

**ORDER SUMMARY – Case Number: C-14-1449**

**Name(s):** Pensions, Annuities, and Settlements LLC a/k/a Future Income  
Payments LLC

**Order Number:** C-14-1449-16-CO01

**Effective Date:** December 2, 2016

**License Number:** U/L

**Or NMLS Identifier [U/L]**

**License Effect:**

**Not Apply Until:**

**Not Eligible Until:**

**Prohibition/Ban Until:**

<b>Investigation Costs</b>	\$ 25,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Financial Literacy</b>	\$ 25,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due: within 45 days of CO entry	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

**Comments:**

Exhibit A omitted.

**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-14-1449-16-CO01

CONSENT ORDER

PENSIONS, ANNUITIES, and  
SETTLEMENTS LLC, a/k/a FUTURE INCOME  
PAYMENTS, LLC,  
Respondent.

COMES NOW the Acting Director of the Department of Financial Institutions ("Director"), through her designee Charles E. Clark, Division Director, Division of Consumer Services, and Pensions, Annuities, and Settlements, LLC, aka Future Income Payments, LLC, its owners, subsidiaries, affiliates, successors, assigns, agents, representatives, or employees (collectively, "Respondent FIP")<sup>1</sup>, 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 31.04 of the Revised Code of Washington ("RCW"), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**CONSENT ORDER AND ORDER**

The Department of Financial Institutions, Division of Consumer Services ("Department") and Respondent FIP have agreed upon a basis for resolution of the matters alleged in Amended Statement of Charges No. C-14-1449-15-SC02 ("Statement of Charges"), entered May 19, 2015 (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act ("Act"), and RCW 34.05.060 of the Administrative Procedure Act, Respondent FIP hereby agrees to the Department's entry of this Consent Order and further agrees 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

<sup>1</sup> Pensions, Annuities, and Settlements LLC is now known as Future Income Payments, LLC.  
CONSENT ORDER  
C-14-1449-16-CO01  
Pensions, Annuities, and Settlements LLC

1 Order to fully resolve the Statement of Charges. Respondent FIP is agreeing not to further contest  
2 the Statement of Charges in consideration of the terms of this Consent Order.

3  
4 Based upon the foregoing:

5 **A. Jurisdiction.** It is AGREED that Respondent FIP consents to the jurisdiction of the  
6 Department to enter this Consent Order and to the jurisdiction of the Department and Washington  
7 State courts to the extent required for the Department to enforce all terms contained in this Consent  
8 Order, including but not limited to this provision. The limited consent provided herein may not be  
9 construed as a waiver or consent to jurisdiction for any other purpose as to the Respondent FIP.

10 It is further AGREED that in consideration for the terms of this Consent Order, the  
11 Department hereby withdraws the Statement of Charges with respect to Scott Kohn. However; Scott  
12 Kohn, as owner and President of FIP, is a signatory to this Consent Order and, as such, has all of the  
13 obligations and rights of a signatory, though no longer an individually named Respondent.

14 **B. Waiver of Hearing.** It is AGREED that Respondent FIP has been informed of the  
15 right to a hearing before an administrative law judge, and hereby waives its right to a hearing and any  
16 and all administrative and judicial review of the issues raised in this matter, or of the resolution  
17 reached herein. Accordingly, Respondent FIP, by the signatures below, withdraws its appeal to the  
18 Office of Administrative Hearings.

19 **C. No Admission of Liability.** The Department acknowledges that Respondent FIP  
20 maintains that it has been and is in the business of conducting transactions that constitute the  
21 "purchase of income stream(s)" from natural persons residing in the State of Washington  
22 ("Owner(s)") with a lump-sum cash payment ("Purchase Payment") in exchange for the Owner's  
23 agreement to transfer to FIP a certain future amount of the specified "income stream" (the "Purchased

Asset”) that the Owner actually receives, but not in the form of an assignment of any pension (each, a  
“Purchase Transaction”). The Department further acknowledges that Respondent FIP voluntarily  
ceased conducting such transactions with Washington residents after receipt of the Statement of  
Charges and during the pendency of this action.

