

UNDER APPEAL

ORDER SUMMARY – Case Number: C-11-0758

Name(s): Kenwood Services, LLC

Order Number: C-11-0758-13-FO01

Effective Date: July 8, 2013

License Number: N/A
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: N/A

Not Apply Until: 7/8/2018

Not Eligible Until: 7/8/2018

Prohibition/Ban Until: 7/8/2018

Investigation Costs	\$621	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$9,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	undetermined	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
No. of Victims:				

Comments: Cease and Desist from offering small loans without a proper license from the Department

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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
Check Cashers and Sellers Act of Washington by:

KENWOOD SERVICES, LLC,

Respondent.

No.: C-11-0758-13-FO01

FINAL ORDER

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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 March 28, 2013, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Impose Fine, Order Restitution, Ban From Industry, and Collect Investigation Fee (Statement of Charges) against Kenwood Services, 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 March 28, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent.

On March 29, 2013, the Department served Respondent with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On April 1, 2013, the documents sent by Federal Express overnight delivery were delivered. The documents sent by 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:

- 6 1. Statement of Charges;
- 7 2. Cover letter dated March 29, 2013;
- 8 3. Notice of Opportunity to Defend and Opportunity for Hearing; and
- 9 4. Blank Application for Adjudicative Hearing for Respondent, with documentation
10 for service.

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

13 II. FINAL ORDER

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

16 A. IT IS HEREBY ORDERED, That:

- 17 1. Respondent Kenwood Services, LLC cease and desist from offering or making
18 small loans without a proper license from the Department.
- 19 2. Respondent Kenwood Services, LLC pay a fine of \$9,000.
- 20 3. Respondent Kenwood Services, LLC pay restitution to all affected Washington
21 State borrowers for any interest or fees collected on small loans originated without
22 a license from January 1, 2009, through March 28, 2013.
- 23 4. Respondent Kenwood Services, LLC is banned from participation in the conduct
24 of the affairs of any check casher or check casher with a small loan endorsement or
check seller subject to licensure by the Director, in any manner, for a period of five
(5) years; and
5. Respondent Kenwood Services, LLC pay investigation fee of \$621.

1 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
2 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
3 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
4 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
5 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
6 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
7 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

17 E. Non-compliance with Order. If you do not comply with the terms of this order, the
18 Department may seek its enforcement by the Office of the Attorney General to include the collection
19 of the fines, fees, and restitution imposed herein. The Department also may assign the amounts owed
20 to a collection agency for collection.

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

1 DATED this 8th day of July, 2013



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4 STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

5 [REDACTED]
6 DEBORAH BORTNER
7 Director
8 Division of Consumer Services
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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:

KENWOOD SERVICES, LLC,

Respondent.

No.: C-11-0758-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO CEASE AND DESIST, IMPOSE
FINE, ORDER RESTITUTION, BAN FROM
INDUSTRY, 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, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent Kenwood Services, LLC, (Kenwood Services) is a Delaware Limited Liability Company with its principle place of business believed to be located at 501 Silverside Road, #84, Wilmington, Delaware 19809. Respondent Kenwood Services has never obtained a license in accordance with the Act to make loans. Respondent Kenwood Services is not registered with the Washington State Secretary of State or the Washington State Department of Revenue.

1.2 Unlicensed Activity. For at least the period from January 2009, through September 2010, Respondent conducted business by providing loans to at least three consumers in Washington State without being licensed with the Department. Respondent made loans to Washington State residents physically located in Washington State.

1 **1.3 On-going Investigation.** The Department's investigation into the alleged violations of the
2 Act by Respondent continues to date.

3 **II. GROUNDS FOR ENTRY OF ORDER**

4 **2.1 Definition of Check Casher.** Pursuant to RCW 31.45.010(5), a "Check Casher" is defined as
5 an individual, partnership, unincorporated association, or corporation that, for compensation,
6 engages, in whole or in part, in the business of cashing checks, drafts, money orders, or other
7 commercial paper serving the same purpose.

8 **2.2 Definition of Licensee.** Pursuant to RCW 31.45.010(13), "Licensee" means a check casher
9 or seller licensed by the director to engage in business in accordance with this chapter. "Licensee"
10 also means a check casher or seller, whether located within or outside of this state, who fails to obtain
11 the license or small loan endorsement required by this chapter.

12 **2.3 Definition of Small Loan.** Pursuant to RCW 31.45.010(21), "Small loan" means a loan of up
13 to the maximum amount and for a period of time up to the maximum term specified in RCW
14 31.45.073.

15 **2.4 Requirement to Obtain a License.** Based on the Factual Allegations set forth in Section I
16 above, Respondents are in apparent violation of RCW 31.45.030(1) for engaging in the business of
17 making small loans without first obtaining a license from the Director.

18 **2.5 Requirement to Obtain a Small Loan Endorsement.** Based on the Factual Allegations set
19 forth in Section I above, Respondents are in apparent violation of RCW 31.45.070 and RCW
20 31.45.073 for engaging in the business of making small loans without first obtaining a small loan
21 endorsement from the Director.

1 **2.6 Authority to Issue Cease and Desist Order.** Pursuant to RCW 31.45.110(2)(b), the Director
2 may order a licensee to cease and desist from practices in violation of the Act or practices that
3 constitute unsafe and unsound financial practices.

4 **2.7 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may impose a
5 fine, not to exceed one hundred dollars per day for each day's violation of the Act, on any licensee or
6 applicant, or any director, officer, sole proprietor, partner, controlling person, or employee of a
7 licensee or applicant, that is violating or has violated the Act.

8 **2.8 Authority to Order Restitution.** Pursuant to RCW 31.45.110(2)(d), the Director may order
9 restitution to borrowers damaged by the licensee's violation of the Act.

10 **2.9 Authority to Remove and Ban from the Industry.** Pursuant to RCW 31.45.110(2)(e), the
11 Director may remove from office or ban from participation in the conduct of the affairs of any
12 licensee any director, officer, sole proprietor, partner, controlling person, or employee of a licensee
13 that is violating or has violated the Act.

14 **2.10 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1), RCW 31.45.100,
15 WAC 208-630-360, WAC 208-630-380, and WAC 208-630-390, the Director shall collect from the
16 licensee the actual cost of an investigation of the business, books, accounts, records, files, or other
17 information of a licensee or person who the Director has reason to believe is engaging in the business
18 governed by the Act. The investigation charge will be calculated at the rate of sixty-nine dollars
19 (\$69) per hour that each staff person devoted to the investigation, plus actual expenses.

20 **III. NOTICE OF INTENTION TO ENTER ORDER**

21 Respondent's violations of the provisions of chapter 31.45 RCW and chapter 208-630 WAC,
22 as set forth in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the
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Presented by: 



DEBORAH TAEILLIOUS
Financial Legal Examiner

Approved by:



CHARLES CLARK
Enforcement Chief