

Terms Completed

ORDER SUMMARY – Case Number: C-04-186

Name(s): Pong S. Kim dba Grandview Market, aka Jackpot

Order Number: C-04-186-06-CO01

Effective Date: February 3, 2006

License Number: CC License will be issued after entry of Consent Order
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: n/a

Not Apply Until: n/a

Not Eligible Until: _____

Prohibition/Ban Until: Two (2) year prohibition STAYED for the duration of Consent Order [two (2) years from entry of order (until February 3, 2008)] and subject to lifting of stay by DFI if conditions not met.

Investigation Costs	\$3,999.67	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 2.1.06
Fine	\$2,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 2.1.06
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:				

Fine Stayed: \$13,175.00 stayed for a period of two (2) years from the entry of order (until February 3, 2008), subject to lifting of stay by DFI if conditions not met.

Compliance Examinations – subject to compliance examinations for two (2) years from entry of order (until February 3, 2008), not to exceed one per year, at Respondent’s expense.

Fees Charges to Customers – Respondent shall charge no more than a seventy-five cent (\$.75) fee per \$100.00 check cashed for a period of six (6) months, beginning on the date of entry of the order (February 3, 2006).

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION**

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IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Check Cashers and Sellers of Washington by:

NO. C-04-186-06-CO01

PONG S. KIM, OWNER, d/b/a
GRANDVIEW MARKET, aka JACK POT,

CONSENT ORDER

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Chuck Cross, Division Director, Division of Consumer Services, and Pong S. Kim, d/b/a Grandview Market, aka Jack Pot (hereinafter Respondent), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 31.45 of 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 have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-04-186-04-SC01 (Statement of Charges) entered October 19, 2005 (copy attached hereto). Pursuant to chapter 31.45 RCW, the Check Cashers and Sellers Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondent 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 by entry of this Consent Order. The parties intend this Consent Order to fully resolve all allegations raised in the Statement of Charges entered October 19, 2005.

CONSENT ORDER
PONG S. KIM, OWNER, d/b/a
GRANDVIEW MARKET, aka JACK POT
NO. C-04-186-06-CO01

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200

1 Based upon the foregoing:

2 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the
3 activities discussed herein.

4 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing
5 before an administrative law judge, and that Respondent has waived the right to a hearing and any and all
6 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

7 C. **Consent to Be Bound By Order.** It is AGREED that the parties shall be bound by the terms and
8 conditions of this Consent Order as set forth herein.

9 D. **Fine (Partially Stayed).** It is AGREED that Respondent is subject to a fine by the Department in
10 the amount of \$15,175.00 for violating RCW 31.45.030(1), calculated at \$75.00 per day for 157 days and
11 \$100.00 per day for 34 days.

12 It is further AGREED that Respondent shall pay to the Department \$2,000.00 of the total fine in the form
13 of a cashier's check which shall be made payable to the "Washington State Treasurer" and which shall be paid to
14 the Department immediately upon entry of this Consent Order, and that the balance of the fine (\$13,175.00) shall
15 be stayed for a period of two (2) years from the date of entry of this Consent Order, subject to the Department's
16 authority to lift the stay and impose the balance of the fine (\$13,175.00) discussed in paragraph F of this Consent
17 Order.

18 It is further AGREED that if, upon expiration of said two (2) year period, the stay has not been previously
19 lifted, and the balance of the fine (\$13,175.00) has not been previously imposed, and if a notification to lift the
20 stay or proceeding to lift the stay is not then pending by the Director to impose the balance of the fine
21 (\$13,175.00), then, in such events, the Department shall consider this paragraph of this Consent Order fully
22 performed and the stayed portion of the fine (\$13,175.00) will not be collected from Respondent.

23 It is further AGREED that, if on the expiration of said two (2) year period a notification to lift the stay or
24 proceeding to lift the stay is pending by the Director to impose the balance of the fine (\$13,175.00), then those
25 proceedings shall continue according to the terms of this Consent Order, as discussed in paragraph F below.

1 **E. Prohibition from Participation in the Industry (Stayed).** It is AGREED that Respondent is
2 subject to a prohibition from participating in the conduct of the affairs of any check casher or seller subject to
3 licensure by the Director, in any manner, for a period of five (5) years from the date of entry of this Consent
4 Order.

