

**RESPONDENTS ARE IN NO WAY AFFILIATED WITH PACIFIC RIM CAPITAL, INC., OF ALISO VIEJO, CALIFORNIA, AS A PARENT COMPANY, SUBSIDIARY, BRANCH, PREDECESSOR-IN-INTEREST, SUCCESSOR-IN-INTEREST, ASSIGNOR OR ASSIGNEE.**

**CONSENT ORDER SUMMARY – Case Number: C-11-006**

**Name(s):** Checkmania, Inc., Susan D. Bassford, and Linda S. Sonder  
**Order Number:** C-11-006-12-CO01  
**Effective Date:** February 21, 2013  
**License Numbers:** 530-SL-16273 and 530-CC-16273  
(Revoked, suspended, stayed, app. denied or withdrawn. If applicable, specifically note the ending dates.)  
**License Effect:** None  
**Not Apply Until:** N/A  
**Prohibition/Ban Until:** N/A

<b>Investigation Costs:</b>	\$ 40,000.00	Due: When entered	Paid: Y	Date: 2/20/13
<b>Fines:</b>	\$ 0	Due: N/A	Paid: N/A	Date
<b>Fin. Literacy &amp; Ed.:</b>	\$ 30,000.00	Due: When entered	Paid: Y	Date: 2/20/13
<b>Restitution:</b>	\$ 15,406.13	Due: w/i 5 days of entry	Paid: Unk.	Date: Unk.
<b>Debt Waived:</b>	\$ 13,221.89	Due: When entered	Mailed: Unk	Date: Unk
<b>Consumers Impacted:</b>	261 consumers received an average of \$110 in restitution or waivers.			

**Other:** Respondents made limited admissions and agreed not take any action or make any public statements creating the impression that the CO was without factual basis; agreed to permanently cease and desist (C&D) making loans as outlined in the SOC; agreed to permanently C&D making payday loans that exceed the statutory limits set forth in the Act; agreed to permanently C&D characterizing retail installment sales as loans; and agreed to permanently C&D advertising, directly or indirectly, that retail installment sales are an alternative to or substitute for payday loans made under the Act.

In addition, Respondents agreed to certain affirmative action as necessary to comply with the Act going forward, to wit: Within 120 days of entry, Respondents shall review and revise, as necessary, their policies and procedures to ensure they are reasonably designed to detect and prevent future violations of the Act, and to provide a copy of the revised policies and procedures to the Department; shall, within 150 days of entry, provide training to all WA employees concerning compliance with the Act, related federal laws, this CO, and Respondent’s revised policies and procedures; and shall, for two years following entry, provide the Department with no less than one month advance notice of the roll-out or launch of any new loan product in WA by seeking a written opinion of the Director as to the legality of offering and selling the loan product in WA under the Act.

**Special:** \_\_\_\_\_

Distribution:

## CONSENT ORDER SUMMARY – Case Number: C-11-006

**Name(s):** Checkmate Express Corp.  
**Order Number:** C-11-006-12-CO02  
**Effective Date:** February 21, 2013  
**License Numbers:** 530-SL-23559 and 530-CC-23559  
(Revoked, suspended, stayed, app. denied or withdrawn. If applicable, note specific ending dates.)

**License Effect:** None  
**Not Apply Until:** N/A  
**Prohibition/Ban Until:** N/A

<b>Investigation Costs:</b>	\$ 0	Due: N/A	Paid: N/A	Date: N/A
<b>Fines:</b>	\$ 0	Due: N/A	Paid: N/A	Date: N/A
<b>Fin. Literacy &amp; Ed.:</b>	\$ 0	Due: N/A	Paid: N/A	Date: N/A
<b>Restitution:</b>	\$ 0	Due: N/A	Paid: N/A	Date: N/A
<b>Debt Waived:</b>	\$ 0	Due: N/A	Mailed: N/A	Date: N/A
<b>Consumers Impacted:</b>	Unknown			

**Other:** Respondents agreed to permanently cease and desist (C&D) making loans as outlined in the SOC in WA; agreed to permanently C&D making payday loans that exceed the statutory limits set forth in the Act; agreed to permanently C&D characterizing retail installment sales as loans; and agreed to permanently C&D advertising, directly or indirectly, that retail installment sales are an alternative to or substitute for payday loans made under the Act.

**Special:** None

Distribution:

**RESPONDENTS ARE IN NO WAY AFFILIATED WITH PACIFIC RIM CAPITAL, INC., OF ALISO VIEJO, CALIFORNIA, AS A PARENT COMPANY, SUBSIDIARY, BRANCH, PREDECESSOR-IN-INTEREST, SUCCESSOR-IN-INTEREST, ASSIGNOR OR ASSIGNEE.**

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES

2013 FEB 19 AM 10:49  
ATTORNEY GENERAL  
OF WASHINGTON

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

NO. C-11-006-12-CO01

4 CHECKMANIA, INC., d/b/a CHECKMATE,  
5 CHECKMATE EXPRESS CORPORATION,  
6 d/b/a Checkmate Express, SUSAN DENISE  
7 BASSFORD, President and Owner, and LINDA  
8 SUSAN SONDER, Vice President and Owner,

CONSENT ORDER as to CHECKMANIA,  
INC., SUSAN DENISE BASSFORD, and  
LINDA SUSAN SONDER

Respondents.

9 COMES NOW the Director of the Department of Financial Institutions (Director), by and  
10 through his designee Deborah Bortner, Division Director, Division of Consumer Services, and  
11 Checkmania, Inc., d/b/a Checkmate, Susan D. Bassford, President, and Linda S. Sonder, Vice  
12 President (collectively Respondents), by and through their attorney, Jeremy T. Rosenblum of Ballard  
13 Spahr LLP, and finding that the issues raised in the above-captioned matter may be economically  
14 and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered  
15 pursuant to chapter 31.45 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the  
16 Administrative Procedure Act.

17 **AGREEMENT AND ORDER**

18 The Department of Financial Institutions, Division of Consumer Services (Department) and  
19 Respondents have agreed upon a basis for resolution of the matters as related to Respondents alleged  
20 in Temporary Order to Cease and Desist No. C-11-006-11-TD01 (Order to Cease and Desist),  
21 entered January 19, 2011, and as alleged in Statement of Charges No. C-11-006-11-SC01 (Statement  
22 of Charges), entered February 23, 2011, incorporated herein by reference and attached hereto.  
23 Pursuant to RCW 31.45, the Check Cashers and Sellers Act (the Act), Respondents hereby agree to  
24 the Department's entry of this Consent Order and agree not to further contest the Order to Cease and

1 Desist or the Statement of Charges as they relate to Respondents. The parties intend this Consent  
2 Order to fully resolve the Order to Cease and Desist and the Statement of Charges as they relate to  
3 Respondents.

