Respondent Jeremy D. Shaffer (Respondent Shaffer), by and through their attorney, John L. Bley,
and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree
to the entry of this Consent Agreement as to Respondents Mitchem and Shaffer. This Consent Agreement is
entered pursuant to chapter 31.45 RCW, the Check Cashers and Sellers Act, 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
Mitchem and Shaffer have agreed upon a basis for resolution of the matters alleged in Statement of Charges No.
C-13-1356-14-SC01 and Statement of Charges No. C-13-1371-14-SC01, entered February 5, 2014, (collectively
"Statements of Charges," copies attached hereto) as they relate solely to Respondents Mitchem and Shaffer.
Pursuant to chapter 31.45 RCW, the Check Cashers and Sellers Act, and RCW 34.05.060 of the Administrative
Procedure Act, Respondents Mitchem and Shaffer hereby agree to the Department's entry of this Consent

CONSENT AGREEMENT
C-13-1356-14-CO02; C-13-1371-14-CO02
JOSHUA L. MITCHEM and
JEREMY D. SHAFFER

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

1 Agreement and further agree that the issues raised in the above-captioned matter may be economically and
2 efficiently settled by entry of this Consent Agreement as to Respondents Mitchem and Shaffer.

3 Based upon the foregoing:

4 **A. Jurisdiction.** Respondents Mitchem and Shaffer consent to the jurisdiction of the Department to
5 enter this Consent Agreement, and solely for purposes of entering into this Consent Order, as well as the
6 jurisdiction of the Department and Washington State courts to the extent required for the Department to enforce
7 all terms contained in this Consent Agreement, including but not limited to this provision. The limited consent
8 provided herein may not be construed as a waiver or consent to jurisdiction for any other purpose as to the
9 Respondents Mitchem and Shaffer.

10 **B. Waiver of Hearing.** It is AGREED that Respondents Mitchem and Shaffer have been informed of
11 the right to a hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
12 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.
13 Accordingly, Respondents Mitchem and Shaffer, by their signatures below, withdraw their appeal to the Office of
14 Administrative Hearings.

15 **C. No Admission of Liability.** The parties intend this Consent Agreement to fully resolve the
16 Statements of Charges and agree that Respondents Mitchem and Shaffer neither admit nor deny any of the
17 allegations contained in the Statements of Charges.

18 **D. Agreement to Not Conduct Business with Individuals located in Washington State.** It is
19 AGREED that Respondents Mitchem and Shaffer shall not personally or on behalf of any person¹ conduct the
20 business of a Check Casher or Check Seller with a small loan endorsement with respect to any individual
21 located in the state of Washington. Respondents Mitchem and Shaffer agree that this provision precludes them
22 personally or on behalf of any person from making small loans to any individual located in the state of
23

24 ¹ "Person" means an individual, partnership, association, limited liability company, limited liability partnership, trust,
25 corporation, and any other legal entity. See RCW 31.45.010(18) (2010).

1 Washington. Respondents Mitchem and Shaffer further agree that any loans they or any person they have been
2 associated with have previously made to any individual located in the state of Washington at the time of
3 making the loan are not enforceable or collectable. Respondents Mitchem and Shaffer further agree that
4 neither they nor any person they have been associated with or any person on their behalf will collect or attempt
5 to collect outstanding consumer loans that have been made to any individual located in the state of Washington.
6 Respondents Mitchem and Shaffer further agree not to sell or permit the sale of any loan made to any
7 individual located in Washington by Respondent Entities as defined in the related Consent Order concerning
8 Action PDL and Integrity PDL executed contemporaneously with this Consent Agreement.

9 **E. Future Application.** It is AGREED the conduct giving rise to the Statements of Charges will not be
10 used by the Department in assessing a future license application by Respondents Mitchem and Shaffer.

11 **F. Non-Compliance with Order.** It is AGREED that Respondents Mitchem and Shaffer understand
12 that failure to abide by the terms and conditions of this Consent Agreement may result in further legal action by
13 the Director. In the event of such legal action, Respondents Shaffer and Mitchem may be responsible to
14 reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

15 **G. Voluntarily Entered.** It is AGREED that the undersigned Respondents Mitchem and Shaffer have
16 voluntarily entered into this Consent Agreement, which is effective when signed by the Director's designee.

17 **H. Completely Read, Understood, and Agreed.** It is AGREED that Respondents Mitchem and Shaffer
18 have read this Consent Agreement in its entirety and fully understand and agree to all of the same.

