

## ORDER SUMMARY – Case Number: C-08-403

**Name(s):** Allstate Home Loans Inc.  
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 \_\_\_\_\_

**Order Number:** C-08-403-12-FO01  
 \_\_\_\_\_

**Effective Date:** May 7, 2012  
 \_\_\_\_\_

**License Number:** 520-CL-23395  
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**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  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:** Revoked  
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**Not Apply Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Not Eligible Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Prohibition/Ban Until:** \_\_\_\_\_  
 \_\_\_\_\_

<b>Investigation Costs</b>	\$1966.76	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$5,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$0 (bond claim)	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

**Comments:** \_\_\_\_\_  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

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

No.: C-08-403-12-FO01

ALLSTATE HOME LOANS, INC., d/b/a  
ALLSTATE FUNDING

FINAL ORDER

Respondent.

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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 December 15, 2010, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Impose Fine, File Annual Reports, Collect Annual Assessments, Assess Late Penalty, Collect Investigation Costs, and Maintain Records (Statement of Charges) against Allstate Home Loans Inc., d/b/a Allstate Funding (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 January 25, 2012, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

On December 15, 2010, the Department served Respondent's registered agent with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On December 16, 2012, the documents sent by Federal Express overnight

1 delivery were delivered. The documents sent by First-Class mail were not returned to the  
2 Department by the United States Postal Service.

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

6 B. Record Presented. The record presented to the Director's designee for her review and  
7 for entry of a final decision included the following: Statement of Charges, cover letter dated January  
8 25, 2012, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for  
9 Adjudicative Hearing for Respondent, with documentation for service.

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

## 12 II. FINAL ORDER

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

15 A. IT IS HEREBY ORDERED, That:

- 16 1. Respondent Allstate Home Loans Inc., d/b/a Allstate Funding's license to conduct  
17 business as a Consumer Lender is revoked.
- 18 2. Respondent Allstate Home Loans Inc., d/b/a Allstate Funding pay a fine of \$5,000.
- 19 3. Respondent Allstate Home Loans Inc., d/b/a Allstate Funding provide the  
20 Department with a completed Consolidated Annual Report and a completed  
21 Annual Assessment Report, including all required supporting documentation, for  
22 each of the calendar years ended December 31, 2007, December 31, 2008, and  
23 December 31, 2009, and for the calendar year in which Respondent closed.
- 24 4. Respondent Allstate Home Loans Inc., d/b/a Allstate Funding pay an annual  
assessment for the calendar years ended December 31, 2007, December 31, 2008,  
and December 31, 2009, respectively, and for the calendar year in which

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

- 3 5. Respondent Allstate Home Loans Inc., d/b/a Allstate Funding pay a \$5,000 penalty  
4 for failing to file a Consolidated Annual Report and Annual Assessment Report for  
5 each of the calendar years ended December 31, 2007, December 31, 2008, and  
6 December 31, 2009, respectively, by March 1, 2008, March 1, 2009, and March 1,  
7 2010, respectively.
- 8 6. Respondent Allstate Home Loans Inc., d/b/a Allstate Funding pay an investigation  
9 fee of \$1,966.76.
- 10 7. Respondent Allstate Home Loans Inc., d/b/a Allstate Funding, its officers,  
11 employees, and agents maintain records in compliance with chapter 31.04 RCW,  
12 the Consumer Loan Act (Act) and provide the Director with the location of the  
13 books, records and other information relating to Respondent's consumer lending  
14 business, and the name, address and telephone number of the individual  
15 responsible for maintenance of such records in compliance with the Act.

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

23 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the  
24 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.

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<sup>1</sup> The annual assessment and late filing penalty amount should be reduced by \$8,973.97. The Department received this amount pursuant to a claim filed against Respondent Allstate's bond.

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 7<sup>th</sup> day of May, 2012



16 STATE OF WASHINGTON  
17 DEPARTMENT OF FINANCIAL INSTITUTIONS

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20 DEBORAH BORTNER  
21 Director  
22 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:

NO. C-08-403-10-SC01

ALLSTATE HOME LOANS INC. d/b/a  
ALLSTATE FUNDING,

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

Respondent.