4 Based upon the foregoing:

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

7 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to  
8 a hearing before an administrative law judge, and hereby waive their right to a hearing and any and  
9 all administrative and judicial review of the issues raised in this matter, or of the resolution reached  
10 herein. Accordingly, Respondents, by their signatures and the signature of their representative  
11 below, withdraw their appeal to the Office of Administrative Hearings.

12 **C. Admissions.** Respondents admit that in some transactions, Respondents made incorrect  
13 or inaccurate disclosures of the annual percentage rate to consumers due to a computer programming  
14 error. In addition, Respondents admit that in some transactions, Respondents mischaracterized the  
15 nature of the transactions as retail installment loans rather than as retail installment sales. With those  
16 exceptions Respondents neither admit nor deny the Factual Allegations of the Order to Cease and  
17 Desist or the Statement of Charges. Respondents AGREE not to take any action or to make or permit  
18 to be made any public statement creating the impression that this Consent Order is without factual  
19 basis. Nothing in this paragraph affects Respondents' (a) testimonial obligations; (b) right to take  
20 legal or factual positions in defense of litigation; or (c) right to make public statements that are  
21 factual.

22 **D. Cease and Desist.** Pursuant to RCW 31.45.110(2)(b), the Director may order  
23 Respondents to cease and desist practices which violate the Act. Accordingly, it is AGREED and  
24 ORDERED that:

- 1           1. Respondents permanently cease and desist from offering the Retail  
2           Installment Loan Program, as detailed in the Statement of Charges, in  
3           Washington. Subject to the two-year notice requirement contained in  
4           Section H. 3., nothing in this Consent Order prohibits Respondents from  
5           engaging in retail installment sales that are fully compliant with the Act  
6           and other Washington laws.
- 7           2. Respondents permanently cease and desist from making small loans (payday  
8           loans) to Washington borrowers that exceed the statutory limits set forth in the  
9           Act, as presently written or hereafter amended.
- 10          3. Respondents permanently cease and desist from characterizing retail installment  
11          sales as loans, and advertising directly or indirectly that retail installment sales are  
12          an alternative to or a substitute for small loans (payday loans) made under the  
13          Act.

14           **E. Restitution.** Pursuant to RCW 31.45.110(2)(d), the Director may order Respondents to  
15           make restitution to borrowers for violations of the Act. Accordingly, it is AGREED and ORDERED  
16           that within five (5) days of the date of entry of this Consent Order, Respondents shall pay restitution  
17           totaling \$15,406.31 to all consumers who entered into retail installment contracts with Respondents  
18           between June 1, 2010, and May 1, 2011, as identified in Attachment A to this Consent Order. The  
19           restitution payments shall be accompanied by an explanatory cover letter printed on Checkmania,  
20           Inc. letterhead as detailed in Attachment B to this Consent Order. In the event that any borrower  
21           cannot be located, or if a restitution check is not cashed within 180 days of issuance, Respondents  
22           shall submit those funds to the Washington State Department of Revenue (Department of Revenue)  
23           as unclaimed property on behalf of the specified borrower, subject to the rules and regulations of the  
24           Unclaimed Property Section of the Department of Revenue. Within 200 days of the entry of this  
25           Consent Order, Respondents shall provide the Department with written proof that all restitution  
26           payments have been made or that unclaimed funds have been submitted to the Department of  
27           Revenue. Proof of restitution payments made shall be in the form of copies of the front and back of  
28           each cancelled check. Proof of fund submission to the Department of Revenue shall be in the form  
29           of copies of all unclaimed property reports submitted to the Department of Revenue.

1           **F. Waiver of Unpaid Principal, Finance Charges, or Fees.** It is further AGREED and  
2 ORDERED that Respondents shall permanently waive and forego collection of \$13,221.89 in unpaid  
3 principle, finance charges, or fees for all consumers who entered into retail installment contracts  
4 with Respondents between June 1, 2010, and May 1, 2011, as identified in Attachment C to this  
5 Consent Order. The notice shall be provided by an explanatory cover letter printed on Checkmania,  
6 Inc. letterhead as detailed in Attachment D to this Consent Order. Within 120 days of the entry of  
7 this Consent Order, Respondents shall provide the Department with written proof that all notices  
8 were mailed, and provide a list of all notices that were returned.

9           **G. Rights of Non-Parties.** It is AGREED that the Department does not represent or have  
10 the consent of any person or entity not a party to this Consent Order to take any action concerning  
11 their personal legal rights. It is further AGREED that for any person or entity not a party to this  
12 Consent Order, this Consent Order does not limit or create any private rights or remedies against  
13 Respondents, limit or create liability of Respondents, or limit or create defenses of Respondents.

14           **H. Affirmative Action.** Pursuant to RCW 31.45.110(2)(d), the Director may order  
15 Respondents to take affirmative action as necessary to comply with the Act. Accordingly, it is  
16 AGREED and ORDERED that Respondents shall provide affirmative action as follows:

- 17           1. Within 120 days of entry of this Consent Order, Respondents shall review  
18           and make necessary changes to Respondent Checkmania Inc.'s existing  
19           policies and procedures to ensure they address the allegations raised in the  
20           Statement of Charges, are reasonably designed to detect and prevent future  
21           violations of the Act, and provide a copy of the revised policies and  
22           procedures to the Department.
- 21           2. Within 150 days of entry of this Consent Order, Respondents shall provide  
22           training to all Washington-based employees concerning compliance with the  
23           Act, related federal laws, this Consent Order, and Respondent Checkmania  
24           Inc.'s revised policies and procedures.
- 23           3. For two years following the entry of the Consent Order, Respondents shall  
24           provide the Department with no less than one-month advance notice of the  
            roll-out or launch of any new loan product by Respondent Checkmania, Inc.

1 in Washington State, preferably by seeking a written opinion of the Director  
2 of the Consumer Services Division as to the legality of offering and selling  
the new loan product in Washington under the Act.

3 **I. Financial Literacy and Education.** Pursuant to RCW 31.45.110(5), the Director may  
4 accept payments to the Department for purposes of financial literacy and education. Accordingly, in  
5 further compromise and in consideration of the additional terms set forth herein, it is AGREED that  
6 upon entry of this Consent Order Respondents shall pay \$30,000.00 to the Department for purposes  
7 of financial literacy and education in the form of a cashier's check made payable to the "Washington  
8 State Treasurer."

