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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:

MERTROSE INC. d/b/a CASH PLUS, and
MERTON HARVEY ROSENBERG, President
and Owner,

NO. C-09-085-09-SC01

STATEMENT OF CHARGES and NOTICE
OF INTENTION TO ENTER AN ORDER TO
REVOKE LICENSE, BAN FROM INDUSTRY,
IMPOSE FINE, COLLECT EXAMINATION
AND INVESTIGATION FEES

Respondents.

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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:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Mertrose Inc. d/b/a Cash Plus (Mertrose)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a check casher with a small loan endorsement and a check seller on October 5, 1999, and has continued to be licensed to date. Respondent Mertrose is licensed to conduct the business of a check casher with a small loan endorsement and a check seller at 2315 N. Pearl St., Suite A6, Tacoma, Washington.

B. **Merton H. Rosenberg (Rosenberg)** is the President and Owner of Respondent Mertrose.

1.2 Failure to Pay Examination Fees. On July 27, 2006, the Department conducted a routine examination of Respondent Mertrose. On September 13, 2006, the Department sent an invoice in the amount of \$1,017.75 to Respondent Mertrose for the cost of the examination. The invoice was to be paid in full by October 13, 2006. The Department continued to send monthly invoices to Respondent Mertrose through

1 September 2007. Respondent Mertrose has not paid the amount due for the examination plus interest, which as
2 of the date of these charges totals \$1,308.50.

3 **1.3 Failure to Maintain Bond.** On January 15, 2008, the Department received notice from The Hartford
4 Fire Insurance Company that Respondent Mertrose's surety bond would be cancelled, effective February 18,
5 2008. To date, Respondents have failed to provide the Department the required surety bond or an approved
6 alternative.

7 **1.4 Failure to Comply with Investigation.** On January 29, 2008, the Department issued a Directive to
8 Respondent Mertrose directing it to replace or reinstate the bond within 10 days. To date, Respondents have
9 failed to comply with the Directive. On December 3, 2007, the Department issued a Directive to Respondent
10 Mertrose directing it to provide the Department with payment for the examination fees outlined in paragraph 1.2
11 by December 14, 2007. The Directive was delivered via Federal Express on December 4, 2007. To date, the
12 Respondents have failed to comply with the Directive.

13 **1.5 Failure to File Annual Reports and Annual Assessments.** The Respondents were required to submit
14 an annual report and pay any assessment due for the calendar year 2008. The Respondents were to submit the
15 report and assessment by April 15, 2009, but have failed to do so.

16 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
17 Respondents continues to date.

18 II. GROUNDS FOR ENTRY OF ORDER

19 **2.1 Requirement to Pay Examination Fee.** Based on the Factual Allegations set forth in Section I above,
20 Respondents are in apparent violation of RCW 31.45.100 for failing to pay the director the cost of the
21 examination conducted by the Department.

22 **2.2 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
23 above, Respondents are in apparent violation of RCW 31.45.030(5) and WAC 208-630-030 for failing to file
24 and maintain a surety bond or approved alternative with the Department.

1 **2.3 Requirement to Comply with Investigation.** Based on the Factual Allegations set forth in Section I
2 above, Respondents are in apparent violation of RCW 31.45.100 and WAC 208-630-320 for failing to comply
3 with the Department's investigation authority.

4 **2.4 Requirement to File Annual Report and Assessment.** Based on the Factual Allegations set forth in
5 Section I above, Respondents are in apparent violation of RCW 31.45.090 and WAC 208-630-400 for failing to
6 file with the Director an annual report, and pay an annual assessment, by April 16, 2009.

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8 **III. AUTHORITY TO IMPOSE SANCTIONS**

9 **3.1 Authority to Revoke License.** Pursuant to RCW 31.45.110(2)(a), the Director may revoke a license if
10 a licensee is violating or has violated the Act including rules and orders, or commits any act or engages in
11 conduct that demonstrates incompetence or untrustworthiness, or is a source of injury or loss to the public.

12 **3.2 Authority to Remove and Ban from the Industry.** Pursuant to RCW 31.45.110(2) (e), the Director
13 may remove from office or ban from participation in the conduct of the affairs of any licensee any director,
14 officer, sole proprietor, partner, controlling person, or employee of a licensee that is violating or has violated the
15 Act including rules and orders, or commits any act or engages in conduct that demonstrates incompetence or
16 untrustworthiness, or is a source of injury or loss to the public.

17 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a fine, not to
18 exceed one hundred dollars per day for each day's violation of the Act, on any licensee or applicant, or any
19 director, officer, sole proprietor, partner, controlling person, or employee of a licensee or applicant, that is
20 violating or has violated the Act including rules and orders, or commits any act or engages in conduct that
21 demonstrates incompetence or untrustworthiness, or is a source of injury or loss to the public.


22 **3.4 Authority to Collect Examination and Investigation Fees.** Pursuant to RCW 31.45.100 and WAC 208-
23 630-350 and 380, the Director shall collect from the licensee the actual cost of an examination or investigation of
24 the business, books, accounts, records, files, or other information of a licensee or person who the Director has
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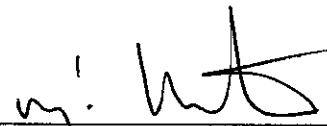
IV. AUTHORITY AND PROCEDURE

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

Dated this 22nd day of May, 2009.


DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:


WILLIAM HALSTEAD
Financial Legal Examiner

Approved by:


JAMES R. BRUSSELBACK
Enforcement Chief

