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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:

NO. C-07-518-09-CO01

AMERICOR LENDING GROUP, INC.,
JEREMY K. FOTI, President and 50% Owner,
and
PUNA A. "STEVE" MCILWAIN, CFO and
50% Owner,

CONSENT ORDER BETWEEN
THE DEPARTMENT AND
JEREMY K. FOTI

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee, Deborah Bortner, Division Director, Division of Consumer Services, and Jeremy K. Foti,
President and 50% Owner of Americor Lending Group, Inc., (hereinafter Respondent Foti), and finding
that the issues raised in the above-captioned matter, as they pertain to Respondent Foti, may be
economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is
entered pursuant to chapter 31.04 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 Foti have agreed upon a basis for resolution of the matters alleged in Statement of Charges

1 No. C-07-518-08-SC01 (Statement of Charges), entered November 17, 2008, (copy attached hereto),
2 only as they pertain to Respondent Foti. Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act),
3 and RCW 34.05.060 of the Administrative Procedure Act, Respondent Foti hereby agrees to the
4 Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned
5 matter, only as they pertain to Respondent Foti, may be economically and efficiently settled by entry of
6 this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges only
7 as they pertain to Respondent Foti. Respondent Foti is agreeing not to contest the Statement of Charges
8 in consideration of the terms of this Consent Order.
9

10 Based upon the foregoing:

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

13 B. **Waiver of Hearing.** It is AGREED that Respondent Foti has been informed of the right to a
14 hearing before an administrative law judge, and that he hereby waives his right to a hearing and any and
15 all administrative and judicial review of the issues raised in this matter, or of the resolution reached
16 herein. Accordingly, by his signature below, Respondent Foti withdraws his appeal in the above-
17 captioned matter.

18 C. **License Revocation.** It is AGREED that Respondent Foti shall not oppose the revocation of
19 the Consumer Loan license of Americor Lending Group, Inc., or any other sanction sought by the
20 Department against Americor Lending Group, Inc.
21

22 D. **Agreement not to Apply.** It is AGREED that Respondent Foti shall not apply for any license
23 issued by the Department for a period of five years from the date of this Consent Order. It is further
24

1 AGREED that should Respondent Foti apply for a license issued by the Department after five years have
2 passed, Respondent Foti shall be required to meet all licensing requirements.

3 E. **Fine.** It is AGREED that Respondent Foti shall pay to the Department a fine of \$5,000 in the
4 form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent
5 Order.

6 F. **Investigation Fee.** It is AGREED that Respondent Foti shall pay to the Department an
7 investigation fee of \$375 in the form of a cashier's check made payable to the "Washington State
8 Treasurer" upon entry of this Consent Order. Respondent Foti may pay both the fine and investigation
9 fee in the form of one cashier's check made payable to the "Washington State Treasurer" upon entry of
10 this Consent Order.

11 G. **Cooperation with the Department.** It is AGREED that Respondent Foti shall continue to
12 cooperate with the Department's ongoing investigation of Respondents Americor Lending Group, Inc.,
13 and Puna "Steve" McIlwain; including, but not limited to, testifying at any future hearing and assisting
14 with service of process.


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

19 I. **Voluntarily Entered.** It is AGREED that Respondent Foti has voluntarily entered into this
20 Consent Order, which is effective when signed by the Director's designee.


21 J. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent Foti has read
22 this Consent Order in its entirety and fully understands and agrees to all of the same.
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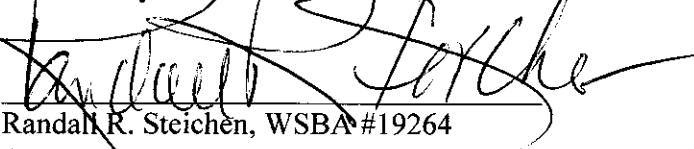
RESPONDENT:


Jeremy K. Foti
Former President and 50% Owner
Americor Lending Group, Inc.¹

6-2-09
Date


Jeremy K. Foti
Individually

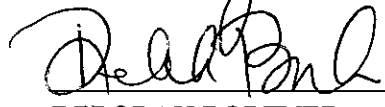
6-2-09
Date


Randall R. Steichen, WSBA #19264
Attorney at Law
Attorney for Respondent Foti

6/4/09
Date


DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 9th DAY OF June, 2009.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:


STEVEN C. SHERMAN
Financial Legal Examiner

Approved by:


JAMES R. BRUSSELBACK
Enforcement Chief



¹ The Department was not notified that Mr. Foti was no longer the President and 50% owner of the company until January 23, 2009. Mr. Foti asserts that he was no longer President and had sold his interest in the company as of April 13, 2007.

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

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

AMERICOR LENDING GROUP, INC.,
JEREMY K. FOTI, President and 50%
Owner, and
PUNA A. "STEVE" MCILWAIN,
CFO and 50% Owner,

Respondents.