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1 **RESPONDENTS:**

2 **Joshua L. Mitchem**

3 [Redacted]

4 **Joshua L. Mitchem**

12/18/14
Date

5 **Jeremy D. Shaffer**

6 [Redacted]

7 **Jeremy D. Shaffer**

12/18/2014
Date

8 **Approved as to Form:**

9 [Redacted]

10 **John L. Bley, WSBA No. 15230**
11 **Attorney at Law, Foster Pepper PLLC**
12 **Attorney for Respondents**

12/12/14
Date

13 **DO NOT WRITE BELOW THIS LINE**

14 THIS ORDER ENTERED THIS 2nd DAY OF January, 2015.

15 [Redacted]

16 ~~DEBORAH BORTNER~~ *Charles Clark*
17 Director
18 Division of Consumer Services
19 Department of Financial Institutions

20 **Presented by:**

21 [Redacted]

22 **DEBORAH TAEILLIOUS**
23 **Financial Legal Examiner Supervisor**

24 **Approved by:**

25 [Redacted]

San **CHARLES E. CLARK** *Steven C. Sherman*
Enforcement Chief



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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:

ACTION PDL SERVICES, LLC d/b/a ACTION
PAYDAY;
JEREMY D. SHAFFER, Co-Manager; and
JOSHUA L. MITCHEM, Co-Manager,

Respondents.

No.: C-13-1356-14-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. **Action PDL Services, LLC d/b/a Action Payday (Respondent Action PDL)** appears to be a Limited Liability Company organized under the laws of Nevis. Respondent Action PDL has never obtained a license in accordance with the Act to make small loans.

B. **Jeremy D. Shaffer (Respondent Shaffer)** is Co-Manager of Respondent Action PDL.

C. **Joshua L. Mitchem (Respondent Mitchem)** is Co-Manager of Respondent Action PDL.

1 **1.2 Unlicensed Activity.** For at least the period from January 2013 through December 2013,
2 Respondents have conducted business by providing small loans to at least seven consumers
3 physically located in Washington State without being licensed by the Department as a check casher
4 and seller with a small loan endorsement.

5 **1.3 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), "Check Casher" means an
9 individual, partnership, unincorporated association, or corporation that, for compensation, engages, in
10 whole or in part, in the business of cashing checks, drafts, money orders, or other commercial paper
11 serving the same purpose.

12 **2.2 Definition of Small Loan.** Pursuant to RCW 31.45.010(21), "Small Loan" means a loan of
13 up to the maximum amount and for a period of time up to the maximum term specified in RCW
14 31.45.073.

15 **2.3 Definition of Licensee.** Pursuant to RCW 31.45.010(13), a "Licensee" means a check casher
16 or seller licensed by the director to engage in business in accordance with this chapter. "Licensee"
17 also means a check casher or seller, whether located within or outside of this state, who fails to obtain
18 the license or small loan endorsement required by this chapter.

19 **2.4 Requirement to Obtain a Check Casher and Seller License.** Based on the Factual
20 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.45.030(1)
21 for engaging in the business of a check casher or seller without first obtaining a license from the
22 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

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

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

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

- 8 **4.1** Respondents Action PDL Services, LLC d/b/a Action Payday, Jeremy D. Shaffer, and
9 Joshua L. Mitchem cease and desist from offering or making small loans to
Washington State residents;
- 10 **4.2** Respondents Action PDL Services, LLC d/b/a Action Payday, Jeremy D. Shaffer, and
11 Joshua L. Mitchem be banned from participation in the conduct of the affairs of any
12 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;
- 13 **4.3** Respondents Action PDL Services, LLC d/b/a Action Payday, Jeremy D. Shaffer, and
14 Joshua L. Mitchem jointly and severally pay a fine, which as of the date of this
Statement of Charges is \$21,000;
- 15 **4.4** Respondents Action PDL Services, LLC d/b/a Action Payday, Jeremy D. Shaffer, and
16 Joshua L. Mitchem 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
- 17 **4.5** Respondents Action PDL Services, LLC d/b/a Action Payday, Jeremy D. Shaffer, and
18 Joshua L. Mitchem jointly and severally pay an investigation fee of \$345.

19 **V. AUTHORITY AND PROCEDURE**

20 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Ban
21 from Industry, Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of Charges)
22 is entered pursuant to the provisions of RCW 31.45.110 and RCW 31.45.200, and is subject to the
23 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a
24

1 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
2 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

3
4 Dated this 5th day of February, 2014.

5 [Redacted Signature]

6
7 DEBORAH BORTNER
8 Director, Division of Consumer Services
9 Department of Financial Institutions

9 Presented by:

10 [Redacted Signature]

11 DEBORAH TALLIOUS
12 Financial Legal Examiner



13 Approved by:

14 [Redacted Signature]

15 CHARLES E. CLARK
16 Enforcement Chief

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