Respondent FIP acknowledges that the Department considers the transactions which are the  
subject of this action to be loans, the Purchase Payments to be the “principal” of said loan, and all  
periodic payments made by the Owner to Respondent FIP in excess of the Purchase Payment to be  
payments of “interest”, or a “fee” or “charge” associated with the transaction.

While the Parties do not agree upon the characterization of FIP’s Washington transactions, for  
purposes of this Consent Order only the parties mutually acknowledge and AGREE that the use of  
any particular characterization of the transactions shall not constitute an admission by either party.

Based upon the foregoing acknowledgments, it is AGREED that Respondent FIP does not  
admit to any wrongdoing by entry of this Consent Order.

**D. Rights of Non-Parties.** It is AGREED that the Department does not represent or have  
the consent of any person or entity not a party to this Consent Order to take any action concerning  
their personal legal rights. It is further AGREED that for any person or entity not a party to this  
Consent Order, this Consent Order does not limit or create any private rights or remedies against  
Respondent FIP, limit or create liability of Respondent FIP, or limit or create defenses of Respondent  
FIP to any claims.

**E. Modification of Past Transactions.** It is AGREED that except for delinquency (late)  
fees or insufficient funds fees, Respondent FIP will not attempt to collect from any Washington  
resident more than the amount Respondent FIP refers to as the “Purchase Payment.” Respondent  
FIP further AGREES that it shall not sell, transfer, assign, otherwise dispose of, or refer for collection

1 any amount exceeding the Purchase Payment.<sup>2</sup> All payments, both past and prospective, shall be  
2 applied to the Purchase Payment. Respondent FIP may charge delinquency fees or insufficient funds  
3 fees, but only in the amount contracted for or in an amount consistent with that authorized by the Act,  
4 whichever is less. After so applying the payments so far received, should any Washington client  
5 have paid in excess of the Purchase Payment, Respondents shall refund the excess in accordance with  
6 Paragraph G below.

7 **F. Disclosure by FIP.** It is AGREED that Respondent FIP has provided the Department  
8 with a spreadsheet containing a true, complete, and accurate list of all Past Transactions with  
9 Washington residents (the "List"). The List shall contain the following information for each Past  
10 Transaction: (i) the date of the Past Transaction, (ii) the name and last known address of the Owner,  
11 (iii) the amount of the Purchase Payment, (iv) the total amount of all payments by the Owner, and  
12 (v) the amount, if any, the total payments exceed the Purchase Payment.

13 **G. Refunds.** If as of the date of this Consent Order any Washington resident has paid  
14 more than the amount of the Purchase Payment, Respondent FIP shall refund the excess amount to  
15 the resident. Refunds must be mailed to the resident no later than 45 days after the date of this  
16 Consent Order. All refunds shall be made directly to the resident, and Respondent FIP shall provide  
17 the Department with proof of all refunds made hereunder by providing a copy of each refund check  
18 sent within 60 days of this Consent Order.

19 **H. Uncashed Refund Checks.** It is AGREED that within 180 days after the effective  
20 date of this Consent Order, Respondent FIP shall stop payment on outstanding refund checks and  
21 shall submit the relevant funds to the Washington State Department of Revenue as unclaimed  
22 property pursuant to Chapter 63.29 of the Revised Code of Washington; and shall provide the  
23

24 <sup>2</sup> This shall not preclude Respondent FIP from forgiving any indebtedness by a Washington resident.

1 Department with a copy of any checks to the Department of Revenue and a copy of any unclaimed  
2 property forms submitted to the Department of Revenue. All costs related to stopping payment and  
3 issuing checks shall be borne by Respondent FIP.

4 **I. Repayment Options.** It is AGREED that should there be a balance of the Purchase  
5 Payment remaining due which Respondent FIP intends to collect, Respondent FIP shall offer the  
6 Owner the following options to repay the balance: (i) the Owner may repay the balance in a single  
7 lump sum payment; or (ii) the Owner may continue to pay the amount of the monthly installment  
8 originally agreed to; or (iii) the Owner and Respondent may mutually agree to an alternate payment  
9 method that does not include interest, fees, or charges other than those specifically authorized in  
10 Paragraph E of this Consent Order.

