

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

**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-08-344-11-FO01

CENTRIX FINANCIAL, LLC,

FINAL ORDER

Respondent.

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On July 27, 2011, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, File Annual Reports, Collect Annual Assessments, Assess Late Penalty, Collect Investigation Costs, and Maintain Records (Statement of Charges) against Centrix Financial, LLC (Respondent). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated July 28, 2011, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

On July 28, 2011, the Department served Respondent with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. On July 29, 2011, the documents sent via Federal Express overnight delivery were delivered. The documents sent via First-Class mail were not returned to the Department by the United States Postal Service.

1 Respondent did not request an adjudicative hearing within twenty calendar days after the  
2 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for  
3 in WAC 208-08-050(2).

4 B. Record Presented. The record presented to the Director's designee for her review and  
5 for entry of a final decision included the following: Statement of Charges, cover letter dated July 28,  
6 2011, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for  
7 Adjudicative Hearing for Respondent, with documentation for service.

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

10 II. FINAL ORDER

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

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent Centrix Financial LLC's license to conduct business of a consumer  
15 loan company is revoked.
- 16 2. Respondent Centrix Financial LLC is prohibited from participation in the conduct  
17 of the affairs of any consumer loan company subject to licensure by the Director,  
18 in any manner, for a period of 5 years.
- 19 3. Respondent Centrix Financial LLC pay a fine of \$6,000.
- 20 4. Respondent Centrix Financial LLC provide the Department with a completed  
21 Consolidated Annual Report and a completed Annual Assessment Report,  
22 including all required supporting documentation, for each of the calendar years  
23 that ended December 31, 2006, December 31, 2007, December 31, 2008,  
24 December 31, 2009, December 31, 2010, respectively, and for the calendar year in  
which Respondent Centrix Financial LLC closed.
5. Respondent Centrix Financial LLC pay an annual assessment for the calendar  
years that ended December 31, 2006, December 31, 2007, December 31, 2008,  
December 31, 2009, December 31, 2010, respectively, and for the calendar year in

1 which Respondent Centrix Financial LLC closed, as calculated in accordance with  
2 the instructions for the Annual Assessment Report for each of those years.<sup>1</sup>

- 3 6. Respondent Centrix Financial LLC pay a \$5,000 penalty for failing to file its  
4 Consolidated Annual Report and Annual Assessment Report for each of the  
5 calendar years that ended December 31, 2006, December 31, 2007, December 31,  
6 2008, December 31, 2009, December 31, 2010, respectively, by March 1 of the  
7 following year.
- 8 7. Respondent Centrix Financial LLC pay an investigation fee which, as of the date  
9 of this Final Order, totals \$1,818.41, calculated at \$69.01 per hour for 26.35 staff  
10 hours.
- 11 8. Respondent Centrix Financial LLC, its officers, employees, and agents maintain  
12 records in compliance with chapter 31.04 RCW, the Consumer Loan Act (Act) and  
13 provide the Director with the location of the books, records and other information  
14 relating to Respondent Centrix Financial LLC's consumer lending business, and  
15 the name, address and telephone number of the individual responsible for  
16 maintenance of such records in compliance with the Act.

17 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
18 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
19 must be filed in the Office of the Director of the Department of Financial Institutions by courier at  
20 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
21 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The  
22 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
23 Reconsideration a prerequisite for seeking judicial review in this matter.

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

---

<sup>1</sup> On or about March 29, 2010, the Department received \$1,500 from Travelers Casualty and Surety Company of  
America pursuant to a claim made on Respondent Centrix Financial LLC's surety bond for the 2006 Annual Assessment,  
calculated at \$1,500 pursuant to WAC 208-620-430(3)(c).