5 It is further AGREED that this prohibition shall be stayed for the duration of this Consent Order subject to
6 the Department's authority to lift the stay and impose the five (5) year prohibition pursuant to paragraph F of this
7 Consent Order.

8 It is further AGREED that if, after two (2) years from the date of entry of this Consent Order, the stay has
9 not been previously lifted, and the five (5) year prohibition has not been previously imposed, and if a notification
10 to lift the stay or proceeding to lift the stay is not then pending by the Director to impose the five (5) year
11 prohibition, and if Respondent has provided the Department with a written statement signed under penalty of
12 perjury of the laws of the State of Washington that they have complied with the terms and conditions of this
13 Consent Order, then, in such events, the Department shall consider this paragraph of this Consent Order fully
14 performed and the stayed five (5) year prohibition will not be imposed on the Respondent.

15 It is further AGREED that if, after two (2) years from the date of entry of this Consent Order, notification
16 to lift the stay or proceeding to lift the stay is pending by the Director to impose the five (5) year prohibition, then
17 those proceedings shall continue according to the terms of this Consent Order, as discussed in paragraph F below.

18 **F. Lifting of Stay and Imposing Prohibition.** It is AGREED that:

- 19 1. If the Department determines that Respondent is in violation of RCW 31.45.030(1), RCW
20 31.45.030(5), RCW 31.45.060 or RCW 31.45.080, or any of the terms and conditions of
21 this Consent Order and the Department accordingly seeks to lift the stay and impose the
22 balance of the fine (\$13,175.00) and impose the five (5) year prohibition, the Department
23 first will notify Respondent in writing of its determination.
- 24 2. Respondent will be afforded ten (10) business days from the date of receipt of the
25 Department's notification to request in writing an expedited administrative hearing to be
held before an Administrative Law Judge (ALJ) from the Office of Administrative
Hearings (OAH).

- 1 3. Respondent's request for hearing must be sent to the Department and received by the
2 Department within ten (10) business days of the date of the receipt of the Department's
3 notice.
- 4 4. Respondent, in addition to a request for hearing, may provide a written response to include
5 any information pertaining to the alleged noncompliance.
- 6 5. The administrative hearing shall be expedited and follow the timing and processes
7 described in this Consent Order.
- 8 6. If Respondent does not request the expedited hearing within the stated time, the
9 Department immediately will impose the balance of the fine (\$13,175.00), impose the five
10 (5) year prohibition, and pursue whatever action it deems necessary to collect the balance
11 of the fine and impose the prohibition. The fine is due immediately upon demand by the
12 Department; Respondent must make payment by cashier's check payable to the
13 "Washington State Treasurer."
- 14 7. If requested, the hearing will be held within fifteen (15) business days (or as soon as the
15 schedule of the ALJ permits) from the due date for Respondent's request for hearing or
16 from the date of receipt of Respondent's timely request for hearing, whichever is sooner.
17 The parties will accommodate the prompt scheduling of the hearing.
- 18 8. The scope and issues of the hearing are limited solely to whether or not Respondent is in
19 violation of RCW 31.45.030(1), RCW 31.45.030(5), RCW 31.45.060 or RCW 31.45.080,
20 or any of the terms and conditions of this Consent Order.
- 21 9. At the conclusion of the hearing, the ALJ will issue an initial decision. Either party may
22 file a Petition for Review with the Director of the Department.
- 23 10. The Department's notification will include:
 - 24 a) A description of the alleged noncompliance;
 - 25 b) A statement that because of the noncompliance, the Department seeks to lift
the stay and impose the balance of the fine (\$13,175.00) and impose the five
(5) year prohibition;
 - c) The opportunity for Respondent to contest the Department's determination of
noncompliance in an administrative hearing before an ALJ of OAH; and
 - d) A copy of this Consent Order. The notification and hearing process provided
in this Consent Order applies only to this Consent Order. It is solely provided
in the event Respondent chooses to contest the Department's determination of
noncompliance.

23 **G. Compliance Examinations.** It is AGREED that Respondent is subject to compliance examinations
24 for two (2) years from the date of entry of this Consent Order to be conducted by the Department at the
25

1 Department's discretion (not to exceed one compliance examination per year), at Respondent's expense.
2 Respondent further AGREES to promptly respond and address any and all issues, if any, identified in the
3 compliance examinations to the satisfaction of the Department.