9 **J. Investigation Fee.** Pursuant to RCW 31.45.100, the Director shall collect the actual  
10 costs of an investigation under the Act. In compromise, and in consideration of the additional terms  
11 set forth herein, it is AGREED and ORDERED that upon entry of this Consent Order Respondents  
12 shall pay to the Department an investigation fee of \$40,000.00, in the form of a cashier's check made  
13 payable to the "Washington State Treasurer," upon entry of this Consent Order. The financial  
14 literacy and education payment and the investigative fee may be paid together in one \$70,000.00  
15 cashier's check made payable to the "Washington State Treasurer."

16 **K. Authority of Department.** It is AGREED that nothing in this Consent Order shall be  
17 construed as preventing the Department from fully exercising its authority under the Act to  
18 investigate and prosecute violations of the Act or this Consent Order by Respondents.

19 **L. Authority to Execute Order.** It is AGREED that the undersigned have represented and  
20 warranted that they have the full power and right to execute this Consent Order on behalf of the  
21 parties represented. It is further AGREED that this Consent Order may be executed in counterparts,  
22 each of which shall be deemed to be an original, but all of which, taken together, shall constitute one  
23 and the same agreement (Consent Order).

1 **M. Non-Compliance with Order.** It is AGREED that Respondents understand that failure  
2 to abide by the terms and conditions of this Consent Order may result in further legal action by the  
3 Director. In the event of such legal action, Respondents may be responsible to reimburse the  
4 Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

5 **N. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily  
6 entered into this Consent Order, which is effective when signed by the Director's designee.

7 **O. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have  
8 read this Consent Order in its entirety and fully understand and agree to all of the same.

9  
10 **Respondents**

11 Checkmania, Inc., d/b/a Checkmate, by:

12 [Redacted Signature]

13 Susan D. Bassford  
President, Checkmania, Inc., d/b/a Checkmate

2/5/13  
Date

14 [Redacted Signature]

15 Linda S. Sonder  
Vice President, Checkmania, Inc., d/b/a Checkmate

2/5/13  
Date

17 [Redacted Signature]

18 Susan D. Bassford, Individually

2/5/13  
Date

19 [Redacted Signature]

20 Linda S. Sonder, Individually

2/5/13  
Date

21 Approved as to form:

22 [Redacted Signature]

23 Jeremy T. Rosenblum  
Ballard Spahr LLP  
24 Attorneys for Respondents

2/5/13  
Date



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DO NOT WRITE BELOW THIS LINE

ENTERED THIS 21<sup>st</sup> DAY OF FEBRUARY, 2013.



DEBORAH BORTNER  
Director, Division of Consumer Services  
Department of Financial Institutions

Presented by:



ANTHONY W. CARTER  
Senior Enforcement Attorney

Approved by:



CHARLES E. CLARK  
Enforcement Chief

ATTACHMENT A: RESTITUTION LIST

CUST ID	RETAIL CARD COUNT	AMNT. REST.
	7	\$ 54.02
	1	\$ 6.43
	4	\$ 81.44
	6	\$ 162.87
	1	\$ 10.72
	1	\$ 8.53
	3	\$ 73.93
	1	\$ 15.00
	1	\$ 7.50
	1	\$ 27.86
	1	\$ 42.86
	1	\$ 19.29
	1	\$ 21.43
	11	\$ 442.54
	3	\$ 135.01
	1	\$ 25.59
	1	\$ 10.72
	2	\$ 40.72
	1	\$ 77.15
	1	\$ 1.07
	1	\$ 19.19
	4	\$ 70.30
	2	\$ 57.86
	3	\$ 109.07
	15	\$ 540.71
	3	\$ 51.43
	1	\$ 36.43
	1	\$ 42.86
	1	\$ 12.79
	1	\$ 7.50
	1	\$ 7.11
	4	\$ 78.75
	4	\$ 75.33
	2	\$ 67.81
	1	\$ 21.43
	3	\$ 73.17
	3	\$ 72.87
	2	\$ 46.07
	1	\$ 12.86
	23	\$ 454.63
	1	\$ 5.69

ATTACHMENT A: RESTITUTION LIST

CUST ID	RETAIL CARD COUNT	AMNT. REST.
	2	\$ 30.99
	3	\$ 100.72
	1	\$ 6.43
	9	\$ 192.40
	1	\$ 6.43
	5	\$ 142.62
	1	\$ 45.00
	1	\$ 32.15
	1	\$ 9.64
	1	\$ 57.86
	1	\$ 19.29
	2	\$ 27.86
	8	\$ 243.52
	3	\$ 26.80
	1	\$ 9.95
	1	\$ 93.22
	1	\$ 62.15
	2	\$ 50.58
	3	\$ 72.86
	8	\$ 343.50
	1	\$ 35.66
	6	\$ 96.25
	6	\$ 133.94
	4	\$ 182.17
	2	\$ 65.36
	1	\$ 15.64
	2	\$ 56.80
	1	\$ 38.58
	5	\$ 99.64
	1	\$ 9.64
	3	\$ 87.09
	2	\$ 20.61
	1	\$ 12.08
	1	\$ 5.69
	2	\$ 46.91
	2	\$ 173.58
	6	\$ 74.04
	2	\$ 116.64
	4	\$ 50.43
	1	\$ 62.15
	3	\$ 28.47

ATTACHMENT A: RESTITUTION LIST

CUST ID	RETAIL CARD COUNT	AMNT. REST.
	5	\$ 188.58
	3	\$ 66.43
	1	\$ 17.14
	2	\$ 48.22
	4	\$ 77.44
	7	\$ 102.69
	2	\$ 22.50
	1	\$ 27.32
	3	\$ 56.64
	3	\$ 51.44
	6	\$ 94.29
	14	\$ 307.22
	2	\$ 24.23
	1	\$ 20.61
	4	\$ 154.29
	2	\$ 16.07
	2	\$ 35.36
	3	\$ 39.19
	3	\$ 43.17
	1	\$ 17.06
	8	\$ 165.32
	4	\$ 238.96
	2	\$ 54.65
	1	\$ 3.55
	1	\$ 19.90
	1	\$ 72.86
	1	\$ 7.50
	2	\$ 39.88
	1	\$ 15.00
	1	\$ 9.95
	6	\$ 63.13
	4	\$ 205.16
	2	\$ 35.36
	1	\$ 13.93
	9	\$ 132.87
	2	\$ 26.29
	11	\$ 476.33
	5	\$ 140.50
	1	\$ 95.95
	2	\$ 22.74
	2	\$ 120.01

