

ORDER SUMMARY – Case Number: C-14-1448

Name(s): Pension Income, LLC

Order Number: C-14-1448-14-CO01

Effective Date: December 12, 2014

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	\$5,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 12/8/2014
Fine	\$	Due	Paid <input type="checkbox"/> Y <input 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: Respondent Pension Income has agreed to cease and desist doing business in Washington.

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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:

PENSION FUNDING, LLC, and PENSION
INCOME, LLC,

Respondents.

No.: C-14-1448-14-CO01

CONSENT ORDER AS TO PENSION
INCOME, LLC

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Deborah Bortner, Division Director, Division of Consumer Services, and Pension Income,
LLC (Respondent Pension Income), and finding that the issues raised in the above-captioned matter
may be economically and efficiently settled solely as to Respondent Pension Income, 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:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondent Pension Income have agreed upon a basis for resolution of the matters alleged in
Statement of Charges No. C-14-1448-14-SC01 (Statement of Charges), entered May 7, 2014, (copy
attached hereto) solely as to Respondent Pension Income. Pursuant to chapter 31.04 RCW, the
Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent
Pension Income 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 solely as
to Respondent Pension Income by entry of this Consent Order. The parties intend this Consent Order
to fully resolve the Statement of Charges and agree that Respondent Pension Income does not admit

CONSENT ORDER AS TO PENSION INCOME, LLC
C-14-1448-14-CO01
Pension Income, LLC

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

any wrongdoing by its entry. Respondent Pension Income is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

A. Jurisdiction. Respondent Pension Income consents to the jurisdiction of the Department to enter this Consent Order, as well as the jurisdiction of the Department and Washington State courts to the extent required for the Department to enforce all terms contained in this Consent Order, including but not limited to this provision. The limited consent provided herein may not be construed as a waiver or consent to jurisdiction for any other purpose as to Respondent Pension Income.

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

C. No Admission of Liability. It is AGREED that Respondent Pension Income does not admit to any wrongdoing by entry of this Consent Order.

D. Actions by Other Divisions. It is AGREED that this Consent Order does not address and does not purport to settle any possible violations¹ of laws regulated by other Divisions within the Department.

E. License Required. It is AGREED that Respondent Pension Income has represented that it has ceased doing business in Washington since at least September 4, 2014. It is further AGREED that Respondent Pension Income understands that in order to make consumer loans, perform escrow

¹ By use of the term "violations" the Department does not mean to imply that it has presently made any determination as to whether Respondent Pension Income has violated the law.

functions, or transmit money for Washington residents, Respondent Pension Income must first obtain the appropriate license from the Department pursuant to the applicable laws and rules.

F. Investigation Fee. It is AGREED that Respondent Pension Income shall pay to the Department an investigation fee of \$5,000 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

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

H. Voluntarily Entered. It is AGREED that Respondent Pension Income has voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

I. Completely Read, Understood, and Agreed. It is AGREED that Respondent Pension Income's representative has read this Consent Order in its entirety and fully understands and agrees to all of the same.

J. Authority to Execute Order. It is AGREED that the undersigned has represented and warranted that he has the full power and right to execute this Consent Order on behalf of the party represented.

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1 **RESPONDENT:**

2 **Pension Income, LLC**

3 By: 

4 Edwin Lichtig III
Managing Partner

12/2/2014
Date

6 DO NOT WRITE BELOW THIS LINE

7 THIS ORDER ENTERED THIS 12th DAY OF December, 2014.




DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

12 Presented by:

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14 RACHELLE VILLALOBOS
15 Financial Legal Examiner

16 Approved by:

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18 CHARLES E. CLARK
19 Enforcement Chief

**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:

PENSION FUNDING, LLC, and PENSION
INCOME, LLC,

Respondents.

No.: C-14-1448-14-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 Respondents.

A. Pension Funding, LLC (Respondent Pension Funding) is known to have conducted business from 7777 Center Avenue, Suite 375, Huntington Beach, California 92647. Respondent Pension Funding 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.