11 **J. Transmittal Letters.** It is AGREED that Respondent FIP shall send each Owner a letter,  
12 to his/her last known address, informing the Owner of the status of his/her transaction. In the event  
13 Respondent FIP intends to collect the unpaid balance of the Purchase Payment, the letter shall offer  
14 the repayment options set forth in Paragraph I above. In the event the Owner is due a refund, the  
15 letter shall so state and shall further state that the transaction is concluded with the cashing of the  
16 refund check enclosed therewith. In the event there is no balance due or Respondent FIP does not  
17 intend to seek repayment, the letter shall so state.

18 **K. Terms of Future Transactions.** While Respondent FIP does not agree or admit that  
19 the transactions set forth in the first sentence of Paragraph C constitute loans, for the purposes of this  
20 Consent Order, Respondent FIP agrees that it will not enter into any future transactions with  
21 Washington residents that meet the description set forth in the first sentence of Paragraph C of this  
22 Consent Order without first obtaining and maintaining a license from the Department or otherwise  
23 meeting one of the exemptions set forth in RCW 31.04.025(2); such exemptions specifically include,

1 but are not limited to, making a loan primarily for business, commercial, or agricultural purposes  
2 unless the loan is secured by a lien on the borrower's primary dwelling as set forth in RCW  
3 31.04.025(2)(e).

4 **L. Future Application.** It is AGREED that should Respondent FIP apply for a license to  
5 conduct business as a consumer loan company, Respondent FIP shall be required to meet all licensing  
6 requirements in effect at the time of application. However, based upon the acknowledgments set  
7 forth in Paragraph C of this Consent Order, the matters giving rise to the Statement of Charges,  
8 including but not limited to the conduct alleged, shall not be considered by the Department in  
9 assessing any future license application by Respondent FIP.

10 **M. Financial Literacy Payment.** Pursuant to RCW 31.04.093(7), the Director may accept  
11 payments to the Department for purposes of financial literacy and education programs authorized  
12 under RCW 43.320.150. Accordingly, in further compromise and in consideration of the additional  
13 terms set forth herein, it is AGREED that upon entry of this Consent Order Respondent FIP shall pay  
14 \$25,000 to the Department for purposes of financial literacy and education programs. It is further  
15 AGREED that Respondent FIP shall not advertise or publicize the financial literacy payment.

16 **N. Department's Costs and Expenses.** It is AGREED that Respondent FIP shall pay to the  
17 Department the amount of \$25,000 in the form of a cashier's check made payable to the "Washington  
18 State Treasurer" upon entry of this Consent Order to partially offset the Department's time and  
19 expenses in investigating and bringing this action.

20 **O. Records Retention.** It is AGREED that Respondent FIP shall maintain records of its  
21 Washington transactions, as identified in Paragraph F, in such a manner as is consistent with the  
22 requirements of the Act and provide the Director with the location of said records and the name,  
23 address, and telephone number of the individual responsible for maintenance of such records.


1       **P. Authority to Execute Order.** It is AGREED that the undersigned have represented and  
2 warranted that they have the full power and right to execute this Consent Order on behalf of the  
3 parties represented. It is further AGREED that this Consent Order shall be binding upon all of  
4 Respondent FIP's related or affiliated entities including, but not limited to, those entities appearing  
5 on Exhibit A to this Consent Order.

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

10       **R. Voluntarily Entered.** It is AGREED that Respondent FIP has voluntarily entered into  
11 this Consent Order, which is effective when signed by the Director's designee.


12       **S. Completely Read, Understood, and Agreed.** It is AGREED that Respondent FIP's  
13 authorized representatives have read this Consent Order in its entirety and fully understand and agree  
14 to all of the same.