NO. C-07-518-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE,
PROHIBIT FROM INDUSTRY, IMPOSE
FINE, ORDER RESTITUTION, COLLECT
ANNUAL ASSESSMENT FEES, AND
COLLECT INVESTIGATION FEE

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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 (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (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:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Americor Lending Group, Inc., (Respondent Americor) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a Consumer Loan Company on January 28, 2004, and continues to be licensed to date. Respondent Americor is licensed to conduct business from one location at 20371 Irvine Ave., #170, Santa Ana Heights, California.

1 **B. Jeremy K. Foti (Respondent Foti)** is known to be President and 50% owner of
2 Respondent Americor.

3 **C. Puna A. "Steve" McIlwain (Respondent McIlwain)** is known to be CFO and 50%
4 owner of Respondent Americor.

5 **1.2 Reports of Examination.** Between April 10th and 12th, 2006, the Department conducted an
6 examination of Respondents' business practices for the period of January 28, 2004, through March 31,
7 2006. The Department's examiners reviewed thirty of the fifty-eight loans originated during the
8 review period.

9 **1.3 Failure to Properly Maintain Records.** Respondent's records indicated that Respondents
10 had originated fifty-eight Washington loans during the period of examination. Respondents, however,
11 were unable to produce twenty-eight of those loans.

12 **1.4 Failure to Disclose Increase in Fees.** In four of the loan files reviewed, Respondents did not
13 disclose to the borrowers that the broker fee had increased from the date the last Good Faith Estimate
14 had been provided to the date of settlement.

15 **1.5 Failure to Timely Disclose Yield Spread Premium.** In twenty-two of the loans reviewed,
16 Respondents did not disclose the Yield Spread Premium before settlement.

17 **1.6 Failure to Pay Late Penalty for 2006 Consolidated Annual Report.** Respondents' 2006
18 Consolidated Annual Report was due no later than March 1, 2007. The Department did not receive
19 Respondents 2006 Consolidated Annual Report until March 9, 2007. As a result, the Department
20 imposed a late penalty of \$800. The Department notified Respondents of this penalty on or about
21 March 14, 2007, but to date Respondents have not paid the \$800 late penalty.

22 **1.7 Failure to Submit 2007 Consolidated Annual Report and Worksheet and pay Annual**
23 **Assessment Fee.** Respondents were required to submit their 2007 Consolidated Annual Report and

1 worksheet, and pay any resulting annual assessment fee to the Department by March 3, 2008. To date,
2 Respondents have not submitted the report or worksheet or paid an annual assessment for 2007.

3 **1.8 Failure to Maintain Adequate Surety Bond.** On or about February 8, 2008, the Department
4 received notice from Respondents' surety bond company (The Hartford) that Respondents' surety
5 would be cancelled effective April 1, 2008. To date, Respondents have not submitted a replacement
6 bond.

7 **1.9 On-Going Investigation.** The Department's investigation into the alleged violations of the
8 Act by Respondents continues to date.

9 II. GROUNDS FOR ENTRY OF ORDER

10 **2.1 Requirement to Maintain Adequate Records.** Based on the Factual Allegations set forth in
11 Section I above, Respondents are in apparent violation of RCW 31.04.155 for failing to maintain
12 sufficient records to enable the Director to determine whether the licensee is complying with the Act.

13 **2.2 Requirement to Disclose Increase in Fees.** Based on the Factual Allegations set forth in
14 Section I above, Respondents are in apparent violation of RCW 31.04.027(2) and (6) for failing to
15 redisclose to the borrower(s) when Respondents' broker fees increased.

16 **2.3 Requirement to Timely Disclose Yield Spread Premium.** Based on the Factual Allegations
17 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(2) and (6) for
18 failing to timely disclose to the borrowers a Yield Spread Premium.

19 **2.4 Requirement to Pay Penalty Imposed for Late Filing of 2006 Consolidated Annual**
20 **Report.** Based on the Factual Allegations set forth in Section I above, Respondents are in apparent
21 violation of WAC 208-620-430 for failing to pay the late penalty imposed by the Department for
22 Respondents' late filing of their 2006 Consolidated Annual Report.

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1 **2.5 Requirement to Submit 2007 Consolidated Annual Report and Worksheet and Pay**

2 **Annual Assessment Fee.** Based on the Factual Allegations set forth in Section I above, Respondents
3 are in apparent violation of RCW 31.04.085, WAC 208-620-430, WAC 208-620-440, and WAC 208-
4 620-460 for failing to submit their 2007 Consolidated Annual Report and worksheet, and pay the
5 associated annual assessment fee.

6 **2.6 Requirement to Maintain Adequate Surety Bond.** Based on the Factual Allegations set
7 forth in Section I above, Respondents are in apparent violation of RCW 31.04.045(3) for failure to
8 maintain a surety bond in the required amount.

9 **III. AUTHORITY TO IMPOSE SANCTIONS**

10 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(a) and (b), the Director may
11 revoke a license for failure to pay any fee due to the state of Washington, failure to maintain the
12 required surety bond, or violating any provision of the Act or the rules adopted thereunder.