**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 Respondent Allstate Home Loans Inc. d/b/a Allstate Funding (Respondent Allstate)** 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 July 15, 2002, and continues to be licensed to date. Respondent Allstate is licensed to conduct business as a consumer loan company at the following location: 8 Hughes Suite 250, Irvine, California, 92618.

**1.2 Ceasing Operations.** On or around July 21, 2008, based on information that Respondent Allstate may have ceased operations, the Department sent a letter to the address of record of Respondent Allstate, directing Respondent Allstate to comply with the Act's requirements for licensees that cease operations. On or around September 12, 2008, and October 14, 2008, the Department sent this letter to the last known residential

1 addresses of the president of Respondent Allstate. As of the date of this Statement of Charges, Respondent  
2 Allstate has not complied with the closure requirements under the Act.

3 **1.3 Failure to Maintain Bond.** On or about February 10, 2010, the Department received a notice from  
4 Hartford Fire Insurance Company that Respondent Allstate's surety bond had cancelled. The effective  
5 cancellation date was March 27, 2010. From on or about March 27, 2010, through the date of this Statement of  
6 Charges, Respondent Allstate has not maintained the required surety bond or permitted substitute.

7 **1.4 Failure to File Reports.** A Consolidated Annual Report and an Annual Assessment Report,  
8 concerning the business and operations of each licensed place of business conducted during the preceding  
9 calendar year, are due to the Department on or before the first day of March or within 30 days of closure. A  
10 licensee is subject to a penalty of \$50 per report for each day's delay in filing required reports. As of the date of  
11 this Statement of Charges, Respondent Allstate has not filed a Consolidated Annual Report and an Annual  
12 Assessment Report for each of the calendar years 2007, 2008, and 2009, due to the Department on or before  
13 March 1, 2008, March 1, 2009, and March 1, 2010, respectively. If Respondent Allstate has closed, it did not  
14 file a Consolidated Annual Report and Annual Assessment Report within 30 days of closure.

15 **1.5 Failure to Pay Annual Assessments.** Payment of an annual assessment, as calculated on the Annual  
16 Assessment Report, is due to the Department on or before the first day of March or within 30 days of closure.  
17 As of the date of this Statement of Charges, Respondent Allstate has not paid an annual assessment for each of  
18 the calendar years 2007, 2008, and 2009, due to the Department on or before March 1, 2008, March 1, 2009,  
19 and March 1, 2010, respectively. If Respondent Allstate has closed, it did not pay an annual assessment within  
20 30 days of closure.

21 **1.6 Failure to Notify Department of Significant Developments.**

- 22 • Correspondence sent by the Department to Respondent Allstate's licensed location has been  
23 returned as "undeliverable" since at least in or around September 2008. As of the date of this  
24 Statement of Charges, Respondent Allstate has not notified the Department of a change in its  
25 principal place of business or a change in its mailing address. As of at least around October 2008,  
the Department has been unable to contact Respondent Allstate by telephone as its telephone  
number has been disconnected.

- 1 • As discussed in paragraph 1.3 above, Respondent Allstate's surety bond was cancelled on or around  
2 March 27, 2010. As of the date of this Statement of Charges, Respondent Allstate has not notified  
the Department of receipt of notification of cancellation of Respondent Allstate's surety bond.
- 3 • Respondent Allstate's corporate license expired on or about March 31, 2007. As of the date of this  
4 Statement of Charges, Respondents have not notified the Department of this expiration of  
Respondent Allstate's Washington state master business license and this change in standing with  
the state of Washington Secretary of State.
- 5 • If Respondent Allstate has closed, it has not notified the Department of such closure as of the date  
6 of this Statement of Charges.

7 **1.7 Failure to Obtain Approval to Maintain Records at an Out-Of-State Location.** As discussed in  
8 paragraph 1.6 above, Respondent Allstate is no longer located at its licensed location. As of the date of this  
9 Statement of Charges, Respondents have not requested approval in writing to maintain Respondent Allstate's  
10 records at any out-of-state location other than its licensed location.