ATTACHMENT A: RESTITUTION LIST

CUST ID	RETAIL CARD COUNT	AMNT. REST.
	2	\$ 60.86
	3	\$ 153.22
	2	\$ 18.19
	2	\$ 56.79
	1	\$ 11.79
	4	\$ 81.44
	7	\$ 67.05
	2	\$ 101.80
	5	\$ 121.72
	1	\$ 17.14
	2	\$ 103.94
	1	\$ 21.43
	7	\$ 215.38
	1	\$ 19.29
	1	\$ 41.58
	5	\$ 154.31
	2	\$ 37.50
	12	\$ 172.72
	9	\$ 148.62
	1	\$ 62.15
	6	\$ 89.98
	2	\$ 72.86
	2	\$ 37.80
	1	\$ 21.43
	1	\$ 17.06
	1	\$ 15.00
	2	\$ 61.27
	4	\$ 225.02
	1	\$ 57.57
	1	\$ 26.30
	1	\$ 53.58
	1	\$ 11.37
	3	\$ 34.26
	1	\$ 25.72
	1	\$ 27.86
	1	\$ 15.64
	1	\$ 5.69
	1	\$ 4.97
	1	\$ 16.07
	1	\$ 34.29
	2	\$ 33.21

ATTACHMENT A: RESTITUTION LIST

CUST ID	RETAIL CARD COUNT	AMNT. REST.
	1	\$ 19.19
	6	\$ 234.66
	2	\$ 21.43
	4	\$ 126.44
	2	\$ 30.56
	1	\$ 22.50
	4	\$ 53.58
	3	\$ 61.09
	4	\$ 303.02
	3	\$ 64.30
	1	\$ 21.43
	4	\$ 130.73
	1	\$ 24.87
	1	\$ 7.50
	1	\$ 11.79
	2	\$ 31.08
	1	\$ 19.29
	2	\$ 31.08
	1	\$ 15.00
	3	\$ 103.93
	1	\$ 7.50
	1	\$ 10.72
	1	\$ 10.72
	3	\$ 81.43
	1	\$ 25.72
	3	\$ 49.82
	5	\$ 54.65
	1	\$ 15.00
	5	\$ 158.57
	1	\$ 30.00
	7	\$ 252.87
	3	\$ 80.37
	3	\$ 115.72
	1	\$ 6.43
	1	\$ 11.79
	1	\$ 11.79
	6	\$ 192.88
	3	\$ 189.66
	1	\$ 67.50
	3	\$ 68.57
	1	\$ 38.58

ATTACHMENT A: RESTITUTION LIST

CUST ID	RETAIL CARD COUNT	AMNT. REST.
	1	\$ 40.72
	1	\$ 50.36
	3	\$ 109.30
	1	\$ 25.72
	2	\$ 112.51
	1	\$ 12.86
	3	\$ 66.44
	2	\$ 137.16
<b>TOTALS:</b>	<b>591</b>	<b>\$ 15,406.31</b>

ATTACHMENT C: WAIVER LIST

CUST ID	RETAIL CARD COUNT	AMNT. WAIVED
	2	\$ 301.79
	3	\$ 407.52
	1	\$ 160.00
	3	\$ 361.98
	1	\$ 141.37
	1	\$ 249.90
	1	\$ 64.95
	3	\$ 397.50
	3	\$ 60.00
	1	\$ 139.95
	2	\$ 373.40
	3	\$ 416.79
	2	\$ 489.85
	2	\$ 278.48
	2	\$ 0.79
	1	\$ 260.00
	1	\$ 137.11
	1	\$ 359.85
	3	\$ 294.29
	1	\$ 139.95
	2	\$ 30.00
	6	\$ 460.73
	3	\$ 419.85
	1	\$ 260.00
	1	\$ 261.27
	3	\$ 150.36
	1	\$ 57.86
	1	\$ 255.72
	1	\$ 147.77
	2	\$ 141.79
	3	\$ 262.15
	2	\$ 249.90
	1	\$ 264.11
	2	\$ 169.95
	2	\$ 376.91
	2	\$ 385.59
	1	\$ 252.74
	9	\$ 717.86
	1	\$ 410.37
	3	\$ 313.58
	1	\$ 153.57



ATTACHMENT C: WAIVER LIST

CUST ID	RETAIL CARD COUNT	AMNT. WAIVED
	1	\$ 149.29
	2	\$ 152.50
	1	\$ 166.43
	4	\$ 131.79
	1	\$ 163.22
	1	\$ 266.43
	2	\$ 678.94
	3	\$ 149.29
	1	\$ 290.01
	1	\$ 30.01
	1	\$ 266.43
<b>TOTALS</b>	<b>103</b>	<b>\$ 13,221.89</b>



1 the Department's entry of this Consent Order and agrees not to further contest the Order to Cease  
2 and Desist or the Statement of Charges as it relates to Respondent. The parties intend this Consent  
3 Order to fully resolve the Order to Cease and Desist and the Statement of Charges as they relate to  
4 Respondent.

5 Based upon the foregoing:

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

8 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a  
9 hearing before an administrative law judge, and hereby waives its right to a hearing and any and all  
10 administrative and judicial review of the issues raised in this matter, or of the resolution reached  
11 herein. Accordingly, Respondent, by the signature of its representatives below, withdraws its appeal  
12 to the Office of Administrative Hearings.

13 **C. Admissions.** Respondent neither admits nor denies the Factual Allegations of the Order  
14 to Cease and Desist or the Statement of Charges. Respondent AGREES not to take any action or to  
15 make or permit to be made any public statement creating the impression that this Consent Order is  
16 without factual basis. Nothing in this paragraph affects Respondent's (a) testimonial obligations; (b)  
17 right to take legal or factual positions in defense of litigation; or (c) right to make public statements  
18 that are factual.

19 **D. Cease and Desist.** Pursuant to RCW 31.45.110(2)(b), the Director may order  
20 Respondent to cease and desist practices which violate the Act. Accordingly, it is AGREED and  
21 ORDERED that:

- 22 1. Respondent permanently cease and desist from offering the Retail Installment  
23 Loan Program, as detailed in the Statement of Charges, in Washington.

1           2. Respondent permanently cease and desist from making small loans (payday loans)  
2           to Washington borrowers that exceed the statutory limits set forth in the Act, as  
            presently written or hereafter amended.

3           3. Respondent permanently cease and desist from characterizing retail installment  
4           sales as loans, and advertising directly or indirectly that retail installment sales are  
5           an alternative to or a substitute for small loans (payday loans) made under the  
            Act.

