

FINAL ORDER SUMMARY – Case Number: C-07-518

Name(s) Americor Lending Group, Inc.
Puna A. “Steve” McIlwain

Order Number C-07-518-09-FO01

Effective Date July 14, 2010

License Number 25540
NMLS ID# 1404771; Americor Lending NMLS ID# 839989

License Effect Revoked

Not Apply until _____

Prohibition/Ban until July 14, 2015

Investigation Costs	\$759.11	Due: 30 days	Paid	Date
			N	

Assessment(s)	\$5,300	Due: 30 days	Paid	Date
			N	

Monetary Penalty	\$25,000	Due: 30 days	Paid	Date
			N	

Other Restitution of \$91,441.88 – not paid

Special Instructions _____

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
6 Consumer Loan Act of Washington by:

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

12 Respondents.

NO. C-07-518-09-FO01

FINAL ORDER

AMERICOR LENDING GROUP, INC.
and
PUNA A. "STEVE" MCILWAIN

13 I. DIRECTOR'S CONSIDERATION

14 A. Default. This matter has come before the Director of the Department of
15 Financial Institutions of the State of Washington (Director), through his designee, Consumer Services
16 Division Director Deborah Bortner, pursuant to RCW 34.05.440(1). On November 17, 2008, the
17 Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of
18 Charges and Notice of Intention to Enter an Order to Revoke License, Prohibit from Industry,
19 Impose Fine, Collect Annual Assessment Fees, and Collect Investigation Fee (Statement of
20 Charges). A copy of the Statement of Charges is attached and incorporated into this order by this
21 reference. The Statement of Charges was accompanied by a cover letter dated November 18, 2008, a
22 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for
23 Adjudicative Hearing for Americor Lending Group, Inc., Jeremy K. Foti, and Puna A. "Steve"
24 McIlwain. The Department served the Statement of Charges, cover letter dated November 18, 2008,
25 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for
Adjudicative Hearing for Americor Lending Group, Inc., and Puna A. "Steve" McIlwain on

1 Respondent Puna A. "Steve" McIlwain on November 18, 2008, by First-Class mail and by Federal
2 Express Overnight delivery. On November 24, 2008, the documents sent via Federal Express
3 Overnight delivery were returned. The documents sent via First-Class mail were not returned to the
4 Department by the United States Post Office as undeliverable. On January 21, 2009, the United States
5 Post Office verified that mail addressed to Respondent Puna A. "Steve" McIlwain was being delivered
6 to 3141 Michelson Dr., Unit 1702, Irvine, California 92612; the address to which the Department
7 mailed the Statement of Charges, cover letter dated November 20, 2008, Notice of Opportunity to
8 Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Americor
9 Lending Group, Inc., and Puna A. "Steve" McIlwain.

11 Respondents Americor Lending Group, Inc. and Puna A. "Steve" McIlwain did not request an
12 adjudicative hearing within 20 calendar days after the Department served them with the Notice of
13 Opportunity to Defend and Opportunity for Hearing, as provided for in WAC 208-08-050(2).¹

14 B. Record Presented. The record presented to the Director's designee for her review and
15 for entry of a final decision included the following:

- 16 1. Statement of Charges, cover letter dated November 20, 2008, Notice of Opportunity
17 to Defend and Opportunity for Hearing, and blank Applications for Adjudicative
18 Hearing for Americor Lending Group, Inc., and Puna A. "Steve" McIlwain, with
documentation of service;
- 19 2. Post Office Address Verification Request form completed by the Irvine, California
20 Branch Office of the United States Post Office received by the Department on January
21 21, 2009.

22 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the
23 Director's designee hereby adopts the Statement of Charges, which is attached hereto.
24

25 ¹ Respondent Foti filed a timely Application for Adjudicative Hearing and subsequently entered into a Consent Order with the Department.