11 **1.8 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
12 Respondent continues to date.

## 13 II. GROUNDS FOR ENTRY OF ORDER

14 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I  
15 above, Respondent Allstate is in apparent violation of RCW 31.04.045(6)<sup>1</sup> for failing to maintain in effect a  
surety bond or permitted substitute.

16 **2.2 Requirement to File Annual Reports.** Based on the Factual Allegations set forth in Section I above,  
17 Respondent Allstate is in apparent violation of RCW 31.04.155, WAC 208-620-430(1), WAC 208-620-460(1),  
18 and WAC 208-620-499(2) for failing to file a Consolidated Annual Report and an Annual Assessment Report  
19 with the Director on or before the first day of March of each year, or within thirty days of closure, giving such  
20 relevant information as the Director may reasonably require concerning the business and operations of each  
licensed place of business conducted during the preceding calendar year.

21 **2.3 Requirement to Pay Annual Assessment.** Based on the Factual Allegations set forth in Section I  
22 above, Respondent Allstate is in apparent violation of RCW 31.04.085, WAC 208-620-430(1), WAC 208-620-

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24 <sup>1</sup> Codified as RCW 31.04.045(3) prior to January 1, 2010.



1 460(1), and WAC 208-620-499(2) for failing to pay an annual assessment, as calculated on the Annual  
2 Assessment Report, to the Director on or before the first day of March of each year, or within thirty days of  
3 closure.

4 **2.4 Requirement to Report Significant Developments.** Based on the Factual Allegations set forth in  
5 Section I above, Respondent Allstate is in apparent violation of:

- 6 • RCW 31.04.075 and WAC 208-620-490(1)(a) for failing to notify the Department in writing at  
7 least ten days prior to a change in Respondent Allstate's principal place of business.
- 8 • WAC 208-620-490(1)(f) for failing to notify the Department in writing at least ten days prior to  
9 closure.
- 10 • WAC 208-620-490(2) for failing to notify the Department in writing within ten days of: a change in  
11 Respondent Allstate's mailing address, telephone number, fax number, or e-mail address;  
12 cancellation or expiration of Respondent Allstate's Washington state master business license; a  
13 change in Respondent Allstate's standing with the state of Washington secretary of state; and  
14 receipt of a notification of cancellation of Respondent Allstate's surety bond.

15 **2.5 Requirement to Maintain Records.** Pursuant to RCW 31.04.155 and WAC 208-620-520, a licensee  
16 shall preserve the books, accounts, records papers, documents, files, and other information relevant to a loan for  
17 at least twenty-five months after making the final entry on any loan. Pursuant to WAC 208-620-380, an out-of-  
18 state licensee must request approval from the Department in writing to maintain a licensee's records at an out-  
19 of-state location and must agree to provide the Department access to the records.

### 20 III. AUTHORITY TO IMPOSE SANCTIONS

21 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3) and WAC 208-620-570, the Director  
22 may revoke a license if a licensee: has failed to pay any fee due the state of Washington; has failed to maintain  
23 in effect the bond or permitted substitute; or, either knowingly or without the exercise of due care, has violated  
24 any provision of the Act or any rule adopted under the Act.

1 **3.2 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one  
2 hundred dollars per day upon the licensee for any violation of the Act.

3 **3.3 Authority to Issue Order to Take Affirmative Action.** Pursuant to RCW 31.04.093(5), the Director  
4 may issue an order directing the licensee, its employee or loan originator, or other person subject to the Act, to  
5 take such affirmative action as is necessary to comply with the Act.

6 **3.4 Authority to Assess Report Late Penalties.** Pursuant to RCW 31.04.155 and WAC 208-620-430(2), a  
7 licensee that fails to file a report that is required to be filed by the Act, within the time frame required under the Act,  
8 is subject to a penalty of fifty dollars per report for each day of delay. The maximum late penalty that will be  
9 assessed is five thousand dollars per year.