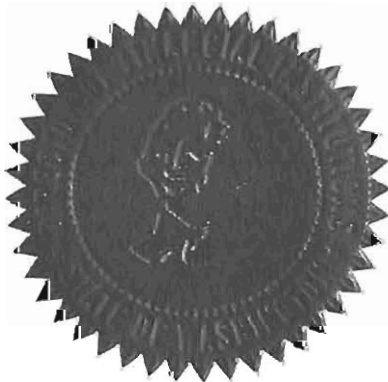
1 C. Stay of Order. The Director's designee has determined not to consider a Petition to  
2 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition  
3 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

4 D. Judicial Review. Respondent has the right to petition the superior court for judicial  
5 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for  
6 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

7 E. Non-compliance with Order. If you do not comply with the terms of this order, the  
8 Department may seek its enforcement by the Office of the Attorney General to include the collection  
9 of the fines, assessments, late penalties, and fees imposed herein. The Department also may assign  
10 the amounts owed to a collection agency for collection.

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

14 DATED this 17<sup>th</sup> day of October, 2011



16 STATE OF WASHINGTON  
17 DEPARTMENT OF FINANCIAL INSTITUTIONS

18 

19 DEBORAH BORTNER  
20 Director  
21 Division of Consumer Services

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**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:

CENTRIX FINANCIAL, LLC,  
ROBERT E. SUTTON, 100% Owner and CEO,

Respondents.

NO. C-08-344-11-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO REVOKE LICENSE, PROHIBIT FROM  
INDUSTRY, IMPOSE FINE, FILE ANNUAL  
REPORTS, COLLECT ANNUAL ASSESSMENTS,  
ASSESS LATE PENALTY, COLLECT  
INVESTIGATION COSTS, AND MAINTAIN  
RECORDS

**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, by and through his designee, Division of Consumer Services Director, Deborah Bortner, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

- A. Centrix Financial, LLC. (Respondent Centrix Financial)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a Consumer Loan Company on or about May 25, 2006, and continues to be licensed to date. Respondent Centrix Financial is licensed to conduct business as a consumer loan company at 6782 South Potomac Street, Centennial, Colorado, 80112. According to its application submitted to the Department, Respondent Centrix Financial's CEO and 100% Owner is Robert E. Sutton, and its President is Gerald Fitzgerald.
- B. Robert E. Sutton (Respondent Sutton)** is 100% owner of Respondent Centrix Financial and was listed as CEO of Respondent Centrix Financial at its time of licensure.

1 **1.2 Failure to Maintain Bond.** On or about July 26, 2006, the Department received a notice from  
2 Travelers Casualty and Surety Company of America that Respondent Centrix Financial's surety bond  
3 would be cancelled, effective September 14, 2006. From on or about September 14, 2006, through the  
4 date of this Statement of Charges, Respondent Centrix Financial has not maintained the required surety  
5 bond or permitted substitute.

6 **1.3 Ceasing Operations.** On or around November 20, 2007, the Department received notice that  
7 Respondent Centrix Financial had filed for bankruptcy on or around September 15, 2006, pursuant to  
8 Chapter 11 of the United States Bankruptcy Code, in the U.S. Bankruptcy Court of Colorado. The  
9 bankruptcy was finalized in March, 2007, and Respondent Centrix Financial has not been a going concern  
10 since that time. No closure documents have been received by the Department following the closure of the  
11 company, as required by the Act. As of the date of this Statement of Charges, Respondents have not  
12 complied with the closure requirements under the Act.

13 **1.4 Failure to File Reports.** A Consolidated Annual Report and an Annual Assessment Report,  
14 concerning the business and operations of each licensed place of business conducted during the preceding  
15 calendar year, are due to the Department on or before the first day of March or within 30 days of closure.  
16 A licensee is subject to a penalty of \$50 per report for each day's delay in filing the required reports. As  
17 of the date of this Statement of Charges, Respondents have not filed a Consolidated Annual Report  
18 (CAR) and an Annual Assessment Report (AAR) for each of the calendar years 2006 through 2010, each  
19 due to the Department on or before March 1<sup>1</sup> of the following year. If Respondent Centrix Financial has  
20 closed, Respondents did not file a Consolidated Annual Report and Annual Assessment Report within 30  
21 days of closure. In addition, a late penalty of \$100 per day has accrued for the 2006 through 2010 reports  
22 and continues to accrue daily for all reports due prior to November 5, 2010.<sup>2</sup>

23 <sup>1</sup> If March 1 falls on a non-business day, the due date is the first business day following March 1.