4 H. **Restitution.** It is AGREED that Respondent shall charge no more than a seventy-five cent (\$.75) fee
5 per \$100.00 check cashed for a period of six (6) months, beginning immediately upon entry of this Consent
6 Order.

7 I. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation fee
8 in the amount of \$3,999.67, calculated at \$66.81 per hour for sixty-seven (67) staff hours devoted to the
9 examination and investigation, less the \$698.10 paid out of Respondent's application deposit, plus \$221.50 in
10 expenses related to the examination and investigation, in the form of a cashier's check made payable to the
11 "Washington State Treasurer" upon entry of this Consent Order.

12 J. **Notification of Current Address and Telephone Number(s).** It is AGREED that during the entire
13 term of this Consent Order Respondent must notify the Department in writing of any changes in their current
14 main address and telephone number(s) within five (5) days of such change.

15 K. **Authority of Department.** It is AGREED that nothing in this Consent Order shall be construed as
16 preventing the Department from fully exercising its authority and enforcing any provision of chapter 31.45 RCW
17 and chapter 208-630 WAC.

18 L. **Compliance with the Law.** It is AGREED that Respondent shall comply with the Check Cashers
19 and Sellers Act (chapter 31.45 RCW) and the rules adopted thereunder (chapter 208-630 WAC).

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

1 N. **Complete Cooperation with Department.** During the entire term of this order Respondent shall
2 cooperate fully, truthfully and completely with the Department. A failure to cooperate fully, truthfully and
3 completely is a breach of this order.

4 O. **Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into
5 this Consent Order, which is effective when signed by the Director's designee.

6 P. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this Consent
7 Order in its entirety and fully understands and agrees to all of the same.

8 RESPONDENT:

9 Pong S. Kim, d/b/a Grandview Market, aka JackPot
10 By:

11 
12 Pong S. Kim
13 Owner


11 1/31/06
12 Date

14 DO NOT WRITE BELOW THIS LINE

15 THIS ORDER ENTERED THIS 3rd DAY OF February, 2006.



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21 CHUCK CROSS
22 Director
23 Division of Consumer Services
24 Department of Financial Institutions

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION**

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IN THE MATTER OF DETERMINING
Whether there has been a violation of the Check
Cashers and Sellers Act of Washington by:

PONG S. KIM, OWNER, d/b/a
GRANDVIEW MARKET, aka JACK POT,

Respondent.

No. C-04-186-04-SC01

STATEMENT OF CHARGES and NOTICE OF
INTENTION TO ENTER AN ORDER TO CEASE
AND DESIST CHECK CASHING AND SELLING
SERVICES, DENY LICENSE APPLICATION,
IMPOSE A FINE, PROHIBIT FROM
PARTICIPATION IN THE CHECK CASHING AND
SELLING INDUSTRY, ORDER RESTITUTION,
AND COLLECT EXAMINATION AND
INVESTIGATION FEES

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). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent part. After having conducted an investigation pursuant to RCW 31.45.100, and based upon the facts available as of October 19, 2005, the Director institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent Pong Sun Kim, d/b/a Grandview Market, aka Jack Pot (Kim) is known to have owned and conducted the business of check cashing and check selling, under the name Grandview Market, aka Jack Pot, at:

100 E. Wine Country Road
Grandview, Washington 98930

1.2 Application for a License: On or about February 4, 2004, Respondent Kim submitted an application for a license to conduct the business of a check casher to the Department of Financial Institutions (Department). That application was incomplete, and the Department notified Respondent Kim that the application was deficient on June 17, 2004. To date, the Department has still not received the final documents required to complete Respondent Kim's application. Thus, the Department has not issued a license to

1 Respondent Kim to conduct the business of a check casher. In addition, Respondent Kim has never been issued
2 nor has she applied for a license to conduct the business of a check seller from the Department.

3 **1.3 Registration as a Sole Proprietorship:** Respondent Kim's original Master Business Application and
4 tax registration, signed August 11, 1993, filed with the State of Washington Department of Licensing, lists the
5 trade name for the sole-proprietorship as "JACK - POT." Accordingly, the Washington State Department of
6 Revenue State Business Records Database lists the current dba as "JACK POT." Subsequently, Respondent
7 Kim submitted a Master Application to the State of Washington Department of Licensing for a Lottery License,
8 dated August 21, 1997, listing the trade name as "Grandview Market." As a result, the State of Washington
9 Department of Licensing Master License Service Database lists the Registered name as "Grandview Market."

