

ORDER SUMMARY – Case Number: C-18-2431

Names: Directors Financial Group d/b/a Directors Financial Group, Inc.
 Charles Ray Dixon
 Christopher Earl Hobson

Order Number: C-18-2431-18-FO01

Effective Date: 12/11/2018

License Number: Directors Financial Group – NMLS #177087
 Charles Ray Dixon – NMLS #367605
 Christopher Earl Hobson – NMLS #7649

License Effect: Both the consumer loan company license of Directors Financial Group, and the mortgage loan originator license of Christopher Earl Hobson, are revoked

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until: 12/11/2023

Investigation Costs	\$5,096.38	30 days after entry of the Final Order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$6,000	Due 30 days after entry of the Final Order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Examination Costs	\$8,590.50 (plus interest)	Due 30 days after entry of the Final Order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Financial Literacy and Education	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments:

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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
Consumer Loan Act of Washington by:

No.: C-18-2431-18-FO01

FINAL ORDER

DIRECTORS FINANCIAL GROUP d/b/a
DIRECTORS FINANCIAL GROUP, INC.;
CHARLES RAY DIXON, President, NMLS
#367605; and CHRISTOPHER EARL HOBSON,
former President, NMLS #7649,

Respondents.

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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 her designee, Consumer Services Division Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On May 17, 2018, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intent to Enter an Order to Revoke Licenses, Prohibit from Industry, Impose Fine, Collect Examination Fee, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) against Directors Financial Group (Respondent Directors), Charles Ray Dixon (Respondent Dixon), President, and Christopher Earl Hobson (Respondent Hobson), former President (collectively, Respondents). 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 May 21, 2018, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for each Respondent (collectively, accompanying documents).

1 The Department served the Statement of Charges and accompanying documents on
2 Respondent Directors to 575 Anton Blvd., Ste. 880, Costa Mesa, California, 92626 (Costa Mesa
3 address) by First-Class mail and via Federal Express overnight delivery on May 21, 2018. On May
4 22, 2018, the documents sent via Federal Express overnight delivery were delivered to the Costa
5 Mesa address and signed for by J. Guerrero. The documents sent by First-Class mail were not
6 returned to the Department by the United States Postal Service.

7 On May 21, 2018, the Department served Respondent Dixon with the Statement of Charges
8 and accompanying documents by First-Class mail to an address in San Clemente, California (San
9 Clemente address). The documents sent by First-Class mail were not returned to the Department by
10 the United States Postal Service. On June 15, 2018, the Department received confirmation from the
11 Rancho San Clemente Branch Office of the United States Post Office that mail addressed to
12 Respondent Dixon was being delivered to the San Clemente address.

13 On May 21, 2018, the Department served Respondent Hobson with the Statement of Charges
14 and accompanying documents by First-Class mail to an address in Newport Beach, California
15 (Newport Beach address). The documents sent by First-Class mail were not returned to the
16 Department by the United States Postal Service. On June 26, 2018, the Department received
17 confirmation from the Newport Beach Main Office of the United States Post Office that mail
18 addressed to Respondent Hobson was being delivered to the Newport Beach address.

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

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

- 1 1. Statement of Charges, cover letter dated May 21, 2018, Notice of Opportunity to
2 Defend and Opportunity for Hearing, and blank Application for Adjudicative
3 Hearing for each Respondent, with documentation for service.
- 4 2. Post Office Address Verification Request form completed by Rancho San
5 Clemente Branch Office of the United States Post Office received by the
6 Department on June 15, 2018.
- 7 3. Post Office Address Verification Request form completed by Newport Beach
8 Main Office of the United States Post Office received by the Department on June
9 26, 2018.

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
14 being otherwise fully advised, NOW, THEREFORE:

15 A. IT IS HEREBY ORDERED, That:

- 16 1. Respondent Directors Financial Group d/b/a Directors Financial Group, Inc.'s
17 license to conduct the business of a consumer loan company is revoked.
- 18 2. Respondent Christopher Earl Hobson's license to conduct the business of a loan
19 originator is revoked.
- 20 3. Respondents Directors Financial Group d/b/a Directors Financial Group, Inc.,
21 Charles Ray Dixon, and Christopher Earl Hobson are prohibited from
22 participation in the conduct of the affairs of any consumer loan company subject
23 to licensure by the Director, in any manner, for a period of five years.
- 24 4. Respondents Directors Financial Group d/b/a Directors Financial Group, Inc.,
Charles Ray Dixon, and Christopher Earl Hobson jointly and severally pay a fine
of \$6,000.
5. Respondents Directors Financial Group d/b/a Directors Financial Group, Inc.,
Charles Ray Dixon, and Christopher Earl Hobson jointly and severally pay the
cost of the Department's examination of \$8,590.50, plus accrued interest at one
percent per month through the date of actual payment.