24 <sup>2</sup> Pursuant to WAC 208-620-430, effective November 5, 2010, the maximum penalty assessed for late filing of these  
25 reports is \$5,000 per reporting year. This amended rule applies only to Respondents' 2010 reports, which were due  
March 1, 2011.

1 **1.5 Failure to Pay Annual Assessments.** Payment of an annual assessment, as calculated on the  
2 Annual Assessment Report, is due to the Department on or before the first day of March or within 30  
3 days of closure. As of the date of this Statement of Charges, Respondents have not paid an annual  
4 assessment for each of the calendar years 2006 through 2010, due to the Department on or before March  
5 1, of the following year. If Respondent Centrix Financial has closed, it did not pay an annual assessment  
6 within 30 days of closure.

7 **1.6 Failure to Notify Department of Significant Developments.** As discussed in paragraph 1.2,  
8 Respondent Centrix Financial's surety bond was cancelled in 2006. As of the date of this Statement of  
9 Charges, Respondents have not notified the Department of receipt of notification of cancellation of the  
10 surety bond. Additionally, Respondent Centrix Financial's corporate license expired on or about  
11 November 1, 2007. As of the date of this Statement of Charges, Respondents have not notified the  
12 Department of this expiration of its Washington state master business license and this change in standing  
with the state of Washington Secretary of State.

13 **1.7 Failure to Obtain Approval to Maintain Records at an Out-Of-State Location.** Respondent  
14 Centrix Financial appears to no longer be located at its licensed location. As of the date of this Statement  
15 of Charges, Respondents have not requested approval in writing to maintain Respondent Centrix  
16 Financial's records at any location other than its licensed location.

17 **1.8 Failure to Comply with Director's Authority.** On or around April 2, 2007, the Department  
18 served a Directive on Respondent Centrix Financial regarding Respondent Centrix Financial's failure to  
19 file its 2006 CAR & AAR. On or around November 14, 2007, the Department served a directive on  
20 Respondent Centrix Financial at the address of its registered agent, requesting it to provide certain  
21 documents and information more specifically set forth therein on or before November 26, 2007. On or  
22 around March 15, 2008, the Department served a Directive on Respondent Centrix Financial regarding  
23 Respondent Centrix Financial's failure to file its 2007 CAR & AAR. On or around December 23, 2008,  
the Department served a Requirement and Directive, alerting Respondent Centrix Financial to its failure

1 to transition its license to the Nationwide Mortgage Licensing System and requiring that it complete the  
2 transition by December 31, 2008. The Department has received no response to any of these Directives as  
3 of the date of this Statement of Charges.

4 **1.9 On-Going Investigation.** The Department's investigation into the alleged violations of the Act  
5 by Respondents continues to date.

## 6 II. GROUNDS FOR ENTRY OF ORDER

7 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I  
8 above, Respondents are in apparent violation of RCW 31.04.045(6) for failing to maintain in effect a  
9 surety bond or permitted substitute.

10 **2.2 Requirement to File Annual Reports.** Based on the Factual Allegations set forth in Section I  
11 above, Respondents are in apparent violation of RCW 31.04.155, WAC 208-620-430(1), WAC 208-620-  
12 460(1), and WAC 208-620-499(2) for failing to file a Consolidated Annual Report and an Annual  
13 Assessment Report with the Director on or before the first day of March of each year, or within thirty  
14 days of closure, giving such relevant information as the Director may reasonably require concerning the  
15 business and operations of each licensed place of business conducted during the preceding calendar year.

