

ORDER SUMMARY – Case Number: C-15-1804

Name(s): Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America

Order Number: C-15-1804-16-FO01

Effective Date: February 26, 2016

License Number: DFI: U/L NMLS ID #1483236

Or NMLS Identifier [U/L]

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: Permanent

Investigation Costs	\$4,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$110,000	Due	Paid <input type="checkbox"/> Y <input checked="" 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:

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 DIVISION OF CONSUMER SERVICES

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

No.: C-15-1804-16-FO01

7 AUTO LOANS, LLC A/K/A
8 CAR LOAN, LLC A/K/A
9 LIQUIDATION, LLC A/K/A
VEHICLE LIQUIDATION, LLC A/K/A
SOVEREIGN LENDING SOLUTIONS A/K/A
TITLE LOAN AMERICA; and
WILLIAM MCKIBBIN, Principal;

FINAL ORDER RE:

AUTO LOANS, LLC A/K/A
CAR LOAN, LLC A/K/A
LIQUIDATION, LLC A/K/A
VEHICLE LIQUIDATION, LLC A/K/A
SOVEREIGN LENDING SOLUTIONS
A/K/A TITLE LOAN AMERICA

Respondents.

10 I. DIRECTOR'S CONSIDERATION

11 A. Default. This matter has come before the Director of the Department of Financial
12 Institutions of the State of Washington (Director), through his designee, Consumer Services Division
13 Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On December 29,
14 2015, the Director, through the Director's designee, issued a Statement of Charges and Notice of
15 Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Impose Fine, Order
16 Restitution, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges)
17 against Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation,
18 LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America (Respondent Auto Loans) and
19 William McKibbin (Respondent McKibbin). A copy of the Statement of Charges is attached and
20 incorporated into this order by this reference. The Statement of Charges was accompanied by a cover
21 letter dated January 13, 2016, a Notice of Opportunity to Defend and Opportunity for Hearing, and
22 blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying
23 documents).

1 On January 13, 2016, the Department served Respondent Auto Loans with the Statement of
2 Charges and accompanying documents by First-Class mail and Federal Express overnight delivery at
3 the address of Respondent Auto Loans' registered agent. On January 14, 2016, the documents sent
4 by Federal Express overnight delivery were delivered. The documents sent by First-Class mail were
5 not returned to the Department by the United States Postal Service.

6 Respondent Auto Loans did not request an adjudicative hearing within twenty calendar days
7 after the Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as
8 provided for in WAC 208-08-050(2).

9 B. Record Presented. The record presented to the Director's designee for his review and
10 for entry of a final decision included the following:

11 Statement of Charges, cover letter dated January 13, 2016, Notice of Opportunity
12 to Defend and Opportunity for Hearing, and blank Applications for Adjudicative
Hearing for Respondents, with documentation of service.

13 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the
14 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

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1 II. FINAL ORDER

2 Based upon the foregoing, and the Director's designee having considered the record and being
3 otherwise fully advised, NOW, THEREFORE:

4 A. IT IS HEREBY ORDERED, That:

- 5 1. Respondent Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
6 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
7 America cease and desist from engaging in the business of a consumer loan
8 company in the state of Washington by making, servicing, collecting, or assigning
9 any loan made to any resident in the state of Washington.
- 10 2. Respondent Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
11 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
12 America is prohibited from participation in the conduct of the affairs of any
13 consumer loan company subject to licensure by the Director.
- 14 3. Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
15 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
16 America pay a fine of \$110,000.
- 17 4. Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
18 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
19 America pay a refund of all fees and interest charged to each Washington resident
20 to whom it made loans.
- 21 5. Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
22 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
23 America pay an investigation fee of \$4,000.
- 24 6. Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
America maintain records in compliance with chapter 31.04 RCW, the Consumer
Loan Act (Act) and provide the Director with the location of the books, records
and other information relating to Respondent Auto Loans' consumer loan business,
and the name, address and telephone number of the individual responsible for
maintenance of such records in compliance with the Act.

21 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent Auto Loans has the right
22 to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The
23 Petition must be filed in the Office of the Director of the Department of Financial Institutions by

1 courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200,
2 Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon
3 Respondent Auto Loans. The Petition for Reconsideration shall not stay the effectiveness of this
4 order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

11 D. Judicial Review. Respondent Auto Loans has the right to petition the superior court
12 for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the
13 requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

14 E. Non-compliance with Order. If Respondent Auto Loans does not comply with the
15 terms of this order, **including payment of any amounts owed within 30 days of receipt of this**
16 **order**, the Department may seek its enforcement by the Office of the Attorney General of the State of
17 Washington to include the collection of the fines, restitution, fees, costs, and expenses imposed
18 herein. The Department also may assign the amounts owed to a collection agency for collection.

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

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1 DATED this 26th day of February, 2016.



2 STATE OF WASHINGTON
3 DEPARTMENT OF FINANCIAL INSTITUTIONS

4 
5 CHARLES E. CLARK
6 Director
7 Division of Consumer Services

1 **A. Respondent Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a**
2 **Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America**

3 **(Respondent Auto Loans)** is known to have engaged in business from numerous addresses located
4 in Florida, Indiana, Nevada, and the Cook Islands. Respondent Auto Loans has never been licensed
5 by the Department of Financial Institutions of the State of Washington (Department) to engage in the
6 business of a consumer loan company.

7 **B. Respondent William McKibbin (Respondent McKibbin)** was a principal of
8 Respondent Auto Loans at all times relevant to this Statement of Charges.

9 **1.2 Unlicensed Activity.** Between at least June 2013, and the date of this Statement of Charges,
10 Respondents engaged in the business of a consumer loan company in at least 13 loan transactions
11 when Respondents did not possess a valid consumer loan license and were not exempt from
12 licensing. Respondents made loans to at least 13 Washington residents and collected fees for those
13 services.