10 **1.4 Unauthorized Check Cashing:** During the course of its investigation, the Department discovered that
11 Respondent Kim engaged in the business of check cashing for which Respondent is not authorized.
12 Respondent Kim has engaged in the business of check cashing since at least June 1, 2003.

13 A. Sometime in December 2003, Respondent Kim spoke with the Department's Licensing staff and
14 stated that she has been cashing checks for a fee for over ten (10) years and has not needed a
15 license.

16 B. On May 12, 2004, the Department conducted a pre-license examination of Respondent Kim's
17 books and records. As part of its examination, the Department obtained the following information:

18 1. The Department asked Respondent Kim to complete a "Check cashers/Small Loans
19 Compliance Examination Management Questionnaire." On the Questionnaire,
20 Respondent Kim stated that she charged a fee for cashing checks.

21 2. The Department also reviewed Respondent Kim's cash register tapes for the period
22 from June 1, 2003 to October 1, 2003, which showed a total of 1,442 check cashing
23 and/or selling transactions. The cash register tapes showed the total fees earned by
24 Respondent Kim for this period was \$3,949.84, which is an average of \$789.96 per
25 month.

1 **1.5 Unauthorized Selling of Checks:** During the course of its investigation, the Department discovered
2 that Respondent Kim has engaged in the business of check selling for which Respondent is not authorized.
3 Respondent Kim has engaged in the business of check selling since at least June 1, 2003.

- 4 A. Respondent Kim submitted a copy of Grandview Market's 2003 Statement of Assets and
5 Liabilities with her application for a check casher license, dated February 6, 2004. The 2003
6 Statement of Assets and Liabilities showed a balance of \$7,878.06 in the "M/O Acct" [money
7 order account].
- 8 B. Respondent Kim maintains a business checking account at US Bank in Grandview, Washington,
9 which is designated as the "M.O. Account." According to US Bank's records, Respondent Kim
10 opened this account on April 16, 2002. US Bank records show that Respondent Kim has engaged
11 in the business of a check seller since at least July 27, 2003.
- 12 C. On May 12, 2004, the Department conducted a pre-license examination of Respondent Kim's
13 books and records. As part of its examination, the Department obtained the following information:
- 14 1. The Department asked Respondent Kim to complete a "Check cashers/Small Loans
15 Compliance Examination Management Questionnaire." On the Questionnaire,
16 Respondent Kim stated that she charged a fee for money orders.
 - 17 2. The Department also reviewed Respondent Kim's cash register tapes for the period
18 from June 1, 2003 to October 1, 2003, which showed a total of 1,442 check cashing
19 and/or selling transactions. The cash register tapes showed the total fees earned by
20 Respondent Kim for this period was \$3,949.84, which is an average of \$789.96 per
21 month.
 - 22 3. The Department also obtained a copy of Respondent Kim's 2003 Individual Tax
23 Return (1040). Statement 1, which is an itemization of line 6 of Schedule C, shows
24 \$7,560.00 in money order income.
- 25

1 **1.6 Failure to Maintain the Required Surety Bond to Engage in the Business of Check Selling:**

2 Respondent Kim has not obtained or filed with the Department the required Surety Bond to Operate as a Check
3 Seller or approved alternative to the surety bond.

4 **1.7 Failure to Post Fees and Comply with Recordkeeping Requirements:** Respondent Kim has not
5 posted a schedule of fees and charges and does not provide to its customers the required receipt. Respondent
6 Kim does not keep and maintain the business books and records required by the Act.

7 **1.8 Failure to Maintain the Required Trust Account:** Respondent Kim has not established and does not
8 maintain the required trust account into which it deposits trust funds received from the sale of checks.

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

10 **2.1 Requirement to Obtain a License:** Based on the Factual Allegations set forth in Section I above,
11 Respondent Kim is in apparent violation of RCW 31.45.030(1) for cashing and selling checks without first
12 obtaining a license from the Director.

13 **2.2 Requirement to Maintain a Surety Bond for the Selling of Checks or Money Orders:** Based on
14 the Factual Allegations set forth in Section I above, Respondent Kim is in apparent violation of RCW
15 31.45.030(5)(a) for selling money orders without first obtaining and filing with the Department a surety bond
16 running to the State of Washington or other approved alternative to the surety bond.