16 **2.3 Requirement to Pay Annual Assessment.** Based on the Factual Allegations set forth in Section  
17 I above, Respondents are in apparent violation of RCW 31.04.085, WAC 208-620-430(1), WAC 208-  
18 620-460(1), and WAC 208-620-499(2) for failing to pay an annual assessment, as calculated on the  
19 Annual Assessment Report, to the Director on or before the first day of March of each year, or within  
20 thirty days of closure.

21 **2.4 Requirement to Report Significant Developments.** Based on the Factual Allegations set forth  
22 in Section I above, Respondents are in apparent violation of WAC 208-620-490(1)(f) for failing to notify  
23 the Department in writing at least ten days prior to ceasing operations, and WAC 208-620-490(2) for  
24 failing to notify the Department in writing within ten days of: a change in Respondent Centrix Financial's  
25 standing with the State of Washington's Secretary of State; and receipt of a notification of cancellation of



1 Respondent Centrix Financial's surety bond.

2 **2.5 Requirement to comply with Director's Authority.** Based on the Factual Allegations set forth  
3 in Section I above, Respondents are in apparent violation of RCW 31.04.145 for failing to fully and  
4 timely respond to Department directives. Pursuant to RCW 31.04.145, for the purpose of investigating  
5 violations arising from the Act, the Director, either personally or by designee, may subpoena the books,  
6 accounts, records, files, and any other documents the Director or designated person deems relevant to the  
7 inquiry. No person subject to investigation under the Act may knowingly withhold any books, records, or  
8 other information.

9 **2.6 Requirement to Maintain Records.** Based on the Factual Allegations set forth in Section I  
10 above, Respondents are in apparent violation of RCW 31.04.155 and WAC 208-620-520 for failing to  
11 maintain records at an approved out-of-state location. Pursuant to RCW 31.04.155 and WAC 208-620-  
12 520, a licensee shall preserve the books, accounts, records papers, documents, files, and other information  
13 relevant to a loan for at least twenty-five months after making the final entry on any loan. Pursuant to  
14 WAC 208-620-380, an out-of-state licensee must request approval from the Department in writing to  
15 maintain a licensee's records at an out-of-state location and must agree to provide the Department access  
16 to the records.

### 16 III. AUTHORITY TO IMPOSE SANCTIONS

17 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3) and WAC 208-620-570, the  
18 Director may revoke a license if a licensee: has failed to pay any fee due the State of Washington; has  
19 failed to maintain in effect the bond or permitted substitute; or, either knowingly or without the exercise  
20 of due care, has violated any provision of the Act or any rule adopted under the Act.

21 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may  
22 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a  
23 consumer loan company, or both, any officer, principal, employee, or loan originator of any licensed  
24 mortgage broker or consumer loan company, or any person subject to licensing under the Act for any

1 violation of RCW 31.04.027.

2 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of up  
3 to one hundred dollars per day upon the licensee for any violation of the Act.

4 **3.4 Authority to Issue Order to Take Affirmative Action.** Pursuant to RCW 31.04.093(5), the  
5 Director may issue an order directing the licensee, its employee or loan originator, or other person subject  
6 to the Act, to take such affirmative action as is necessary to comply with the Act.

7 **3.5 Authority to Assess Report Late Penalties.** Pursuant to RCW 31.04.155 and WAC 208-620-  
8 430(2), a licensee that fails to file a report that is required to be filed by the Act, within the time frame  
9 required under the Act, is subject to a penalty of fifty dollars per report for each day of delay.<sup>1</sup>

10 **3.6 Authority to Collect Cost of Investigation.** Pursuant to RCW 31.04.145(3) and WAC 208-620-  
11 590, every licensee examined or investigated by the Director or the Director's designee shall pay to the  
12 Director the cost of the investigation, calculated at the rate of \$69.01 per staff hour spent on the investigation.  
13 Pursuant to RCW 43.17.240, interest at the rate of one percent per month, or fraction thereof, shall accrue on  
14 debts owed to the state, starting on the date the debts become past due.