14 **1.3 Unfair or Deceptive Practices.** In at least 13 loan transactions Respondents engaged in
15 unfair or deceptive practices by holding themselves out as being authorized to make loans to
16 Washington residents when in fact they did not possess a valid consumer loan license and were not
17 exempt from licensing, and by charging usurious interest rates.

18 **1.4 Obtaining Property by Fraud or Misrepresentation.** In at least 13 loan transactions
19 Respondents obtained property by fraud or misrepresentation by misrepresenting the terms of loans
20 that they made to Washington residents, and by placing liens on Washington residents' automobiles.
21 In at least five loan transactions Respondents repossessed Washington residents' automobiles.

22 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
23 Act by Respondents continues to date.

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

2 **2.1 Definition of Loan.** Pursuant to RCW 31.04.015(11) and WAC 208-320-010, a “loan”
3 means a sum of money lent at interest or for a fee or other charge and includes both open-end and
4 closed-end loan transactions.

5 **2.2 Definition of Making a Loan.** Pursuant to RCW 31.04.015(13) and WAC 208-320-010,
6 “making a loan” means advancing, offering to advance, or making a commitment to advance funds to
7 a borrower for a loan.

8 **2.3 Requirement to Obtain and Maintain License in Accordance with the Act.** Based on the
9 Factual Allegations set forth in Section 1.2 above, Respondents are in apparent violation of RCW
10 31.04.035 and WAC 208-620-230 for engaging in the business of making secured or unsecured loans
11 to at least one Washington resident without first obtaining and maintaining a license in accordance
12 with the Act or meeting an exemption from the Act under RCW 31.04.025.

13 **2.4 Unfair or Deceptive Practices.** Based on the Factual Allegations set forth in Section 1.3
14 above, Respondents are in apparent violation of RCW 31.04.027(2) for directly or indirectly
15 engaging in any unfair or deceptive practice toward any person.

16 **2.5 Obtaining Property by Fraud or Misrepresentation.** Based on the Factual Allegations set
17 forth in Section 1.4 above, Respondents are in apparent violation of RCW 31.04.027(3) for directly or
18 indirectly obtaining property by fraud or misrepresentation.

19 **III. AUTHORITY TO IMPOSE SANCTIONS**

20 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the
21 Director may issue orders directing any person subject to the Act to cease and desist from conducting
22 business in a manner that is injurious to the public or violates any provision of the Act.

1 **3.2 Authority to Order Affirmative Action.** Pursuant to RCW 31.04.093(5)(b), the Director
2 may issue an order directing any person subject to the Act to take such affirmative action as is
3 necessary to comply with the Act.

4 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
5 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
6 employee, or any other person subject to the Act for a violation of RCW 31.04.027, RCW 31.04.102,
7 RCW 31.04.155, or RCW 31.04.221; or failure to obtain a license for activity that requires a license.

8 **3.4 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4)(a), the Director may impose fines
9 of up to one hundred dollars per day, per violation, upon any person subject to the Act for any
10 violation of the Act.

11 **3.5 Authority to Order Restitution.** Pursuant to RCW 31.04.093(5)(c), the Director may issue an
12 order directing any person subject to the Act to make a refund or restitution to a borrower or other
13 person who is damaged as a result of a violation of the Act.

14 **3.6 Authority to Order Refund.** Pursuant to RCW 31.04.035(2)(b), any person who makes a
15 nonresidential loan without first obtaining and maintaining a license in accordance with the Act,
16 except those exempt under RCW 31.04.025, must refund any fees or interest charged to the borrower.

17 **3.7 Authority to Collect Investigation Fee.** Pursuant to RCW 31.04.145(3), every licensee
18 investigated by the Director or the Director's designee shall pay for the cost of the investigation,
19 calculated at the rate of \$69.01 per staff hour devoted to the investigation.

20 **3.8 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
21 may recover the State's costs and expenses for prosecuting violations of the Act, including staff time
22 spent preparing for and attending administrative hearings and reasonable attorneys' fees.

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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,
3 as 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 Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
7 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
8 America and William McKibbin cease and desist from engaging in the business of a
9 consumer loan company in the state of Washington by making, servicing, collecting,
10 or assigning any loan made to any resident in the state of Washington.
- 11 **4.2** Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
12 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
13 America and William McKibbin be prohibited from participation in the conduct of the
14 affairs of any consumer loan company subject to licensure by the Director.
- 15 **4.3** Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
16 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
17 America and William McKibbin jointly and severally pay a fine of \$110,000.
- 18 **4.4** Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
19 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
20 America and William McKibbin jointly and severally pay restitution to each
21 Washington resident to whom they made loans and whose automobiles they
22 repossessed, in an amount to be determined at hearing.
- 23 **4.5** Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
24 Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
America and William McKibbin jointly and severally pay a refund of all fees and
interest charged to each Washington resident to whom the made loans.
- 4.6** Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
America and William McKibbin jointly and severally pay an investigation fee. As of
the date of this Statement of Charges, the investigation fee totals \$4,000.
- 4.7** Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a
Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan
America and William McKibbin jointly and severally pay the State's costs and
expenses, in an amount to be determined at hearing.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW
3 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05
4 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as
5 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6 accompanying this Statement of Charges.

7 Dated this 29th day of December, 2015.

8 [Redacted Signature]

9 CHARLES E. CLARK
10 Director
11 Division of Consumer Services
12 Department of Financial Institutions

11 Presented by:

12 [Redacted Signature]

13 KENNETH J. SUGIMOTO
14 Financial Legal Examiner

15 Approved by:

16 [Redacted Signature]

17 STEVEN C. SHERMAN
18 Enforcement Chief