6           **E. Authority of Department.** It is AGREED that nothing in this Consent Order shall be  
7           construed as preventing the Department from fully exercising its authority under the Act to  
8           investigate and prosecute violations of the Act or this Consent Order by Respondent.

9           **F. Authority to Execute Order.** It is AGREED that the undersigned have represented and  
10          warranted that they have the full power and right to execute this Consent Order on behalf of the  
11          parties represented. It is further AGREED that this Consent Order may be executed in counterparts,  
12          each of which shall be deemed to be an original, but all of which, taken together, shall constitute one  
13          and the same agreement (Consent Order).

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

18          **H. Voluntarily Entered.** It is AGREED that the undersigned have voluntarily entered into  
19          this Consent Order, which is effective when signed by the Director's designee.

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

22          //

23

24          //

1 **Respondent**

2 Checkmate Express Corporation, d/b/a Checkmate Express, by:

3 [Redacted]

2/5/13

Susan D. Bassford

Date

4 ~~President, Checkmate Express Corporation, d/b/a Checkmate Express~~

5 [Redacted]

2/5/13

Linda A. Sonder

Date

7 Vice President, Checkmate Express Corporation, d/b/a Checkmate Express

8 Approved as to form:

9 [Redacted]

2/5/13

Jeremy T. Rosenblum

Date

Ballard Spahr LLP

11 Attorneys for Respondents

12 DO NOT WRITE BELOW THIS LINE

13 ENTERED THIS 21<sup>st</sup> DAY OF FEBRUARY, 2013.

14 [Redacted]

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

18 Presented by:

19 [Redacted]

20 ANTHONY W. CARTER  
21 Senior Enforcement Attorney



22 Approved by:

23 [Redacted]

24 CHARLES E. CLARK  
Enforcement Chief

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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  
Check Cashers and Sellers Act of Washington by:

CHECKMANIA, INC., d/b/a CHECKMATE,  
CHECKMATE EXPRESS CORPORATION, d/b/a  
CHECKMATE EXPRESS,  
SUSAN DENISE BASSFORD, President, and  
LINDA SUSAN SONDER, Vice President,

Respondents.

NO. C-11-006-11-SC01

STATEMENT OF CHARGES and NOTICE OF  
INTENT TO ENTER AN ORDER TO CEASE  
AND DESIST, CONDITION LICENSES, IMPOSE  
FINES, ORDER RESTITUTION, TAKE  
AFFIRMATIVE ACTION, AND COLLECT  
INVESTIGATION FEE

**INTRODUCTION**

Pursuant to RCW 31.45.110 and RCW 31.45.200, 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). After having conducted an investigation pursuant to RCW 31.45.100, and based upon the facts available as of the date of this Statement of Charges, the Director institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

**A. Respondent Checkmania, Inc., d/b/a Checkmate (Respondent Checkmate)** is an active Washington for-profit corporation organized in June 1995. Respondent Checkmate was licensed by the Department of Financial Institutions (Department) to conduct business as a check cashier and seller on or about October 28, 1996, and has continued to be licensed to date. Respondent Checkmate holds a small loan endorsement from the Department authorizing the company to make small loans in Washington State. Respondent Checkmate is a wholly-owned subsidiary of Pacific Rim Capital Alliance Corporation (Pacific Rim). Both Pacific Rim and Respondent Checkmate have headquarters in Carlsbad, California.

//

1 Respondent Checkmate is registered to offer small loans over the Internet and from retail stores in four  
2 other states, California, Colorado, New Mexico, and Utah. In Washington, Respondent Checkmate is licensed to  
3 conduct business from its main location in Tacoma and from approximately 20 branch locations.

4 **B. Respondent Checkmate Express Corporation, d/b/a Checkmate Express (Respondent**  
5 **Checkmate Express)** is an active Nevada for-profit corporation organized in April 2002. The corporation was  
6 registered as a Washington for-profit corporation in May 2002. Respondent Checkmate Express was licensed by  
7 the Department to conduct business as a check casher and seller on or about August 9, 2002, and has continued  
8 to be licensed to date. Respondent Checkmate Express holds a small loan endorsement from the Department  
9 authorizing the company to make small loans in Washington State. Like Respondent Checkmate, Respondent  
10 Checkmate Express is a wholly-owned subsidiary of Pacific Rim. Respondent Checkmate Express has its  
11 headquarters in Carlsbad, California.

12 Respondent Checkmate Express is registered to offer small loans through the Internet and from retail  
13 outlets in four other states, California, Colorado, New Mexico, and Utah. In Washington, Respondent  
14 Checkmate Express is licensed to conduct business from its main location in Lakewood.

15 **C. Respondent Susan D. Bassford (Respondent Bassford)** is the President of Respondent  
16 Checkmate and Respondent Checkmate Express, and is a 50% owner of both companies. Respondent Bassford  
17 resides in Las Vegas, Nevada.

18 **D. Respondent Linda S. Sonder (Respondent Sonder)** is the Vice President of Respondent  
19 Checkmate and Respondent Checkmate Express, and is a 50% owner of both companies. Respondent Sonder  
20 resides in Phoenix, Arizona.

21 **1.2 Retail Installment Loan Program.** On or about June 1, 2010, Respondents Checkmate, Checkmate  
22 Express, Bassford, and Sonder (Respondents) introduced their new Retail Installment Loan Program for  
23 Washington residents. Under the program, when statutorily barred from making a small loan to a Washington  
24 borrower, Respondents offer an alternative small loan in the form of pre-loaded gift cards, in \$100  
25 denominations, issued by local retailers including Safeway, Fred Meyer and Wal-Mart. The borrowers purchase

1 the gift cards from Respondents pursuant to a retail installment contract, agreeing to repay the loan on their next  
2 payday. These short-term “program loans,” which range from 14 to 45 days in length, carry a 391.11% annual  
3 percentage rate (APR).

4 **1.3 Making Small Loans in Excess of Statutory Maximum.** Respondent Checkmate’s Tumwater branch  
5 made at least 42 program loans to at least 26 Washington borrowers in 2010. Respondents were statutorily  
6 barred from making small loans to 22 of the 26 borrowers, as the borrowers had either already received the  
7 maximum number of small loans permitted (7 borrowers), were in an installment plan with another lender (12),  
8 or both (2), or had reached the maximum principal amount of all small loans (1). Two examples:

- 9 a. Borrower [REDACTED] had taken out his 8<sup>th</sup> payday loan on or about August 8, 2010. He subsequently  
obtained three program loans from Respondents;
- 10 b. Borrower [REDACTED] had entered into an installment plan with another lender on or about May 3,  
2010. He subsequently obtained six program loans from Respondents.