15       **RESPONDENT:**  
16 FUTURE INCOME PAYMENTS, LLC  
17 BY:

18   
19 \_\_\_\_\_  
20 Scott Kohn, President

11/18/16  
\_\_\_\_\_  
Date

21       **Approved for Entry:**

22   
23 \_\_\_\_\_  
24 Laura Marquez-Garrett  
Lane Powell PC

11/22/16  
\_\_\_\_\_  
Date



1 [REDACTED]  
2 Jonathon Bashford  
Lane Powell PC

11/22/2016  
Date

3 Attorneys for Respondent Future Income Payments, LLC  
4  
5  
6  
7

8 DO NOT WRITE BELOW THIS LINE

9 THIS ORDER ENTERED THIS 2<sup>nd</sup> DAY OF December, 2016.



11 [REDACTED]  
12 CHARLES E. CLARK  
13 Director  
Division of Consumer Services  
Department of Financial Institutions

14 Presented by:

15 [REDACTED]  
16 BARBARA PENTTILA  
Financial Legal Examiner

17 Approved by:

18 [REDACTED]  
19 STEVEN C. SHERMAN  
20 Enforcement Chief  
21  
22  
23

**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:

PENSIONS, ANNUITIES AND  
SETTLEMENTS, LLC a/k/a FUTURE INCOME  
PAYMENTS, LLC, and  
SCOTT KOHN, Owner and CEO/President,  
  
Respondents.

No. C-14-1449-15-SC02

AMENDED STATEMENT OF CHARGES  
and NOTICE OF INTENTION TO ENTER  
AN ORDER TO CEASE AND DESIST,  
PROHIBIT FROM INDUSTRY, IMPOSE  
FINE, AND REFUND FEES AND INTEREST

**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 Amended Statement of Charges, the Director, through his designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

**A. Pensions, Annuities and Settlements, LLC a/k/a Future Income Payments, LLC**  
**(Respondent Future Income Payments)** is known to have conducted business from 18300 Von Karman Avenue, Suite 410, Irvine, California 92612, and from 3535 East Coast Highway, #119, Corona del Mar, California 92625. Respondent Future Income Payments has never been licensed by the Washington State Department of Financial Institutions (Department) to conduct business as a consumer loan company in the State of Washington.

**B. Scott Kohn (Respondent Scott Kohn)** is the 100% Owner and CEO/President of Respondent Future Income Payments. During the relevant time period, Respondent Scott Kohn was not licensed by the Department to conduct business as a consumer loan company in the State of Washington.

**1.2 Unlicensed Activity.** Between at least December 2011 and the date of this Amended Statement of Charges, Respondents conducted the business of a consumer loan company in at least 98 loan transactions when it was not exempt from licensing and did not possess a valid license. Respondents offered consumer loans to at least 83 Washington residents and collected a fee for those services. Respondents did not disclose that they were not licensed in the state of Washington to conduct business as a consumer loan company. A list of Washington consumers with whom Respondents conducted business as a consumer loan company, and the amount of the loan and associated interest, fees, or other charges, is appended hereto and incorporated herein by reference.<sup>1</sup>

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

## II. GROUNDS FOR ENTRY OF ORDER

**2.1 Definition of Loan.** Pursuant to RCW 31.04.015(11) and WAC 208-620-010, a "Loan" means a sum of money lent at interest or for a fee or other charge and includes both open-end and closed-end loan transactions.

**2.2 Definition of Making a Loan.** Pursuant to RCW 31.04.015(13) and WAC 208-620-010, "Making a loan" means advancing, offering to advance, or making a commitment to advance funds to a borrower for a loan.

<sup>1</sup>At least 24 of the Washington consumers are either retired or disabled military veterans.

1 **2.3 Requirement to Obtain and Maintain a License in Accordance with the Act.** Based on  
2 the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
3 31.04.035 and WAC 208-620-230 for engaging in the business of making secured or unsecured loans  
4 to Washington residents without first obtaining and maintaining a license in accordance with the Act  
5 or meeting an exemption from the Act under RCW 31.04.025.

6 **2.4 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,  
7 Respondents are in apparent violation of RCW 31.04.027(2) and (3) for engaging in an unfair or  
8 deceptive practice toward any person and for obtaining property by misrepresentation.

### 9 **III. AUTHORITY TO IMPOSE SANCTIONS**

10 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the  
11 Director may issue an order directing any person subject to the Act to cease and desist from  
12 conducting business in a manner that is injurious to the public or violates any provision of the Act.

13 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 31.04.093(6), the Director may  
14 issue an order prohibiting from participation in the conduct of the affairs of any licensee, any person  
15 subject to this chapter for a violation of RCW 31.04.027 or failure to obtain a license for activity that  
16 requires a license.