17 **2.3 Requirement to Post Fees:** Based on the Factual Allegations set forth in Section I above, Respondent
18 Kim is in apparent violation of RCW 31.45.060(1) for failure to post a schedule of fees and charges for the
19 cashing and selling of checks.

20 **2.4 Requirement to Maintain Business Books and Records:** Based on the Factual Allegations set forth
21 in Section I above, Respondent Kim is in apparent violation of RCW 31.45.060(2) for failure to keep and
22 maintain the business books, accounts and records as required by the Director.

23 **2.5 Requirement to Maintain a Trust Account:** Based on the Factual Allegations set forth in Section I
24 above, Respondent Kim is in apparent violation of RCW 31.45.080(2) for failure to deposit trust funds from the
25 sale of checks into a bank account designated as a trust account.

1 **2.6 Authority to Issue Cease and Desist Order:** Pursuant to RCW 31.45.110(2)(b), the Director is
2 authorized to issue a cease and desist order requiring a licensee or applicant to cease and desist from practices in
3 violation of the Act or practices that constitute unsafe and unsound financial practices in the sale of checks.

4 **2.7 Authority to Deny License Application:** Pursuant to RCW 31.45.110(2)(a), the Director may deny
5 an application for a check cashing or check selling license for violations of the Act, including RCW
6 31.45.030(1).

7 **2.8 Authority to Impose a Fine:** Pursuant to RCW 31.45.110(2)(c), the Director may impose a fine not to
8 exceed one hundred dollars per day for each day's violation of the Act.

9 **2.9 Authority to Ban from Participation:** Pursuant to RCW 31.45.110(2)(e), the Director may remove
10 from office or ban from participation in the affairs of any licensee any director, officer, sole proprietor, partner,
11 controlling person, or employee of a licensee.

12 **2.10 Authority to Compel Restitution:** Pursuant to RCW 31.45.110(2)(d), the Director may order
13 restitution to borrowers or other parties damaged by the licensee's violation of the Act.

14 **2.11 Authority to Collect Examination and Investigation Costs:** Pursuant to RCW 31.45.100, the Director
15 shall collect from the licensee the actual cost of the examination or investigation.

16 **2.12 Violations Affect the Public Interest.** Pursuant to RCW 31.45.190 the legislature found and declared.
17 that any violation of the Act substantially affects the public interest and is an unfair and deceptive act or practice
18 and an unfair method of competition in the conduct of trade or commerce as set forth in RCW 19.86.020 of the
19 Consumer Protection Act. Based on the factual allegations and violations enumerated above, Respondent Kim's
20 unlicensed activities and conduct constitute unsafe and unsound financial practices.

21 III. NOTICE OF INTENTION TO ENTER ORDER

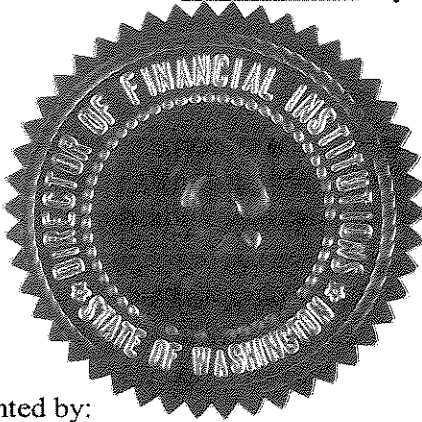
22 Respondent's violations of the provision of chapter 31.45 RCW, as set forth in the above Factual
23 Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under RCW 31.45.110.
24 Therefore, it is the Director's intention to ORDER that:

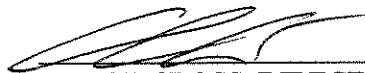
25 **3.1** Respondent Kim shall cease and desist any check cashing and check selling activity; and

1 **IV. AUTHORITY AND PROCEDURE**

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

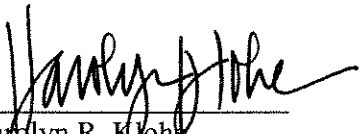
9 DATED this 19th day of October, 2005.



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17 **CHUCK CROSS, DIRECTOR**
18 **CONSUMER SERVICES DIVISION**
19 **DEPARTMENT OF FINANCIAL INSTITUTIONS**

20 Presented by:

21 

22 **Karolyn R. Kohn**
23 **Financial Legal Examiner**