11  
12 **1.4 Charging Interest on Small Loans in Excess of Statutory Maximum.** In 18 of the 42 program loans  
13 made by Respondent Checkmate’s Tumwater branch, Respondents charged interest exceeding statutory limits.  
14 For example, a 28-day, \$100 program loan made to borrower [REDACTED] on or about November 2, 2010, had a finance  
15 charge of \$30, twice the allowable amount under the Act.

16 **1.5 Inaccurate APR Disclosures.** In 19 of the 42 program loans made by Respondent Checkmate’s  
17 Tumwater branch, Respondents’ disclosed APR was understated in an amount greater than the allowable  
18 tolerance. Two examples:

- 19 a. Respondents made a 24-day, \$100 program loan to borrower [REDACTED] on or about July 10, 2010,  
20 with a disclosed APR of 248.82. The fee charged for the loan, \$17.06, represented an actual  
APR of 259.45;
- 21 b. Respondents made a 23-day, \$200 program loan made to borrower [REDACTED] on or about  
22 September 22, 2010, with a disclosed APR of 369.49. The fee charged for the loan, \$49.29,  
represented an actual APR of 391.10.

23 **1.6 Failure to Report Small Loans.** Respondents did not report program loans on the Veritec data base  
24 reporting system, which was established in part to prevent licensees from making small loans in violation of the  
25 Act. As an example, borrower [REDACTED] took out four small loans, all reported on Veritec, between January 1, 2010,



1 and July 1, 2010. On or about July 10, 2010, Respondents made a \$700 small loan to [REDACTED], and reported the loan  
2 on Veritec as having a due date of August 24, 2010. While that loan was still outstanding, on or about August  
3 16, 2010, Respondents made a seven-day, \$100 program loan to [REDACTED] and did not report the loan on Veritec.  
4 Respondents subsequently made three additional small loans to borrower [REDACTED] between August and November  
5 2010; the final small loan, made on or about November 26, 2010, exceeded the statutory limit.

6 **1.7 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
7 Respondents continues to date.

## 8 **II. GROUNDS FOR ENTRY OF ORDER**

9 **2.1 Prohibited Acts and Practices.** Based on the Factual Allegations set forth in Section I above,  
10 Respondents are in apparent violation of RCW 31.05.105(1), (2), (3), and WAC 208-630-8201(1)(f), (j), and (l),  
11 for directly or indirectly employing any scheme, device, or artifice to defraud or mislead any borrower; directly  
12 or indirectly engaging in any unfair or deceptive practice toward any person; directly or indirectly obtaining  
13 property by fraud or misrepresentation; directly or indirectly structuring loan transactions in order to exceed the  
14 loan limits in RCW 31.45.073; making loans without processing them through the data base system; and  
15 engaging in any device or subterfuge to evade the requirements of the Act.

16 **2.2 Statutory Maximum Number of Small Loan.** Based on the Factual Allegations set forth in Section I  
17 above, Respondents are in apparent violation of RCW 31.45.073(2), for making small loans to borrowers that  
18 resulted in loans exceeding seven hundred dollars or thirty percent of the gross monthly income of the borrower,  
19 whichever is lower; RCW 31.45.073(3), for making small loans to borrowers in an installment plan with any  
20 licensee; and RCW 31.45.073(4), for making small loans to borrowers that resulted in borrowers receiving more  
21 than eight small loans from all licensees in any twelve-month period.

22 **2.3 Statutory Maximum Interest or Fees on Small Loan.** Based on the Factual Allegations set forth in  
23 Section I above, Respondents are in apparent violation of RCW 31.45.073(5) for charging interest or fees in the  
24 aggregate exceeding fifteen percent (15%) of the first five hundred dollars (\$500.00) of principal and ten  
25 percent (10%) of the next two hundred dollars (\$200.00) of principal of the small loans.

1 **2.4 Inaccurate APR Disclosure.** Based on the Factual Allegations set forth in Section I above, Respondents  
2 are in apparent violation of RCW 31.45.088(3) for inaccurately disclosing the APR when making small loans.

3 **2.5 Database Reporting Requirements.** Based on the Factual Allegations set forth in Section I above,  
4 Respondents are in apparent violation of RCW 31.45.093(3) for not entering or updating the required  
5 information in the Veritec data base at the time that small loans were made to Washington borrowers.

6 **III. AUTHORITY TO IMPOSE SANCTIONS**

7 **3.1 Authority to Issue Cease and Desist Order.** Pursuant to RCW 31.45.110(2)(b), the Director may order a  
8 licensee or any director, officer, controlling person, or employee of a licensee to cease and desist from practices  
9 in violation of the Act.

10 **3.2 Authority to Condition License.** Pursuant to RCW 31.45.110(2)(a), the Director may impose conditions  
11 on the license of a licensee that is violating or has violated the Act.

12 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a fine, not to  
13 exceed one hundred dollars per day for each day's violation of the Act, on any licensee or any director, officer,  
14 controlling person, or employee of a licensee that is violating or has violated the Act.

15 **3.4 Authority to Order Restitution.** Pursuant to RCW 31.45.110(2)(d), the Director may order a licensee or  
16 any director, officer, controlling person, or employee of a licensee to pay restitution to borrowers damaged by  
17 the licensee's violation of the Act.

18 **3.5 Authority to Order Affirmative Action.** Pursuant to RCW 31.45.110(2)(d), the Director may issue an  
19 order directing a licensee or any director, officer, controlling person, or employee of a licensee to take such  
20 affirmative action as is necessary to comply with this Act.

21 **3.6 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.100 and WAC 208-630-380, the  
22 Director shall collect from the licensee the actual cost of an investigation of the licensee. The investigation  
23 charge will be calculated at the rate of sixty-nine dollars (\$69.00) per hour that each staff person devoted to the  
24 investigation, plus actual expenses.