17 **3.3 Authority to Impose a Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of  
18 up to one hundred dollars per day, per violation, upon any person subject to the Act for any violation  
19 of the Act.

20 **3.4 Authority to Order Refund of Fees and Interest.** Pursuant to RCW 31.04.035(2) and RCW  
21 31.04.093(5)(b), the Director may issue an order directing the refund of all fees and interest charged in  
22 any transaction violating RCW 31.04.035(1).

23 //

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

2 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as  
3 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
4 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and  
5 RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

- 6 **4.1** Respondents Future Income Payments and Scott Kohn immediately cease and desist  
7 from making consumer loans to Washington state residents until such time as  
8 Respondents obtain a license in accordance with the Act from the Department or qualify  
9 for an exemption from licensing as delineated in the Act;  
10  
11 **4.2** Respondents Future Income Payments and Scott Kohn be prohibited from  
12 participation, in any manner, in the conduct of the affairs of any consumer loan  
13 business subject to licensure by the Director under chapter 31.04 RCW for a period of  
14 five years;  
15  
16 **4.3** Respondents Future Income Payments and Scott Kohn jointly and severally pay a fine  
17 which as of the date of this Amended Statement of Charges totals \$250,000; and  
18  
19 **4.4** Respondents Future Income Payments and Scott Kohn jointly and severally refund all  
20 fees and interest to all Washington borrowers who paid fees or interest in the amounts  
21 set forth in Appendix A and in any additional amount(s) determined at hearing.  
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1 **V. AUTHORITY AND PROCEDURE**

2 This Amended Statement of Charges is entered pursuant to the provisions of RCW 31.04.093,  
3 RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter  
4 34.05 RCW (The Administrative Procedure Act). This Amended Statement of Charges does not  
5 affect any hearing dates presently set in this matter.

6  
7 Dated this 19<sup>th</sup> day of May, 2015.



12  
13  
14  
15

[Redacted Signature]

CHARLES E. CLARK  
Director  
Division of Consumer Services  
Department of Financial Institutions

16 Presented by:

17  
18  
19

[Redacted Signature]

BARBARA PENTTILA  
Financial Legal Examiner

20 Approved by:

21  
22  
23

[Redacted Signature]

STEVEN C. SHERMAN  
Enforcement Chief



# WASHINGTON CONSUMERS

Borrower	Loan Amount	Total Payments	Effective Interest, Fees, and Other Charges	Payment Start Date	Term for Monthly Payments
A.C.	\$3,400	\$18,600	\$15,200	01/02/2014	60
A.W.	\$7,700	\$20,820	\$13,120	09/02/2013	60
A.M.	\$9,700	\$60,600	\$50,900	03/01/2014	60
A.P.*	\$1,300	\$12,231.60	\$10,931.60	02/01/2014	120
A.P.*	\$4,400	\$46,568.40	\$42,168.40	02/01/2014	120
B.M.	\$9,700	\$25,860	\$16,160	10/02/2013	60
B.A.	\$3,400	\$18,600	\$15,200	01/01/2014	60
B.G.	\$3,200	\$21,600	\$18,400	06/01/2014	60
C.H.	\$24,700	\$54,840	\$30,140	01/03/2013	60
C.G.	\$9,700	\$25,920	\$16,220	05/01/2013	60
C.M.	\$4,700	\$30,600	\$25,900	07/01/2014	60
D.F.*	\$8,400	\$22,554	\$14,154	05/02/2013	60
D.F.*	\$1,300	\$3,306	\$2,006	05/02/2013	60
D.G.W.	\$14,700	\$38,520	\$23,820	12/01/2013	60
D.M.	\$9,700	\$25,860	\$16,160	09/04/2013	60
D.R.*	\$500	\$1,821.60	\$1,321.60	08/02/2013	120
D.R.*	\$9,200	\$40,178.40	\$30,978.40	08/02/2013	120
D.M.W.	\$4,700	\$24,900	\$20,200	10/22/2013	60
E.C.	\$9,700	\$42,000	\$32,300	03/02/2013	120
E.T.	\$36,600	\$109,360.80	\$72,760.80	02/07/2012	120
G.C.	\$4,700	\$10,980	\$6,280	05/02/2013	36

\*Washington consumers with the same initials are borrowers with multiple loans.

