

ORDER SUMMARY – Case Number: C-14-1462

Names: Solace Financial LLC
John Joseph Jewelinski

Order Number: C-14-1462-15-FO01

Effective Date: March 9, 2015

License Number: DFI: 69754 NMLS ID: 655250 -Solace Financial, LLC
NMLS ID: 673290 John Joseph Jewelinski

License Effect: N/A (Expired 6/17/14)

Not Apply Until: March 9, 2020

Not Eligible Until: March 9, 2020

Prohibition/Ban Until: March 9, 2020

Investigation Costs	\$1,601.03	Due 30 days from receipts of Final Order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$12,000.00	Due 30 days from receipts of Final Order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessments	\$3,000.00	Due 30 days from receipts of Final Order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Late Filing Penalties	\$10,000.00	Due 30 days from receipts of Final Order	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 checked="" type="checkbox"/> N		
No. of Victims:				

Comments: _____

Provide complete CAR and AAR for 2013 and for the calendar year Respondent ceased operations



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING Whether there has been a violation of the Consumer Loan Act of Washington by:

No.: C-14-1462-15-FO01

SOLACE FINANCIAL, LLC, NMLS # 655250, and JOHN JOSEPH JEWELINSKI, President, CEO, and 100% Owner, NMLS # 673290,

FINAL ORDER

Respondents.

I. DIRECTOR'S CONSIDERATION

Procedural History. This matter has come before the Director ("Director") of the DEPARTMENT OF FINANCIAL INSTITUTIONS OF THE STATE OF WASHINGTON ("Department") pursuant to RCW 34.05.464. On June 25, 2014, the Director, through his designee, former Consumer Services Division Director Deborah Bortner, issued a STATEMENT OF CHARGES AND NOTICE OF INTENT TO ENTER AN ORDER TO PROHIBIT FROM INDUSTRY, IMPOSE FINE, FILE ANNUAL REPORTS, COLLECT ANNUAL ASSESSMENTS, ASSESS LATE PENALTIES, AND COLLECT INVESTIGATION COSTS ("Statement of Charges") against SOLACE FINANCIAL, LLC, and JOHN JOSEPH JEWELINSKI ("Respondents"). On June 27, 2014, the Department served Respondents with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of Charges was accompanied by a cover letter dated June 27, 2014, a Notice of Opportunity to Defend and Opportunity for Hearing, and two blank Applications for Adjudicative Hearing for Respondents. On July 21, 2014, Respondents filed Applications for Adjudicative Hearing. On July 30, 2014, the Department made a request to the Office of Administrative Hearings

1 (“OAH”) to assign an Administrative Law Judge (“ALJ”) to schedule and conduct a hearing on the
2 Statement of Charges. On August 18, 2014, OAH issued a Notice of Prehearing Conference
3 assigning ALJ Lisa N.W. Dublin (“ALJ Dublin”) to preside over prehearing and hearing proceedings.
4 The Notice of Prehearing Conference scheduled a prehearing conference on August 26, 2014, at 3:00
5 p.m.

6 On August 26, 2014, a representative for the Department and Respondent John Joseph
7 Jewelinski, appearing *pro se* and representing Respondent Solace Financial, LLC, attended a
8 telephonic prehearing conference. On October 20, 2014, ALJ Dublin issued a Notice of Hearing and
9 First Amended Prehearing Conference Order scheduling a motion for summary judgment hearing on
10 December 5, 2014, at 1:30 p.m.

11 On November 7, 2014, the Department filed the Department’s Motion for Summary
12 Judgment. Respondents did not file a response to the Department’s motion.

13 On December 5, 2014, a representative for the Department attended the hearing on the
14 Department’s Motion for Summary Judgment. Respondents did not attend the hearing. On January
15 5, 2015, ALJ Dublin issued an Initial Order Granting Summary Judgment, and in the Alternative,
16 Default for Failure to Appear (“Initial Order”). On January 5, 2015, ALJ Dublin mailed the Initial
17 Order to Respondents. This Initial Order made findings of fact for purpose of summary judgment
18 and conclusions of law, granted the Department’s Motion for Summary Judgment, and affirmed the
19 Department’s Statement of Charges.

