

Terms Complete

ORDER SUMMARY – Case Number: C-20-2945

Name: Westbon, Inc.

Order Number: C-20-2945-20-AG01

Effective Date: July 8, 2020

License Number: NMLS 1635300

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$ 700.45		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 7/6/2020
Fine	\$ 1,000.00		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 7/6/2020
Assessment	\$ 114.64		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$ N/A		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Financial Literacy and Education	\$ N/A		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$ N/A		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
No. of Victims:		N/A		

Comments: Respondent must file its 2020 Consumer Loan Annual Reports and Assessment in accordance with the Consumer Loan Act, and include all consumer loans made to Washington State residents during the 2020 calendar year.

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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-20-2945-20-AG01

CONSENT AGREEMENT

WESTBON, INC.,
NMLS #1635300,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Services Director, and Westbon, Inc. (Respondent), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Agreement. This Consent Agreement is entered pursuant to chapter 31.04 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the above captioned matter. Pursuant to chapter 31.04. RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agree to the Department's entry of this Consent Agreement and further agree that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Agreement.

Based upon the foregoing:

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

1 **B. Respondent’s Representations to the Department.** It is AGREED that the Department
2 enters this Consent Agreement based on the following representations Respondent has made to the
3 Department:

- 4 1. On or about May 29, 2020, Respondent discovered that its Compliance Officer failed
5 to submit its 2019 Consumer Loan Annual Reports and Assessment (2019 Annual
6 Assessment) and late fees, and that as a result its Washington consumer loan license
7 had expired on April 20, 2020.
- 8 2. Upon investigation, Respondent discovered that its Compliance Officer deliberately
9 ignored communications from the Department and provided false statements to
10 Respondent’s management team that all annual regulatory and license requirements
11 had been submitted.
- 12 3. Respondent was making, facilitating, or assisting in making or financing any loans to
13 Washington State residents after its license expired.

14 **C. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
15 hearing before an administrative law judge, and hereby waives its right to a hearing and any and all
16 administrative and judicial review of the issues raised in this matter, or of the resolution reached
17 herein.

18 **D. Cease and Desist.** It is AGREED that Respondent shall cease and desist from making,
19 facilitating, or assisting in making or financing any loans to Washington State residents until such
20 time as Respondent obtains a license in accordance with the Act.

21 **E. 2019 Annual Assessment and Late Fee.** It is AGREED that Respondent shall submit its
22 2019 Annual Assessment within seven days of entry of this Consent Agreement. It is further
23

1 AGREED that the Department shall waive Respondent's 2019 Annual Assessment late fee of \$5,000
2 in full.

3 **F. 2020 Consumer Loan Annual Reports and Assessment (2020 Annual Assessment).**

4 It is AGREED that Respondent must submit its 2020 Annual Assessment in accordance with the Act.
5 It is further AGREED that Respondent's 2020 Annual Assessment must include any and all
6 consumer loans made to Washington State residents during the 2020 calendar year.

7 **G. Fine (Partially Stayed).** It is AGREED that Respondent shall pay a \$5,000 fine with
8 \$4,000 of the fine stayed, contingent upon Respondent's compliance with the Act and this Consent
9 Agreement. The non-stayed fine of \$1,000 shall be paid to the Department in the form of a cashier's
10 check made payable to the "Washington State Treasurer," upon entry of this Consent Agreement.

11 **H. Expiration of Stayed Fine.** It is AGREED that, absent an action by the Department to
12 lift the stay pursuant to Section I, the stayed fine in Section G shall expire 360 days after the date in
13 which this Consent Agreement is entered into. Such expiration shall be without further action or
14 notice by the Department unless otherwise stated.

15 **I. Lifting of Stay.** It is AGREED that:

16 **1.** If, during the stay, the Department determines that Respondent has not complied with
17 the Act or this Consent Agreement, and the Department seeks to lift the stay and
18 impose the stayed sanction identified in Section G, the Department will first serve
19 Respondent with a written notice of alleged noncompliance.

20 **2.** The notice of alleged noncompliance will include:

21 **i.** A description of the alleged noncompliance;

22 **ii.** A statement that the Department seeks to lift the stay and impose the stayed
23 sanction;

- 1 **iii.** Notice that Respondent can contest the notice of alleged noncompliance by
2 requesting an adjudicative hearing before an Office of Administrative Hearing
3 Administrative Law Judge; and
- 4 **iv.** Notice that the notification and adjudicative hearing process provided in this
5 subsection applies only to this Consent Agreement and solely in the event
6 Respondent chooses to contest the Department’s determination of noncompliance.

7 **3.** If Respondent contests the Department’s determination of alleged noncompliance,
8 Respondent shall have 20 days from the date of receipt of the Department’s notice of
9 alleged noncompliance to submit a written request to the Department for an
10 adjudicative hearing.

11 **4.** The scope and issues of the adjudicative hearing are limited solely to whether
12 Respondent’s are in violation of the Act or the terms of this Consent Agreement.

13 **5.** At the conclusion of the hearing, the Administrative Law judge will issue an initial
14 decision. Either party may file a Petition for Review of that decision with the Director
15 of the Department.

16 **6. Default:** if Respondent does not timely request an adjudicative hearing, the
17 Department will impose the stayed sanction and pursue whatever other enforcement
18 action it deems necessary to enforce the Act and this Consent Agreement.

19 **J. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
20 investigation fee of \$700.45, in the form of a cashier’s check made payable to the “Washington State
21 Treasurer,” upon entry of this Consent Agreement to the Department, properly dated and signed. The
22 Fine and Investigation Fee may be paid together in one \$1,700.45 cashier’s check made payable to
23 the “Washington State Treasurer.”

1 **K. Application for License.** It is AGREED that entry of this Consent Agreement will not
2 preclude Respondent from obtaining a license under the Act. It is further AGREED and understood
3 that should Respondent submit a license application under the Act, Respondent must still meet all
4 requirements under the Act.

5 **L. Non-Compliance with Agreement.** It is AGREED that Respondent understands that
6 failure to abide by the terms and conditions of this Consent Agreement may result in further legal
7 action by the Director. In the event of such legal action, Respondent may be responsible to reimburse
8 the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

9 **M. Voluntarily Entered.** It is AGREED that Respondent voluntarily entered into this
10 Consent Agreement, which is effective when signed by the Director's designee.

11 **N. Authority to Execute Agreement.** It is AGREED that the undersigned authorized
12 representative has represented and warranted that he or she has the full power and right to execute
13 this Consent Agreement on behalf of Respondent.

14 **O. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read
15 this Consent Agreement in its entirety and fully understand and agree to all of the same.

16 **P. Counterparts.** It is AGREED that this Consent Agreement may be executed by the
17 Respondent in any number of counterparts, including by facsimile or e-mail of a .pdf or similar file,
18 each of which shall be deemed to be an original, but all of which, taken together, shall constitute one
19 and the same Consent Agreement.

20 **RESPONDENT:**

21 Westbon, Inc.

22 By:

23 /s/_____

HAO LIU
Chief Executive Officer

June 24, 2020_____

Date