1 II. FINAL ORDER

2 Based upon the foregoing, and the Director's designee having considered the record and
3 being otherwise fully advised, NOW, THEREFORE:

4 A. IT IS HEREBY ORDERED, that:

- 5 1. Respondents Americor Lending Group, Inc. and Puna A. "Steve" McIlwain's license
6 to conduct the business of a Consumer Loan Company is revoked;
- 7 2. Respondents Americor Lending Group, Inc. and Puna A. "Steve" McIlwain are
8 banned from participation in the conduct of the affairs of any consumer loan company
subject to licensure by the Director, in any manner, for a period of five years;
- 9 3. Respondents Americor Lending Group, Inc. and Puna A. "Steve" McIlwain shall
10 jointly and severally pay a fine of \$25,000;
- 11 4. Respondents Americor Lending Group, Inc. and Puna A. "Steve" McIlwain shall
12 jointly and severally pay the delinquent 2006 Annual Assessment Late Penalty in the
amount of \$800;
- 13 5. Respondents Americor Lending Group, Inc. and Puna A. "Steve" McIlwain shall
14 jointly and severally pay the delinquent 2007 Annual Assessment in the amount of
\$1,500, and a 2007 Annual Assessment Late Penalty in the amount of \$3,000;
- 15 6. Respondents Americor Lending Group, Inc. and Puna A. "Steve" McIlwain shall
16 jointly and severally pay \$91,441.88 in restitution to the borrowers and in the amounts
more specifically set forth in Appendix A; and
- 17 7. Respondents Americor Lending Group, Inc. and Puna A. "Steve" McIlwain shall
18 jointly and severally pay an investigation fee of \$759.11.

19 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
20 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
21 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150
22 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
23 Washington 98504-1200, within ten days of service of the Final Order upon Respondents. The Petition
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1 for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a
2 prerequisite for seeking judicial review in this matter.

3 A timely Petition for Reconsideration is deemed denied if, within 20 days from the date the
4 petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written
5 notice specifying the date by which it will act on a petition.

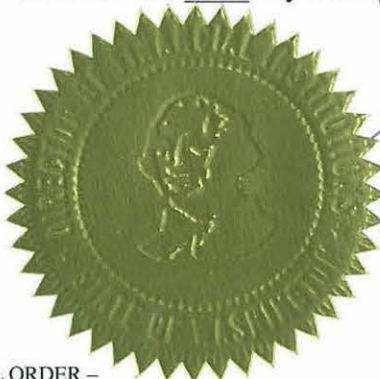
6 C. Stay of Order. The Director's designee has determined not to consider a Petition
7 to Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
8 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

9 D. Judicial Review. Respondents have the right to petition the superior court for
10 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements
11 for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.
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13 E. Non-compliance with Order. If you do not comply with the financial terms of this order
14 within 30 days, the Department may seek its enforcement by the Office of Attorney General to include
15 the collection of the fine, fees, and restitution imposed herein.

16 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
17 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
18 attached hereto.

19
20 DATED this 14th day of July, 2010.



21 STATE OF WASHINGTON
22 DEPARTMENT OF FINANCIAL INSTITUTIONS

23 [REDACTED]
24 DEBORAH BORTNER
25 DIRECTOR
DIVISION OF CONSUMER SERVICES

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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.

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10 Dated this 17th day of November, 2008.

[Redacted Signature]

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

16 Presented by:

[Redacted Name]

17 STEVEN C. SHERMAN
18 Financial Legal Examiner

19 Approved by:

[Redacted Name]

20 JAMES R. BRUSSELBACK
21 Enforcement Chief



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RESTITUTION SCHEDULE

Borrower	Reference Number	Amount Due
A.D.		\$ 8,000.00
D.M.		\$10,702.00
R.N.		\$ 5,429.00
Z.E.		\$12,718.00
J.S.		\$ 1,527.50
R.C.		\$ 465.00
M.K.		\$ 1,675.00
R.T.		\$ 3,194.38
P.H.		\$ 780.00
M.V.		\$ 1,680.00
P.F.		\$ 2,328.75
C.B.		\$ 3,918.75
W.W.		\$ 2,486.25
W.L.		\$ 4,510.00
A.T.		\$ 2,126.25
J.P.		\$ 1,971.00
M.C.		\$ 3,000.00
R.G.		\$ 210.00
W.P.		\$ 3,720.00
D.F.		\$13,500.00
C.S.		\$ 7,500.00

TOTAL

\$91,441.88