1 6. Respondents Directors Financial Group d/b/a Directors Financial Group, Inc.,
2 Charles Ray Dixon, and Christopher Earl Hobson jointly and severally pay an
investigation fee of \$5,096.38.

3 7. Respondents Directors Financial Group d/b/a Directors Financial Group, Inc.,
4 Charles Ray Dixon, and Christopher Earl Hobson maintain records in compliance
5 with chapter 31.04 RCW, the Consumer Loan Act (Act) and provide the Director
6 with the location of the books, records and other information relating to
Respondent Directors' consumer loan company business, and the name, address,
and telephone number of the individual responsible for maintenance of such
records in compliance with the Act.

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

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

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

20 D. Judicial Review. Respondents have the right to petition the superior court for judicial
21 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
22 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

1 E. Non-compliance with Order. If Respondents do not comply with the terms of this
2 order, **including payment of any amounts owed within 30 days of receipt of this order**, the
3 Department may seek its enforcement by the Office of the Attorney General to include the collection
4 of the fines, costs, late penalties, and fees imposed herein. The Department also may assign the
5 amounts owed to a collection agency for collection.

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

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10 DATED this 11th day of December, 2018.

11 STATE OF WASHINGTON
12 DEPARTMENT OF FINANCIAL INSTITUTIONS

13 /s/
14 CHARLES E. CLARK
15 Director
16 Division of Consumer Services
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1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

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

5 DIRECTORS FINANCIAL GROUP d/b/a
6 DIRECTORS FINANCIAL GROUP, INC.;
7 CHARLES RAY DIXON, President, NMLS
#367605; and CHRISTOPHER EARL HOBSON,
former President, NMLS #7649,

8 Respondents.

No. C-18-2431-18-SC01

STATEMENT OF CHARGES and NOTICE
OF INTENT TO ENTER AN ORDER TO
REVOKE LICENSES, PROHIBIT FROM
INDUSTRY, IMPOSE FINE, COLLECT
EXAMINATION FEE, COLLECT
INVESTIGATION FEE, and RECOVER
COSTS AND EXPENSES

9 **INTRODUCTION**

10 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
11 Institutions of the State of Washington (Director) is responsible for the administration of chapter
12 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
13 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the
14 Director, through her designee, Division of Consumer Services Director Charles E. Clark, institutes
15 this proceeding and finds as follows:

16 **I. FACTUAL ALLEGATIONS**

17 **1.1 Respondents.**

18 **A. Directors Financial Group d/b/a Directors Financial Group, Inc. (Respondent**
19 **Directors)** was licensed by the Department of Financial Institutions of the State of Washington
20 (Department) to conduct business as a consumer loan company on or about September 2, 2010.
21 Respondent Directors submitted a license surrender/cancellation request on or about December 15,
22 2017.

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1 **B. Charles Ray Dixon (Respondent Dixon)** is known to have been the President of
2 Respondent Directors from on or about December 15, 2017, to the present.

3 **C. Christopher Earl Hobson (Respondent Hobson)** is known to have been the former
4 President of Respondent Directors since at least January 25, 2010, to on or about December 15, 2017.
5 Respondent Hobson was licensed by the Department to conduct business as a loan originator on or
6 about October 7, 2010, and continues to be licensed to date. Respondent Hobson's sponsorship with
7 Respondent Directors was removed on or about March 24, 2018. Respondent Hobson's mortgage
8 loan originator license has been inactive since March 24, 2018.

9 **1.2 Failure to Pay Examination Fee.** Between on or about June 5, 2017, to on or about June 8,
10 2017, the Department conducted a compliance examination of Respondent Directors pursuant to the
11 Act. On or about July 13, 2017, the Department charged a fee of \$8,590.50 for the examination. The
12 Department sent an invoice to Respondent Directors and payment of this fee was due no later than
13 August 12, 2017. The Department subsequently sent Respondent Directors letters directing payment
14 on or about August 14, 2017, August 25, 2017, December 4, 2017, and January 10, 2018. As of the
15 date of this Statement of Charges, Respondents have not paid the examination fee, which continues to
16 accrue interest at one percent per month.

17 **1.3 Failure to Comply with the Department's Directive.** On or about March 20, 2018, the
18 Department served a directive on Respondent Directors directing payment of the examination fee to
19 the Department on or before March 27, 2018. As of the date of this Statement of Charges,
20 Respondents have not complied with the directive.

21 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
22 Act by Respondents continues to date.