#### 14 IV. NOTICE OF INTENTION TO ENTER ORDER

15 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set  
16 forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions,  
17 constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW 31.04.205.

18 Therefore, it is the Director's intention to ORDER that:

19 **4.1** Respondent Centrix Financial LLC's license to conduct business as a consumer loan company be  
20 revoked.

21 **4.2** Respondent Centrix Financial LLC be prohibited from participation in the conduct of the affairs of  
22 any consumer loan company subject to licensure by the Director, in any manner, for a period of five  
23 years.

24 **4.3** Respondent Robert E. Sutton be prohibited from participation in the conduct of the affairs of any  
25 consumer loan company subject to licensure by the Director, in any manner, for a period of five  
years.

---

<sup>1</sup> As of November 5, 2010, the maximum late penalty assessed is \$5,000 per reporting year.

- 1 4.4 Respondent Centrix Financial LLC and Respondent Robert E. Sutton jointly and severally pay a  
2 fine, which as of the date of this Statement of Charges totals \$6,000.
- 3 4.5 Respondent Centrix Financial LLC and Respondent Robert E. Sutton provide the Department with  
4 a completed Consolidated Annual Report and a completed Annual Assessment Report, including all  
5 required supporting documentation, for each of the calendar years that ended December 31, 2006,  
6 December 31, 2007, December 31, 2008, December 31, 2009, and December 31, 2010, respectively,  
7 and for the calendar year in which Respondent Centrix Financial LLC closed.
- 8 4.6 Respondent Centrix Financial LLC and Respondent Robert E. Sutton jointly and severally pay an  
9 annual assessment for the calendar years that ended December 31, 2006, December 31, 2007,  
10 December 31, 2008, December 31, 2009, and December 31, 2010, respectively, and for the calendar  
11 year in which Respondent Centrix Financial LLC closed, as calculated in accordance with the  
12 instructions for the Annual Assessment Report for each of those years.<sup>1</sup>
- 13 4.7 Respondent Centrix Financial LLC and Respondent Robert E. Sutton jointly and severally pay a  
14 \$5,000 penalty for failing to file a Consolidated Annual Report and an Annual Assessment Report  
15 for each of the calendar years that ended December 31, 2006, December 31, 2007, December 31,  
16 2008, December 31, 2009, and December 31, 2010, respectively, by March 1 of the following year.
- 17 4.8 Respondent Centrix Financial LLC and Respondent Robert E. Sutton jointly and severally pay the  
18 cost of the Department's investigation. As of the date of this Statement of Charges, the cost of the  
19 investigation totals \$1,818.41, calculated at \$69.01 per hour for 26.35 staff hours.
- 20 4.9 Respondent Centrix Financial LLC maintain records in compliance with the Act and provide the  
21 Director with the location of the books, records and other information relating to Respondent Centrix  
22 Financial LLC's consumer loan company business, and the name, address and telephone number of  
23 the individual responsible for maintenance of such records in compliance with the Act.

15 //  
16 //  
17 //  
18 //  
19 //  
20 //  
21 //

<sup>1</sup> On or around March 29, 2010, the Department received \$1,500 from Travelers Casualty and Surety Company of America pursuant to a claim made on Respondent Centrix Financial's surety bond for the 2006 Annual Assessment, calculated at \$1,500 pursuant to WAC 208-620-430(3)(c).

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**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 27<sup>th</sup> day of July, 2011.



A handwritten signature in cursive script, appearing to read "Deborah Bortner", written over a horizontal line.

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

A handwritten signature in cursive script, appearing to read "Shana L. Oliver", written over a horizontal line.

SHANA L. OLIVER  
Financial Legal Examiner

Approved by:

A handwritten signature in cursive script, appearing to read "James R. Brusselback", written over a horizontal line.

JAMES R. BRUSSELBACK  
Enforcement Chief