20 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from
21 the date of service of the Initial Order to file a Petition for Review. Respondents did not file a
22 Petition for Review during the statutory period.

23 A. Record Presented. The record presented to the Director for his review and for entry of
24 a final decision included the following:

1. Statement of Charges, cover letter dated June 27, 2014, and Notice of Opportunity to Defend and Opportunity for Hearing, with documentation of service.
2. Applications for Adjudicative Hearing for Solace Financial LLC and John Joseph Jewelinski dated July 21, 2014.
3. Request to OAH for Assignment of Administrative Law Judge dated July 30, 2014.
4. Notice of Prehearing Conference dated August 28, 2014, with documentation of service.
5. Notice of Hearing and First Amended Prehearing Conference Order dated October 16, 2014, with documentation of service.
6. Declaration of Amanda Herndon in Support of Department's Motion for Summary Judgment dated November 5, 2014.
7. Department's Motion for Summary Judgment dated November 7, 2014, with documentation of service.
8. Initial Order Granting Summary Judgment, and in the Alternative, Default for Failure to Appear, dated January 5, 2015, with documentation of service.

B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.461, the Director hereby adopts the findings of fact for purpose of summary judgment, conclusions of law, and Initial Order which is attached hereto.

II. FINAL ORDER

Based upon the foregoing, and the Director having considered the record and being otherwise fully advised, NOW, THEREFORE:

A. IT IS HEREBY ORDERED, That:

1. Respondents SOLACE FINANCIAL, LLC, and JOHN JOSEPH JEWELINSKI are prohibited from participation in the conduct of the affairs of any consumer loan company subject to licensure by the Director, in any manner, for a period of five (5) years.
2. Respondents SOLACE FINANCIAL, LLC, and JOHN JOSEPH JEWELINSKI shall jointly and severally pay to the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS a fine of TWELVE THOUSAND DOLLARS (\$12,000).

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3. Respondents SOLACE FINANCIAL, LLC, and JOHN JOSEPH JEWELINSKI shall provide to the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS a complete Consolidated Annual Report ("CAR") and a complete Annual Assessment Report ("AAR"), including all required supporting documentation, for the 2013 calendar year and for the calendar year in which Respondent SOLACE FINANCIAL, LLC, ceased operations.
 4. Respondents SOLACE FINANCIAL, LLC, and JOHN JOSEPH JEWELINSKI shall jointly and severally pay to the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS a 2013 assessment of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500).
 5. Respondents SOLACE FINANCIAL, LLC, and JOHN JOSEPH JEWELINSKI shall jointly and severally pay to the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS a closing assessment of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500).
 6. Respondents SOLACE FINANCIAL, LLC, and JOHN JOSEPH JEWELINSKI shall jointly and severally pay to the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS a penalty of FIVE THOUSAND DOLLARS (\$5,000) for failing to timely file a CAR and an AAR for the 2013 calendar year.
 7. Respondents SOLACE FINANCIAL, LLC, and JOHN JOSEPH JEWELINSKI shall jointly and severally pay to the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS a penalty of FIVE THOUSAND DOLLARS (\$5,000) for failing to timely file a closing CAR and a closing AAR.
 8. Respondents SOLACE FINANCIAL, LLC, and JOHN JOSEPH JEWELINSKI shall jointly and severally pay to the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS an investigation fee of ONE THOUSAND SIX HUNDRED ONE DOLLARS AND THREE CENTS (\$1,601.03).*

18 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
19 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
20 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
21 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
22 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
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24 * The combined fine, assessments, penalties, and investigation fee may be paid together in the form of a cashier's check in the amount of \$26,601.03 made payable to the "Washington State Treasurer."

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
2 Reconsideration a prerequisite for seeking judicial review in this matter.

3 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
4 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
5 written notice specifying the date by which it will act on a petition.