B. Pension Income, LLC (Respondent Pension Income) is known to have conducted business from 7777 Center Avenue, Suite 375, Huntington Beach, California 92647. Respondent

1 Pension Income has never been licensed by the Department to conduct business as a consumer loan
2 company in the State of Washington.

3 **1.2 Unlicensed Activity.** Between at least November 1, 2012, and the date of this Statement of
4 Charges, Respondents conducted the business of a consumer loan company in at least one loan
5 transaction when Respondents were not exempt from licensing and did not possess a valid license.
6 Respondents offered consumer loans to at least one Washington resident and collected a fee for these
7 services.

8 On or about November 1, 2012, Washington consumer G.G. obtained proposals from
9 Respondent Pension Funding to obtain a pension loan. G.G. entered into a Buyer and Pensioner
10 Purchase Agreement for Purchase of Future Income Stream on or about November 27, 2012, for a
11 lump sum payment of \$36,596.09. The repayment terms included eight years of G.G.'s monthly
12 pension income of \$875.46, totaling about \$84,044.16. On or about that same day, G.G. also signed a
13 Pensioner Bank Account Authorization Form authorizing Respondent Pension Income to open a bank
14 account in G.G.'s name, and initiate debit or credit entries to the account. Thereafter, G.G.'s monthly
15 pension was deposited into that account and withdrawn by or on behalf of Respondent Pension
16 Income.

17 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
18 Act by Respondents continues to date.

19 II. GROUNDS FOR ENTRY OF ORDER

20 **2.1 Definition of Loan.** Pursuant to RCW 31.04.015(11) and WAC 208-620-010, a "Loan"
21 means a sum of money lent at interest or for a fee or other charge and includes both open-end and
22 closed-end loan transactions.

1 **2.2 Definition of Making a Loan.** Pursuant to RCW 31.04.015(13) and WAC 208-620-010,
2 "Making a Loan" means advancing, offering to advance, or making a commitment to advance funds
3 to a borrower for a loan.

4 **2.3 Requirement to Obtain and Maintain a License in Accordance with the Act.** Based on
5 the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
6 31.04.035 and WAC 208-620-230 for engaging in the business of making secured or unsecured loans
7 to Washington residents without first obtaining and maintaining a license in accordance with the Act
8 or meeting an exemption from the Act under RCW 31.04.025.

9 **2.4 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,
10 Respondents are in apparent violation of RCW 31.04.027(2) and (3) for engaging in an unfair or
11 deceptive practice toward any person and for obtaining property by misrepresentation.

12 **III. AUTHORITY TO IMPOSE SANCTIONS**

13 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the
14 Director may issue an order directing any person subject to the Act to cease and desist from
15 conducting business in a manner that is injurious to the public or violates any provision of the Act.

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

20 **3.3 Authority to Impose a Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
21 up to one hundred dollars per day, per violation, upon any person subject to the Act for any violation
22 of the Act.

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

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

5 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as
6 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
7 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW
8 31.04.205. Therefore, it is the Director's intention to ORDER that:

- 9 **4.1** Respondents Pension Funding, LLC and Pension Income, LLC shall immediately
10 cease and desist from making consumer loans to Washington state residents until such
11 time as Respondents obtain a license in accordance with the Act from the Department or
12 qualify for an exemption from licensing as delineated in the Act;
- 13 **4.2** Respondents Pension Funding, LLC and Pension Income, LLC shall be prohibited
14 from participation, in any manner, in the conduct of the affairs of any consumer loan
15 business subject to licensure by the Director under chapter 31.04 RCW for a period of
16 five (5) years;
- 17 **4.3** Respondents Pension Funding, LLC and Pension Income, LLC shall pay a fine which
18 as of the date of this Statement of Charges totals \$9,000; and
- 19 **4.4** Respondents Pension Funding, LLC and Pension Income, LLC shall refund all fees
20 and interest paid by Washington consumer G.G. and by all Washington borrowers who
21 paid fees or interest in any additional amount(s) determined at hearing.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, 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 7th day of May, 2014.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

RACHELLE VILLALOBOS
Financial Legal Examiner

Approved by:

CHARLES E. CLARK
Enforcement Chief