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

2 **2.1 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,
3 Respondents are in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging in any
4 unfair or deceptive practice toward any person.

5 **2.2 Requirement to Pay Examination Fee.** Based on the Factual Allegations set forth in
6 Section I above, Respondents are in apparent violation of RCW 31.04.145(3) and WAC 208-620-
7 590(3) for failing to pay the Department the examination fee within thirty days of invoice.

8 **2.3 Requirement to Comply with the Director’s Authority.** Based on the Factual Allegations
9 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.145 for failing to
10 comply with the directive issued by the Department.

11 **III. AUTHORITY TO IMPOSE SANCTIONS**

12 **3.1 Authority Revoke License.** Pursuant to RCW 31.04.093(3), the Director may revoke a
13 license for failure to pay any fee due to the state of Washington, failure to comply with any directive,
14 order, or subpoena issued by the Director under the Act, or, either knowingly or without exercise of
15 due care, has violated any provision of the Act or any rule adopted under the Act.

16 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6)(e), the Director
17 may issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
18 employee, mortgage loan originator, or any other person subject to the Act for any violation of RCW
19 31.04.027.

20 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
21 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
22 any other person subject to the Act for any violation of the Act.

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1 **3.4 Authority to Charge Examination Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
2 590, every licensee examined by the Director or the Director's designee shall pay to the Director the
3 cost of the examination. Pursuant to RCW 43.17.240, interest at the rate of one percent per month, or
4 fraction thereof, shall accrue on debts owed to the state, starting on the date the debts become past
5 due.

6 **3.5 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
7 610(7), every licensee investigated by the Director or the Director's designee shall pay to the Director
8 the cost of the investigation.

9 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
10 may recover the state's costs and expenses for prosecuting violations of the Act.

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

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

16 **4.1** Respondent Directors Financial Group d/b/a Directors Financial Group, Inc.'s license
17 to conduct the business of a consumer loan company be revoked.

18 **4.2** Respondent Christopher Earl Hobson's license to conduct the business of a loan
19 originator be revoked.

20 **4.3** Respondents Directors Financial Group d/b/a Directors Financial Group, Inc., Charles
21 Ray Dixon, and Christopher Earl Hobson be prohibited from participation in the
22 conduct of the affairs of any consumer loan company subject to licensure by the
23 Director, in any manner, for a period of five years.

24 **4.4** Respondents Directors Financial Group d/b/a Directors Financial Group, Inc., Charles
Ray Dixon, and Christopher Earl Hobson jointly and severally pay a fine. As of the
date of this Statement of Charges, the fine totals \$6,000.

1 **4.5** Respondents Directors Financial Group d/b/a Directors Financial Group, Inc., Charles
2 Ray Dixon, and Christopher Earl Hobson jointly and severally pay the cost of the
3 Department’s examination. As of the date of this Statement of Charges, the cost of the
 examination fee totals \$8,590.50, plus accrued interest at one percent per month
 through the date of actual payment.

4 **4.6** Respondents Directors Financial Group d/b/a Directors Financial Group, Inc., Charles
5 Ray Dixon, and Christopher Earl Hobson jointly and severally pay an investigation
 fee. As of the date of this Statement of Charges, the investigation fee totals \$5,096.38.

6 **4.7** Respondents Directors Financial Group d/b/a Directors Financial Group, Inc., Charles
7 Ray Dixon, and Christopher Earl Hobson jointly and severally pay the Department’s
8 costs and expenses for prosecuting violations of the Act in an amount to be determined
 at hearing or by declaration with supporting documentation in event of default by
 Respondents.

9 **4.8** Respondents Directors Financial Group d/b/a Directors Financial Group, Inc., Charles
10 Ray Dixon, and Christopher Earl Hobson maintain records in compliance with the Act
11 and provide the Department with the location of the books, records and other
 information relating to Respondent Directors’ consumer loan company business, and
 the name, address, and telephone number of the individual responsible for
 maintenance of such records in compliance with the Act.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Revoke Licenses,
3 Prohibit from Industry, Impose Fine, Collect Examination Fee, Collect Investigation Fee, and
4 Recover Costs and Expenses (Statement of Charges) is entered pursuant to the provisions of RCW
5 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of
6 chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request
7 for a hearing as set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING
8 AND TO DEFEND accompanying this Statement of Charges.

9 Dated this 17th day of May, 2018

10 /s/ _____
11 CHARLES E. CLARK
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 /s/ _____
17 RACHELLE VILLALOBOS
18 Financial Legal Examiner

19 Approved by:

20 /s/ _____
21 STEVEN C. SHERMAN
22 Enforcement Chief