6 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
7 effectiveness of this order. Any such requests should be made in connection with a Petition for
8 Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

9 D. Judicial Review. Respondents have the right to petition the superior court for judicial
10 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
11 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

12 E. Non-compliance with Order. If Respondents do not comply with the terms of this
13 order, including payment of any amounts owed within thirty (30) days of receipt of this order, the
14 Department may seek its enforcement by the Office of the Attorney General to include the collection
15 of the fines, assessments, late penalties, and fees imposed herein. The Department also may assign
16 the amounts owed to a collection agency for collection.

17 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
18 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
19 attached hereto.

20 DATED this 9th day of March, 2015.



21 STATE OF WASHINGTON
22 DEPARTMENT OF FINANCIAL INSTITUTIONS

23 [REDACTED]
24 SCOTT JARVIS
Director

1 **1.2 Failure to Maintain Bond.** On or about October 14, 2013, the Department received a notice
2 from Fidelity Deposit Company of Maryland that Respondents' surety bond would be canceled
3 effective forty-five days after the Department's receipt of the notice. From about November 28,
4 2013, through the date of this Statement of Charges, Respondents have not maintained a surety bond
5 or permitted substitute.

6 **1.3 Failure to File Reports.** A Consolidated Annual Report (CAR) and an Annual Assessment
7 Report (AAR), concerning the business and operations of each licensed place of business conducted
8 business during the preceding calendar year, are due to the Department on or before March 1st of
9 each year or within thirty days of ceasing operations. As of the date of the Statement of Charges,
10 Respondents have not filed a CAR or an AAR for 2013; which were due to the Department on or
11 before March 1, 2014. If Respondents have closed, they did not file a closing CAR and AAR within
12 thirty days of closure.

13 **1.4 Failure to Pay Annual Assessment.** Payment of an annual assessment, as calculated in the
14 AAR, is due to the Department on or before March 1st of each year or within thirty days of closure.
15 As of the date of this Statement of Charges, Respondents have not paid the annual assessment for
16 2013. If Respondents have closed, they did not pay a closing annual assessment within thirty days of
17 closure.

18 **1.5 Failure to Notify Department of Significant Developments.** As discussed in paragraph 1.2,
19 Respondents' surety bond was cancelled in 2013. As of the date of this Statement of Charges,
20 Respondents have not notified the Department of Respondents' surety bond cancellation. If
21 Respondents have closed, Respondents have not notified the Department of the closure as of the date
22 of this Statement of Charges.

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1 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the
2 Act by Respondents continues to date.

3 II. GROUNDS FOR ENTRY OF ORDER

4 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in
5 Section I above, Respondents are in apparent violation of RCW 31.04.045(6) for failing to maintain
6 in effect a surety bond or permitted substitute.

7 **2.2 Requirement to File Annual Reports.** Based on the Factual Allegations set forth in Section
8 I above, Respondents are in apparent violation of RCW 31.04.155, WAC 208-620-430(1), WAC 208-
9 620-460(1), and WAC 208-620-499(2) for failing to file a CAR and an AAR on or before March 1,
10 2014, or within thirty days of closure.

11 **2.3 Requirement to Pay Annual Assessment.** Based on the Factual Allegations set forth in
12 Section I above, Respondents are in apparent violation of RCW 31.04.085, WAC 208-620-430(1),
13 WAC 208-620-460(1), and WAC 208-620-499(2) for failing to pay an annual assessment, as
14 calculated on the AAR, to the Director on or before March 1, 2014, or within thirty days of closure.

15 **2.4 Requirement to Report Significant Developments.** Based on the Factual Allegations set
16 forth in Section I above, Respondents are in apparent violation of WAC 208-620-490(1)(f) for failing
17 to notify the Department in writing at least ten days prior to closure, and WAC 208-620-490(2)(e) for
18 failing to notify the Department in writing within ten days of receipt of a notification of Respondents'
19 surety bond cancellation.

20 III. AUTHORITY TO IMPOSE SANCTIONS

21 **3.1 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
22 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
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1 licensee, any officer, principal, employee, or any person subject to licensing under the Act for any
2 violation of RCW 31.04.155.