25 //

1 **IV. NOTICE OF INTENT TO ENTER ORDER**

2 Respondents' violations of the provisions of chapter 31.45 RCW and chapter 208-630 WAC, as set forth  
3 in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order  
4 under RCW 31.45.110 and RCW 31.45.200. Therefore, it is the Director's intent to ORDER that:


- 5 **4.1** Respondents Checkmania, Inc., Checkmate Express Corporation, Susan D. Bassford, and Linda S.  
6 Sonder each cease and desist offering and selling the Retail Installment Loan Program to Washington  
7 borrowers;
- 8 **4.2** Respondents Checkmania, Inc., Checkmate Express Corporation, Susan D. Bassford, and Linda S.  
9 Sonder each cease and desist making small loans to Washington borrowers that exceed the statutory  
10 loan limits set forth in RCW 31.45.073;
- 11 **4.3** Respondent Checkmania, Inc.'s small loan endorsement to its license to conduct business under the  
12 Check Cashers and Sellers Act be conditioned to prohibit Respondent Checkmania, Inc. from making  
13 small loans for a period of thirty (30) days from the date of entry of a final order in this matter;
- 14 **4.4** Respondents Checkmania, Inc., Susan D. Bassford, and Linda S. Sonder jointly and severally pay a fine  
15 which as of the date of this Statement of Charges totals \$150,000;
- 16 **4.5** Respondents Checkmania, Inc., Checkmate Express Corporation, Susan D. Bassford, and Linda S.  
17 Sonder jointly and severally pay restitution to each Washington recipient of a loan provided under the  
18 Retail Installment Loan Program in the amount of the interest or late charges collected, and forego  
19 collecting and waive any unpaid interest or late charges due on those program loans;
- 20 **4.6** Respondents Checkmania, Inc. and Checkmate Express Corporation take the following affirmative  
21 actions necessary for compliance with the Act:
- 22 **a.** Provide the Department with a list of all Washington borrowers to whom a restitution  
23 payment was made, and/or interest due waived, including contact information for the  
24 borrower, transaction information related to the program loan provided, the amount of  
25 restitution paid or interest due waived, and proof of payment;
  - b.** Review and make necessary changes to existing policies and procedures to ensure they  
address the allegations raised in this Statement of Charges and are reasonably designed to  
detect and prevent future violations of the Act;
  - c.** Provide the Department with proposed training materials to be provided to all Washington-  
based employees concerning compliance with the Act, and provide a minimum four-hour  
training session to all Washington-based employees concerning compliance with the Act;
  - d.** For two years following the entry of a final order in this matter, provide the Department with  
no less than three-months advance notice of the roll-out or launch of any new loan products  
in Washington State, preferably by seeking a written opinion of the Director of the Consumer  
Services Division as to the legality of offering and selling the loan product under the Act; and
  - e.** Provide the Department with the restitution list, revised policies and procedures, and training  
materials by sending an electronic copy of the documents to James R. Brusselback, Program  
Manager and Enforcement Chief, Consumer Services Division, at [jbrusselback@dfi.wa.gov](mailto:jbrusselback@dfi.wa.gov).

1 4.7 Respondents Checkmania, Inc. and Checkmate Express Corporation jointly and severally pay an  
2 investigation fee, which as of the date of this Statement of Charges, totals \$9,718.83, calculated at \$69.00  
3 per hour for the 140 staff hours devoted to the investigation, plus \$58.83 in expenses related to the  
4 investigation.

5 **V. AUTHORITY AND PROCEDURE**

6 This Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Condition  
7 Licenses, Impose Fines, Order Restitution, Take Affirmative Action, and Collect Investigation Fee (Statement  
8 of Charges) is entered pursuant to the provisions of RCW 31.45.110 and RCW 31.45.200, and is subject to the  
9 provisions of chapter 34.05 RCW (the Administrative Procedure Act). Respondents may each make a written  
10 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY  
11 FOR HEARING accompanying this Statement of Charges.

12 Dated this 23<sup>rd</sup> day of February, 2011.

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

18 Presented by:

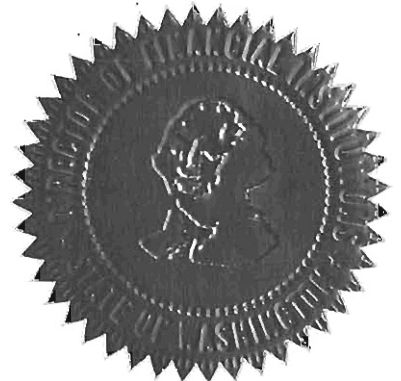
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20 ANTHONY W. CARTER  
21 Enforcement Attorney

22 Approved by:

23 

24 JAMES R. BRUSSELBACK  
25 Enforcement Chief



1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 CONSUMER SERVICES DIVISION

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

C-11-006-11-TD01

TEMPORARY ORDER TO  
CEASE AND DESIST

7 CHECKMANIA, INC., d/b/a CHECKMATE,  
8 CHECKMATE EXPRESS CORPORATION, d/b/a  
9 CHECKMATE EXPRESS, SUSAN DENISE  
10 BASSFORD, President, and LINDA SUSAN  
11 SONDER, Vice President,

Respondents.

12 THE STATE OF WASHINGTON TO: CHECKMANIA, INC., d/b/a CHECKMATE;  
13 CHECKMATE EXPRESS CORP., d/b/a CHECKMATE  
14 EXPRESS;  
15 SUSAN D. BASSFORD, President; and  
16 LINDA S. SONDER, Vice President

17 COMES NOW the Director of the Washington State Department of Financial Institutions (Director), by  
18 and through his designee Deborah Bortner, Division Director, Division of Consumer Services, and finding that  
19 the public is likely to be substantially injured by delay in issuing a cease and desist order, enters this temporary  
20 cease and desist order pursuant to chapter 31.45 RCW, the Check Cashers and Sellers Act, based on the  
21 following findings:

22 I. FACTUAL FINDINGS

23 1.1 Respondents.

24 A. Respondent Checkmania, Inc., d/b/a Checkmate (Respondent Checkmate) is an active  
25 Washington for-profit corporation organized in June 1995. Respondent Checkmate was licensed by the  
Department of Financial Institutions (Department) to conduct business as a check casher and seller on or about  
October 28, 1996, and has continued to be licensed to date. Respondent Checkmate holds a small loan  
endorsement from the Department authorizing the company to make small loans in Washington State.  
Respondent Checkmate is a wholly-owned subsidiary of Pacific Rim Capital Alliance Corporation (Pacific  
Rim). Both Pacific Rim and Respondent Checkmate have headquarters in Carlsbad, California.

1 Respondent Checkmate is registered to offer small loans through the Internet and from retail stores in four  
2 other states: California, Colorado, New Mexico, and Utah. In Washington, Respondent Checkmate is licensed  
3 to conduct business from its main location in Tacoma and from approximately 20 branch locations.