	<b>Borrower</b>	<b>Loan Amount</b>	<b>Total Payments</b>	<b>Effective Interest, Fees, and Other Charges</b>	<b>Payment Start Date</b>	<b>Term for Monthly Payments</b>
1						
2						
3	G.G.*	\$39,000	\$116,796	\$77,796	04/01/2012	120
4	G.G.*	\$10,000	\$30,000	\$20,000	04/01/2012	120
5	G.S.	\$9,700	\$31,080	\$21,380	11/01/2012	120
6	H.B.*	\$9,700	\$18,240	\$8,540	01/01/2013	60
7	H.B.*	\$17,200	\$32,700	\$15,500	07/01/2012	60
8	J.C.*	\$5,800	\$15,952.20	\$10,152.20	09/25/2013	60
9	J.C.*	\$1,900	\$4,867.80	\$2,967.80	09/25/2013	60
10	J.F.R.	\$9,700	\$31,080	\$21,380	12/15/2012	120
11	J.L.R.	\$9,700	\$31,080	\$21,380	12/01/2012	120
12	J.D.R.	\$14,700	\$38,520	\$23,820	09/01/2013	60
13	J.G.G.	\$7,700	\$20,820	\$13,120	08/02/2013	60
14	J.M.*	\$3,147.21	\$8,766.60	\$5,619.39	11/02/2013	60
15	J.M.*	\$8,552.79	\$22,193.40	\$13,640.61	11/02/2013	60
16	J.S.	\$14,700	\$38,520	\$23,820	10/01/2013	60
17	J.B.	\$9,700	\$25,860	\$16,160	07/02/2013	60
18	J.F.	\$4,700	\$13,200	\$8,560	04/01/2013	60
19	J.L.G.	\$5,200	\$33,600	\$28,400	02/01/2014	60
20	J.H.	\$7,700	\$25,200	\$17,500	12/01/2012	120
21	K.V.	\$5,500	\$15,300	\$9,800	01/01/2014	60
22	K.A.S.	\$4,700	\$11,016	\$6,316	03/01/2013	36
23	K.K.	\$13,300	\$42,397.20	\$29,097.20	07/01/2012	120
24	K.R.	\$7,700	\$20,820	\$13,120	08/02/2013	60
25						

\*Washington consumers with the same initials are borrowers with multiple loans.



	<b>Borrower</b>	<b>Loan Amount</b>	<b>Total Payments</b>	<b>Effective Interest, Fees, and Other Charges</b>	<b>Payment Start Date</b>	<b>Term for Monthly Payments</b>
1						
2						
3	K.S.*	\$30,000	\$63,900	\$33,900	04/07/2012	60
4	K.S.*	\$20,000	\$53,220	\$33,220	06/07/2012	60
5	L.C.	\$4,700	\$13,260	\$8,560	06/02/2013	60
6	L.S.*	\$6,400	\$17,563.80	\$11,163.80	07/02/2013	60
7	L.S.*	\$3,300	\$8,296.20	\$4,996.20	07/02/2013	60
8	L.F.	\$9,700	\$25,860	\$16,160	10/02/2013	60
9	L.J.	\$5,700	\$15,780	\$10,080	11/03/2013	60
10	M.W.	\$9,700	\$25,860	\$16,160	03/01/2013	60
11	M.D.	\$14,700	\$38,520	\$23,820	09/02/2013	60
12	M.F.	\$9,700	\$25,860	\$16,160	08/26/2013	60
13	M.O.	\$9,700	\$31,080	\$21,380	02/16/2013	120
14	M.P.R.*	\$4,900	\$13,681.80	\$8,781.80	06/02/2013	60
15	M.P.R.*	\$800	\$2,098.20	\$1,298.20	06/02/2013	60
16	M.R.*	\$30,000	\$76,876.80	\$46,876.80	01/07/2012	120
17	M.R.*	\$30,000	\$89,827.20	\$59,827.20	02/07/2012	120
18	M.P.	\$6,700	\$18,300	\$11,600	11/02/2013	60
19	M.V.	\$3,400	\$18,600	\$15,200	09/03/2013	60
20	N.F.	\$9,700	\$25,860	\$16,160	10/01/2013	60
21	N.N.	\$7,700	\$16,128	\$8,428	01/01/2013	36
22	P.L.L.	\$3,400	\$18,600	\$15,200	08/01/2013	60
23	P.D.*	\$4,100	\$11,764.20	\$7,646.20	01/01/2014	60
24	P.D.*	\$1,600	\$4,015.80	\$2,415.80	01/01/2014	60
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\*Washington consumers with the same initials are borrowers with multiple loans.

