

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 Check
6 Cashers and Sellers Act of Washington by:

7 SWBFUNDING.COM,

8 Respondent.

No.: C-15-1677-15-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO CEASE AND DESIST, BAN
FROM INDUSTRY, IMPOSE FINE, AND
COLLECT INVESTIGATION FEE

9 **INTRODUCTION**

10 Pursuant to RCW 31.45.110 and RCW 31.45.200, the Director of the Department of Financial
11 Institutions of the State of Washington (Director) is responsible for the administration of chapter
12 31.45 RCW, the Check Cashers and Sellers Act (Act). After having conducted an investigation
13 pursuant to RCW 31.45.100, and based upon the facts available as of June 3, 2015, the Director,
14 through his designee, Division of Consumer Services Director Charles E. Clark, institutes this
15 proceeding and finds as follows:

16 **I. FACTUAL ALLEGATIONS**

17 **1.1 SWBFunding.com (Respondent)** is a limited liability company believed to be located in the
18 country of Nevis. Respondent has never been licensed by the Department of Financial Institutions of
19 the State of Washington (Department) to conduct business as a check casher or seller with a small
20 loan endorsement.

21 **1.2 Unlicensed Activity.** From at least July 5, 2013, Respondent engaged in the business of a
22 check casher or seller with small loan endorsement by making a small loan to at least one borrower
23 physically located in the state of Washington.

24 **1.3 On-going Investigation.** The Department's investigation into the alleged violations of the
Act by Respondent continues to date.

II. GROUNDS FOR ENTRY OF ORDER

2.1 Definition of Check Casher. Pursuant to RCW 31.45.010(5), a "Check Casher" is defined as an individual, partnership, unincorporated association, or corporation that, for compensation, engages, in whole or in part, in the business of cashing checks, drafts, money orders, or other commercial paper serving the same purpose.

2.2 Definition of Check Seller. Pursuant to RCW 31.45.010(6), a "Check Seller" is defined as an individual, partnership, unincorporated association, or corporation that, for compensation, engages, in whole or in part, in the business of selling checks, drafts, money orders, or other commercial paper serving the same purpose.

2.3 Definition of Licensee. Pursuant to RCW 31.45.010(13), a "Licensee" is defined as a check casher or seller licensed by the director to engage in business in accordance with the Act. "Licensee" also means a check casher or seller, whether located within or outside of this state, who fails to obtain the license or small loan endorsement required by this chapter.

2.4 Definition of Small Loan. Pursuant to RCW 31.45.010(21), a "Small Loan" is defined as a loan up to the maximum amount and for a period of time up to the maximum term specified in RCW 31.45.073.

2.5 Requirement to Obtain a Check Casher or Seller License. Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.45.030(1) for engaging in the business of a check casher or seller without first obtaining a license from the Director.

2.6 Requirement to Obtain a Small Loan Endorsement. Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.45.070 and RCW 31.45.073

1 for engaging in the business of making small loans without first obtaining a small loan endorsement
2 from the Director.

3 **III. AUTHORITY TO IMPOSE SANCTIONS**

4 **3.1 Authority to Issue Cease and Desist Order.** Pursuant to RCW 31.45.110(2)(b), the Director
5 may order a licensee to cease and desist from practices in violation of the Act or practices that
6 constitute unsafe and unsound financial practices.

7 **3.2 Authority to Ban from the Industry.** Pursuant to RCW 31.45.110(2)(e), the Director may
8 remove from office or ban from participation in the conduct of the affairs of any licensee any
9 director, officer, sole proprietor, partner, controlling person, or employee of a licensee that is
10 violating or has violated the Act including rules.

11 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a
12 fine, not to exceed one hundred dollars per day for each day's violation of the Act, on any licensee or
13 applicant, or any director, officer, sole proprietor, partner, controlling person, or employee of a
14 licensee or applicant, that is violating or has violated the Act including rules.

15 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100,
16 WAC 208-630-360, WAC 208-630-370, and WAC 208-630-380, the Director shall collect from the
17 licensee the actual cost of an examination or investigation of the business, books, accounts, records,
18 files, or other information of a licensee or person who the Director has reason to believe is engaging
19 in the business governed by the Act. The investigation charge will be calculated at the rate of \$69 per
20 hour that each staff person devoted to the investigation, plus actual expenses.

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

22 Respondent's violations of the provisions of chapter 31.45 RCW and chapter 208-630 WAC,
23 as set forth in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the

entry of an Order under RCW 31.45.110 and RCW 31.45.200. Therefore, it is the Director's intention to ORDER that:

- 4.1 Respondent SWBFunding.com cease and desist from offering or making small loans to persons physically located in the state of Washington;
- 4.2 Respondent SWBFunding.com be banned from participation in the conduct of the affairs of any check casher or seller with a small loan endorsement subject to licensure by the Director, in any manner, for a period of 5 years;
- 4.3 Respondent SWBFunding.com pay a fine in the amount of \$3,000; and
- 4.4 Respondent SWBFunding.com pay an investigation fee in the amount of \$890.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Ban
3 from Industry, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant
4 to the provisions of RCW 31.45.110 and RCW 31.45.200, and is subject to the provisions of chapter
5 34.05 RCW (the Administrative Procedure Act). Respondent may make a written request for a
6 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
7 HEARING accompanying this Statement of Charges.

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9 Dated this 12th day of June, 2015.



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[Redacted Signature]
CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[Redacted Signature]
KENNETH J. SUGIMOTO
Financial Legal Examiner

Approved by:

[Redacted Signature]
STEVEN C. SHERMAN
Enforcement Chief