4 **B. Respondent Checkmate Express Corporation, d/b/a Checkmate Express (Respondent Checkmate**  
5 **Express)** is an active Nevada for-profit corporation organized in April 2002. The corporation was registered as  
6 a Washington for-profit corporation in May 2002. Respondent Checkmate Express was licensed by the  
7 Department to conduct business as a check casher and seller on or about August 9, 2002, and has continued to  
8 be licensed to date. Respondent Checkmate Express holds a small loan endorsement from the Department  
9 authorizing the company to make small loans in Washington State. Like Respondent Checkmate, Respondent  
10 Checkmate Express is a wholly-owned subsidiary of Pacific Rim Capital Alliance Corporation (Pacific Rim).  
11 Respondent Checkmate Express has its headquarters in Carlsbad, California.

12 Respondent Checkmate Express is registered to offer small loans through the Internet and from retail  
13 outlets in four other states: California, Colorado, New Mexico, and Utah. In Washington, Respondent  
14 Checkmate Express is licensed to conduct business from its main location in Lakewood.

15 **C. Respondent Susan D. Bassford (Respondent Bassford)** is the President of Respondent Checkmate  
16 and Respondent Checkmate Express, and is a 50% owner of both companies. Respondent Bassford resides in  
17 Las Vegas, Nevada.

18 **D. Respondent Linda S. Sonder (Respondent Sonder)** is the Vice President of Respondent Checkmate  
19 and Respondent Checkmate Express, and is a 50% owner of both companies. Respondent Sonder resides in  
20 Phoenix, Arizona.

21 **1.2 Statutory Loan Limits.** Effective January 1, 2010, the Check Casher and Seller Act (the Act) was  
22 amended to create a statutory limit barring Washington licensees from making small loans to borrowers under  
23 certain conditions. Pursuant to RCW 31.45.073, licensees are barred from making small loans to borrowers if  
24 the outstanding principal balances of all small loans made by all licensees to a single borrower exceeds seven  
25 hundred dollars or thirty percent of the gross monthly income of the borrower, whichever is lower; if the

1 borrower is in default on another small loan until after that loan is paid in full or two years have passed from  
2 the origination date of the small loan; or if the new small loan would result in a borrower receiving more than  
3 eight small loans from all licensees in any twelve-month period.

4 **1.3 Respondents' Retail Installment Loan Program.** On or about June 1, 2010, Respondents Checkmate,  
5 Checkmate Express, Bassford, and Sonder (Respondents) introduced their new Retail Installment Loan  
6 Program for Washington residents. Under the program, when statutorily barred from making a small loan to a  
7 Washington borrower, Respondents offer an alternative small loan in the form of pre-loaded gift cards, in \$100  
8 denominations, issued by local retailers including Safeway, Fred Meyer and Wal-Mart. The borrowers  
9 purchase the gift cards from Respondents pursuant to a retail installment contract, agreeing to repay the loan on  
10 their next payday. These short-term "program loans," which vary from 14 to 45 days in length, carry a  
11 391.11% annual percentage rate (APR). If the borrower rejects an arbitration provision in the contract, the  
12 APR jumps to 586.665%.

13 **1.4 Examination.** On January 12, 2011, the Department conducted an on-site examination of Respondents'  
14 operations at the Tumwater branch of Respondent Checkmate. The scope of the examination covered  
15 compliance with the Act and associated rules. The examination included review and copying of documents  
16 relating to the launch of the Retail Installment Loan Program; review and copying of training and marketing  
17 materials; and review and copying of the branch's program loan files.

18 **A. Loans.** In November and December 2010, the Tumwater branch made more than 50 program loans to  
19 borrowers. A Lacey branch manager assisting during the examination estimated that 60% of the program loans  
20 at her branch were made to borrowers who had already received eight small loans from all licensees in a  
21 twelve-month period, and that another 30% of the program loans at her branch were made to borrowers who  
22 had small loans from a competitor that were in default.

23 **B. Reporting.** Respondents do not report program loans on the data base reporting system, which was  
24 established in part to prevent licensees from making more than eight loans to any one borrower in any twelve-  
25 month period and to prevent licensees from making a loan to a borrower who is in default on a small loan.





1 **III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST**

2 Pursuant to RCW 31.45.120, whenever the Director determines that a violation of the Act or rules, or  
3 their continuation, is likely to cause substantial injury to the public, the Director may issue a temporary order  
4 requiring the licensee to cease and desist from the violation or practice. The order becomes effective upon  
5 service upon the licensee, and remains effective unless set aside, limited, or suspended by a court under  
6 RCW 31.45.130 pending the completion of the administrative proceedings and until such time as the Director  
7 dismisses the charges, or until the effective date of a permanent cease and desist order issued against the  
8 licensee under RCW 31.45.110.

9 **IV. ORDER**

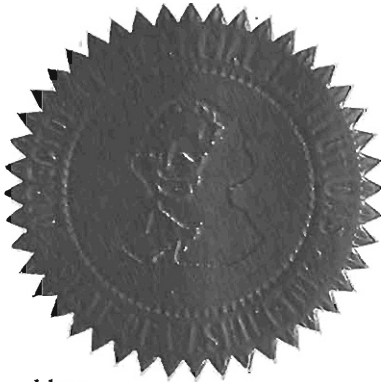
10 Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue Temporary  
11 Order to Cease and Desist, and pursuant to RCW 31.45.120 and RCW 31.45.110, the Director determines the  
12 acts and conduct of Respondents, and the continuation of such conduct, is likely to cause substantial injury to  
13 the public. Therefore, the Director ORDERS that:

- 14 **4.1** Respondents Checkmania Inc., d/b/a Checkmate, Checkmate Express Corporation, d/b/a Checkmate  
15 Express, Susan D. Bassford, and Linda S. Sonder, shall each immediately cease and desist from offering  
or selling the Retail Installment Loan Program to Washington borrowers.
- 16 **4.2** Respondents Checkmania Inc., d/b/a Checkmate, Checkmate Express Corporation, d/b/a Checkmate  
17 Express, Susan D. Bassford, and Linda S. Sonder, shall each immediately cease and desist from making  
small loans to Washington borrowers that exceed the statutory loan limits set forth in RCW 31.45.073.
- 18 **4.3** This order shall take effect immediately upon service and shall remain effective unless set aside, limited,  
19 or suspended by a court under RCW 31.45.130 pending the completion of the administrative proceedings  
and until such time as the Director dismisses the charges, or until the effective date of a permanent cease  
and desist order issued against the licensee under RCW 31.45.110.

20  
21 //  
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25 //



1 DATED this 19<sup>th</sup> day of January, 2011.



DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

7 Presented by:



10 ANTHONY W. CARTER  
Enforcement Attorney

11 Approved by:



14 JAMES R. BRUSSELBACK  
Enforcement Chief