3 **3.2 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
4 up to \$100 per day per violation upon the licensee, its employee, or any person subject to the Act for
5 any violation of the Act.

6 **3.3 Authority to Issue Order to Take Affirmative Action.** Pursuant to RCW 31.04.093(5), the
7 Director may issue an order directing the licensee, its employee or loan originator, or other person
8 subject to the Act, to take such affirmative action as is necessary to comply with the Act.

9 **3.4 Authority to Collect Annual Assessment.** Pursuant to RCW 31.04.085 and WAC 208-620-
10 430, every licensee shall pay to the Director, on or before the first day of each March or within thirty
11 days of ceasing Washington operations, an annual assessment for the previous calendar year if the
12 licensee had a license for any time during the preceding calendar year. Pursuant to RCW 43.17.240,
13 interest at the rate of one percent per month, or fraction thereof, shall accrue on debts owed to the state,
14 starting on the date the debts become past due.

15 **3.5 Authority to Assess Late Report Penalties.** Pursuant to RCW 31.04.155 and WAC 208-620-
16 430(2), a licensee that fails to file a report that is required to be filed by the Act, within the time frame
17 required under the Act, is subject to a penalty of \$50 per item for each day of delay. The maximum late
18 penalty that will be assessed is \$5,000 per year.

19 **3.6 Authority to Collect Cost of Investigation.** Pursuant to RCW 31.04.145(3) and WAC 208-
20 620-590, every licensee investigated by the Director or the Director's designee shall pay to the Director
21 the cost of the investigation, calculated at the rate of \$69.01 per staff hour spent on the investigation.

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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 set
3 forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions,
4 constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW
5 31.04.205. Therefore, it is the Director's intention to ORDER that:

- 6 **4.1** Respondents Solace Financial, LLC and John Joseph Jewelinski be prohibited from
7 participation in the conduct of the affairs of any consumer loan company subject to
8 licensure by the Director, in any manner, for a period of five years.
- 9 **4.2** Respondents Solace Financial, LLC and John Joseph Jewelinski pay a fine, which as of
10 the date of this Statement of Charges totals \$12,000.
- 11 **4.3** Respondents Solace Financial, LLC and John Joseph Jewelinski provide the
12 Department with a complete CAR and a complete AAR, including all required
13 supporting documentation, for the 2013 calendar year and for the calendar year in which
14 Respondent Solace Financial, LLC ceased operations.
- 15 **4.4** Respondents Solace Financial, LLC and John Joseph Jewelinski pay an annual
16 assessment for the 2013 calendar year and for the calendar year in which Respondents
17 Solace Financial, LLC and John Joseph Jewelinski closed, as calculated in accordance
18 with the instructions for the AAR for each of those years, plus all accrued interest.
- 19 **4.5** Respondents Solace Financial, LLC and John Joseph Jewelinski pay a \$5,000 penalty
20 for failing to timely file a CAR and an AAR for the 2013 calendar year.
- 21 **4.6** Respondents Solace Financial, LLC and John Joseph Jewelinski pay a penalty for
22 failing to file a 2014 closing CAR and AAR within 30 days of ceasing operations, in an
23 amount to be determined and calculated at \$50 per day per report, up to a maximum of
24 \$5,000.
- 4.7** Respondents Solace Financial, LLC and John Joseph Jewelinski pay the Department an
investigation fee. As of the date of this Statement of Charges, the cost of the
investigation totals \$1,394.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Prohibit From
3 Industry, Impose Fine, File Annual Reports, Collect Annual Assessments, Assess Late Penalties, and
4 Collect Investigation Costs is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165,
5 RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The
6 Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in
7 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
8 accompanying this Statement of Charges.

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10 Dated this 25th day of June, 2014.



[Redacted signature]

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

14 Presented by:
[Redacted signature]

AMANDA J. HERNDON
Financial Legal Examiner

17 Approved by:
[Redacted signature]

19 CHARLES E. CLARK
Enforcement Chief