	<b>Borrower</b>	<b>Loan Amount</b>	<b>Total Payments</b>	<b>Effective Interest, Fees, and Other Charges</b>	<b>Payment Start Date</b>	<b>Term for Monthly Payments</b>
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3	P.A.D.	\$20,000	\$59,464.80	\$39,464.80	10/05/2012	120
4	P.I.L.	\$7,700	\$20,820	\$13,120	07/02/2013	60
5	P.R.	\$7,700	\$20,820	\$13,120	10/17/2013	60
6	R.C.	\$4,700	\$30,600	\$25,900	04/16/2014	60
7	R.S.	\$9,700	\$25,320	\$15,620	07/03/2013	60
8	R.R.	\$9,700	\$25,920	\$16,220	10/01/2013	60
9	R.R.H.	\$7,700	\$20,820	\$13,120	10/02/2013	60
10	R.I.	\$19,700	\$43,980	\$24,280	02/02/2013	60
11	R.D.H.	\$7,700	\$17,340	\$9,640	08/01/2012	60
12	R.E.H.	\$7,700	\$20,820	\$13,120	08/01/2013	60
13	R.F.M.*	\$4,046	\$24,876	\$20,830	03/02/2014	60
14	R.F.M.*	\$954	\$5,724	\$4,770	03/02/2014	60
15	R.L.	\$14,700	\$38,520	\$23,820	10/02/2013	60
16	R.G.*	\$8,200	\$25,663.20	\$17,463.20	10/15/2012	120
17	R.G.*	\$8,500	\$26,416.80	\$17,916.80	10/15/2012	120
18	R.A.M.	\$4,700	\$30,600	\$25,900	03/01/2014	60
19	S.V.	\$3,400	\$18,600	\$15,200	07/02/2013	60
20	S.R.	\$18,000	\$45,720	\$27,720	05/01/2012	120
21	S.S.	\$5,700	\$15,780	\$10,080	06/01/2013	60
22	S.L.H.	\$7,200	\$70,320	\$63,120	04/01/2014	120
23	S.D.H.	\$7,700	\$20,820	\$13,120	09/02/2013	60
24	S.B.	\$14,700	\$38,520	\$23,820	07/02/2013	60
25						

\*Washington consumers with the same initials are borrowers with multiple loans.

<b>Borrower</b>	<b>Loan Amount</b>	<b>Total Payments</b>	<b>Effective Interest, Fees, and Other Charges</b>	<b>Payment Start Date</b>	<b>Term for Monthly Payments</b>
S.G.	\$3,400	\$18,600	\$15,200	09/01/2013	60
T.E.W.	\$12,000	\$26,366.40	\$14,366.40	12/01/2012	60
T.T.	\$14,700	\$33,120	\$18,420	12/01/2012	60
T.D.	\$9,700	\$18,240	\$8,540	11/01/2012	60
T.P.	\$6,700	\$18,300	\$11,600	11/07/2013	60
T.M.*	\$9,700	\$34,800	\$25,100	02/02/2013	120
T.M.*	\$15,000	\$48,000	\$33,000	02/02/2013	120
T.N.	\$3,400	\$18,600	\$15,200	12/02/2013	60
T.R.	\$7,700	\$20,820	\$13,120	09/02/2013	60
T.L.W.	\$3,400	\$18,600	\$15,200	01/01/2014	60
Y.J.	\$7,700	\$20,820	\$13,120	09/04/2013	60

\*Washington consumers with the same initials are borrowers with multiple loans.