13 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6) (d) and (e), the
14 Director may issue an order prohibiting from participation in the affairs of any licensee, any officer,
15 principal, employee, or any other person subject to the Act for failure to comply with any order or
16 subpoena issued under the Act or for any violation of RCW 31.04.027.

17 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
18 up to one hundred dollars per day upon the licensee, its employee, or any other person subject to the
19 Act for any violation of the Act or failure to comply with any order or subpoena issued by the Director
20 under the Act.

21 **3.4 Authority to Order Restitution.** Pursuant to RCW 31.04.093(5), the Director may issue an
22 order directing a licensee, its employee, or any other person subject to the Act to make restitution to a
23 borrower or other person who is damaged as a result of a violation of the Act.

1 **3.5 Authority to Collect Annual Assessment Fee.** Pursuant to RCW 31.04.085, WAC 208-620-
2 430, WAC 208-620-440, and WAC 208-620-460, the Director may collect an annual assessment fee from
3 all licensees and an annual assessment late fee of \$100 per day for late annual assessments.

4 **3.6 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
5 590, every licensee investigated by the Director or the Director's designee shall pay for the cost of the
6 investigation, calculated at the rate of sixty-nine dollars and one cent (\$69.01) per staff hour devoted
7 to the investigation.

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

9 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as
10 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
11 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW
12 31.04.205. Therefore, it is the Director's intention to ORDER that:

13 **4.1** Respondents Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve" McIlwain's
14 license to conduct business as a consumer loan company be revoked, and

15 **4.2** Respondents Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve" McIlwain be
16 prohibited from participation in the conduct of the affairs of any licensed consumer loan company, in any
17 manner, for a period of five years; and

18 **4.3** Respondents Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve" McIlwain
19 jointly and severally pay a fine which as of the date of these charges totals \$25,000 for the violations set
20 forth above; and

21 **4.4** Respondents Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve" McIlwain
22 jointly and severally pay \$800 for the 2006 Annual Assessment late penalty; and

23 **4.5** Respondents Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve" McIlwain
jointly and severally pay a 2007 Annual Assessment fee of \$1,500; and

4.6 Respondents Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve" McIlwain
jointly and severally pay a 2007 Annual Assessment late penalty which continues to accrue at the rate of
\$100 per day; and

1 **4.7** Respondents Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve" McIlwain
2 jointly and severally pay restitution in the amount of \$91,441.88 to the borrowers more specifically set
3 forth in Appendix A; and

3 **4.8** Respondents Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve" McIlwain
4 jointly and severally pay an investigation fee which as of the date of these charges totals \$759.11
5 calculated at \$69.01 per hour for eleven staff hours devoted to the investigation to date; and

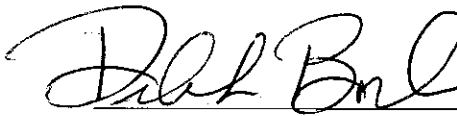
5 **4.9** Respondents Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve" McIlwain
6 maintain records in compliance with the Act and provide the Director with the location of the books,
7 records, and other information relating to Respondents' consumer loan company business, and the name,
8 address, and telephone number of the individual responsible for maintenance of such records in
9 compliance with the Act.

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1 **V. AUTHORITY AND PROCEDURE**

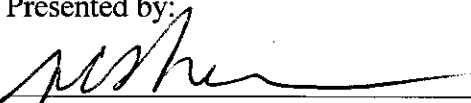
2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License,
3 Prohibit from Industry, Impose Fine, Order Restitution, Collect Annual Assessment Fees, and Collect
4 Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 31.04.093,
5 RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter
6 34.05 RCW (The Administrative Procedure Act). Respondents 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
10 Dated this 17th day of November, 2008.

11 

12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

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18 STEVEN C. SHERMAN
19 Financial Legal Examiner

20 Approved by:

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22 JAMES R. BRUSSELBACK
23 Enforcement Chief



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RESTITUTION SCHEDULE

Borrower	Reference Number	Amount Due
A.D.	AML010699	\$ 8,000.00
D.M.	AML016173	\$10,702.00
R.N.	AML017270	\$ 5,429.00
Z.E.	AML008869	\$12,718.00
J.S.	AML006592	\$ 1,527.50
R.C.	AML011782	\$ 465.00
M.K.	AML002768	\$ 1,675.00
R.T.	AML007266/AML007267	\$ 3,194.38
P.H.	AML013427	\$ 780.00
M.V.	AML019499	\$ 1,680.00
P.F.	AML019303	\$ 2,328.75
C.B.	AML006048	\$ 3,918.75
W.W.	AML001637	\$ 2,486.25
W.L.	AML008584	\$ 4,510.00
A.T.	A0402533	\$ 2,126.25
J.P.	AML001588	\$ 1,971.00
M.C.	AML010174	\$ 3,000.00
R.G.	AML003671	\$ 210.00
W.P.	AML009214	\$ 3,720.00
D.F.	AML013162	\$13,500.00
C.S.	EM002057	\$ 7,500.00
TOTAL		\$91,441.88