10 **3.5 Authority to Collect Cost of Examination and Investigation.** Pursuant to RCW 31.04.145(3) and WAC  
11 208-620-590, every licensee examined or investigated by the Director or the Director's designee shall pay to the  
12 Director the cost of the examination or investigation, calculated at the rate of \$69.01 per staff hour spent on the  
13 examination or investigation. Pursuant to RCW 43.17.240, interest at the rate of one percent per month, or fraction  
14 thereof, shall accrue on debts owed to the state, starting on the date the debts become past due.

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

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

19 **4.1** Respondent Allstate Home Loans Inc. d/b/a Allstate Funding's license to conduct business as a consumer  
loan company be revoked.

20 **4.2** Respondent Allstate Home Loans Inc. d/b/a Allstate Funding pay a fine. As of the date of this Statement  
21 of Charges, the fine totals \$5,000.

22 **4.3** Respondent Allstate Home Loans Inc. d/b/a Allstate Funding provide the Department with a completed  
23 Consolidated Annual Report and a completed Annual Assessment Report, including all required supporting  
documentation, for each of the calendar years ended December 31, 2007, December 31, 2008, and December 31,  
2009, respectively, and for the calendar year in which Respondent Allstate closed.

1 4.4 Respondent Allstate Home Loans Inc. d/b/a Allstate Funding pay an annual assessment for the calendar  
2 years that ended December 31, 2007, December 31, 2008, and December 31, 2009, respectively, and for the  
calendar year in which Respondent Allstate closed, as calculated in accordance with the instructions for the Annual  
Assessment Report for each of those years<sup>2</sup>.

3 4.5 Respondent Allstate Home Loans Inc. d/b/a Allstate Funding pay a \$5,000 late penalty for failing to file a  
4 Consolidated Annual Report and an Annual Assessment Report for each of the calendar years that ended December  
31, 2007, December 31, 2008, and December 31, 2009, respectively, by March 1, 2008, March 1, 2009, and March  
1, 2010, respectively.

5 4.6 Respondent Allstate Home Loans Inc. d/b/a Allstate Funding pay the cost of the Department's  
6 investigation. As of the date of this Statement of Charges, the cost of the investigation totals \$1,966.76, calculated  
at \$69.01 per hour for 28.5 staff hours.

7 4.7 Respondent Allstate Home Loans Inc. d/b/a Allstate Funding maintain records in compliance with the  
8 Act and provide the Director with the location of the books, records and other information relating to Respondent  
Allstate's consumer loan company business, and the name, address and telephone number of the individual  
9 responsible for maintenance of such records in compliance with the Act

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22 <sup>2</sup> In or around July 2010, the Department received \$8,973.97 from Hartford Fire Insurance Company pursuant to a claim made on  
23 Respondent Allstate's surety bond for the 2007, 2008, and 2009 Annual Assessments. This amount includes: the 2007 Annual  
Assessment, calculated at \$2,973.97 pursuant to WAC 208-620-430(3)(b); the 2008 Annual Assessment, calculated at \$1,500 pursuant to  
24 WAC 208-620-430(3)(c); and \$1,500 pursuant to pursuant to WAC 208-620-430(3)(c). This amount also includes a late penalty  
calculated at \$3,000 pursuant to WAC 208-620-430(2).

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Impose Fine,  
3 File Annual Reports, Collect Annual Assessments, Assess Late Penalty, Collect Investigation Costs, and  
4 Maintain Records is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202,  
5 and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure  
6 Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY  
7 TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.  
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11 Dated this 15<sup>th</sup> day of December, 2010.



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14 DEBORAH BORTNER  
15 Director  
16 Division of Consumer Services  
17 Department of Financial Institutions

18 Presented by:

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20 MARISA E. BROGGEL  
21 Financial Legal Examiner

22 Approved by:

23 \_\_\_\_\_  
24 JAMES R. BRUSSELBACK  
25 Enforcement Chief