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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:

PENSIONS, ANNUITIES AND  
SETTLEMENTS, LLC,

Respondent.

No.: C-14-1449-14-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO CEASE AND DESIST, PROHIBIT  
FROM INDUSTRY, IMPOSE FINE, AND  
REFUND FEES AND INTEREST

**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 (the Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (the 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 Pensions, Annuities and Settlements, LLC (Respondent)** is known to have conducted business from 18300 Von Karman Avenue, Suite 410, Irvine, California 92612, and from 3535 East Coast Highway, #119, Corona del Mar, California 92625. Respondent has never been licensed by the Washington State Department of Financial Institutions (the Department) to conduct business as a consumer loan company in the State of Washington.

**1.2 Unlicensed Activity.** Between at least December 2011 and the date of this Statement of Charges, Respondent conducted the business of a consumer loan company in at least 94 loan transactions when it was not exempt from licensing and did not possess a valid license. Respondent

1 offered consumer loans to at least 94 Washington residents and collected a fee for those services. A  
2 list of Washington consumers with whom Respondent conducted business as a consumer loan  
3 company, and the amount of the loan and associated interest, fee, or other charge, is appended hereto  
4 and incorporated herein by reference.<sup>1</sup>

5 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act  
6 by Respondent continues to date.

## 7 **II. GROUNDS FOR ENTRY OF ORDER**

8 **2.1 Definition of Loan.** Pursuant to RCW 31.04.015(11) and WAC 208-620-010, a "Loan" means  
9 a sum of money lent at interest or for a fee or other charge and includes both open-end and closed-end  
10 loan transactions.

11 **2.2 Definition of Making a Loan.** Pursuant to RCW 31.04.015(13) and WAC 208-620-010,  
12 "Making a Loan" means advancing, offering to advance, or making a commitment to advance funds to  
13 a borrower for a loan.

14 **2.3 Requirement to Obtain and Maintain a License in Accordance with the Act.** Based on the  
15 Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.035  
16 and WAC 208-620-230 for engaging in the business of making secured or unsecured loans to  
17 Washington residents without first obtaining and maintaining a license in accordance with the Act or  
18 meeting an exemption from the Act under RCW 31.04.025.

19 **2.4 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,  
20 Respondent is in apparent violation of RCW 31.04.027(2) and (3) for engaging in an unfair or  
21 deceptive practice toward any person and for obtaining property by misrepresentation.

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25 <sup>1</sup> At least 23 of the Washington consumers are either retired or disabled military veterans.

### III. AUTHORITY TO IMPOSE SANCTIONS

**3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the Director may issue an order directing any person subject to the Act to cease and desist from conducting business in a manner that is injurious to the public or violates any provision of the Act.

**3.2 Authority to Prohibit from Industry.** Pursuant to RCW 31.04.093(6), the Director may issue an order prohibiting from participation in the conduct of the affairs of any licensee, any person subject to this chapter for a violation of RCW 31.04.027 or failure to obtain a license for activity that requires a license.

**3.3 Authority to Impose a Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one hundred dollars per day, per violation, upon any person subject to the Act for any violation of the Act.

**3.4 Authority to Order Refund of Fees and Interest.** Pursuant to RCW 31.04.035(2) and RCW 31.04.093(5)(b), the Director may issue an order directing the refund of all fees and interest charged in any transaction violating RCW 31.04.035(1).

### IV. NOTICE OF INTENTION TO ENTER ORDER

Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW 31.04.205.

Therefore, it is the Director's intention to ORDER that:

- 4.1** Respondent Pensions, Annuities and Settlements, LLC immediately cease and desist from making consumer loans to Washington state residents until such time as Respondent obtains a license in accordance with the Act from the Department or qualifies for an exemption from licensing as delineated in the Act;
- 4.2** Respondent Pensions, Annuities and Settlements, LLC be prohibited from participation, in any manner, in the conduct of the affairs of any consumer loan business subject to licensure by the Director under chapter 31.04 RCW for a period of five (5) years;



**4.4** Respondent Pensions, Annuities and Settlements, LLC refund all fees and interest to all Washington borrowers who paid fees or interest in the amounts set forth in Appendix A and in any additional amount(s) determined at hearing.