

ORDER SUMMARY
Consumer Services Division Case Number C-23-3505

Name	Veritas Funding, LLC
Order Number	C-23-3505-23-CO01
Date issued	September 18, 2023

What does this Consent Order/Agreement/Temporary Order to Cease and Desist/Final Order require?

- Must pay a fine of \$35,000. *\$17,500 of this fine is stayed for two years as long as Respondent complies with the order. The fine goes away on that date if Respondents have complied.*
- Must pay an investigation fee of \$3,000. (Investigation fees cover the cost of DFI staff time working on the investigation.)

Need more information?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or cseforcecomplaints@dfi.wa.gov. *Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.*

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

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

3 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
4 hearing before an administrative law judge, and hereby waive its right to a hearing and any and all
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondent, by the signatures of its representatives below, withdraws its appeal
7 to the Office of Administrative Hearings.

8 **C. No Admission nor Denial of Liability.** The parties intend this Consent Order to fully
9 resolve the Statement of Charges and agree that Respondent neither admits nor denies any
10 wrongdoing by its entry.

11 **D. Fine (Partially Stayed).** It is AGREED that Respondent shall pay a fine to the
12 Department in the amount of \$35,000. It is further AGREED that \$17,500 of the fine amount shall be
13 stayed for two years from the date of this Consent Order unless the stay is lifted pursuant to
14 Paragraph E of this Consent Order. The stayed fine shall expire without further action or notice by
15 the Department if the Department does not seek to lift the stay and impose the stayed fine pursuant to
16 Paragraph E.

17 **E. Lifting of Stay and Imposition of Stayed Fine.** It is AGREED that:

18 1. During the two-year period of the stay, if the Department determines that Respondent
19 has not complied with the Act, related rules, or this Consent Order, the Department
20 may seek to lift the stay and impose the stayed fine, and shall serve Respondent with a
21 written notice of alleged noncompliance.

22 2. The notice will include:

23 i. A description of the alleged noncompliance;

- 1 ii. A statement that the Department seeks to lift the stay and impose the stayed
2 fine;
- 3 iii. Notice that Respondent can contest the notice of alleged noncompliance by
4 either requesting an adjudicative hearing before an administrative law judge
5 (ALJ) from the Office of Administrative Hearings or by submitting a written
6 response to the Department contesting the alleged noncompliance; and
- 7 iv. Notice that the process for lifting the stay applies only to this Consent Order.
- 8 3. Respondent has 20 days from the date of service of the notice of alleged
9 noncompliance to submit a written request to the Department for an adjudicative
10 hearing.
- 11 4. The scope and issues of the adjudicative hearing are limited solely to whether or not
12 Respondent is in violation of the terms of this Consent Order.
- 13 5. At the conclusion of the adjudicative hearing, the ALJ will issue an initial decision.
14 Any party may file a Petition for Review of that initial decision with the Director of
15 the Department.
- 16 6. DEFAULT. If Respondent does not timely request an adjudicative hearing or submit a
17 written response contesting the notice of alleged noncompliance, the Department may
18 lift the stay and impose the stayed fine without further notice.

19 **F. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the
20 Department in the amount of \$3,000. It is further AGREED that the non-stayed portion of the fine
21 and the investigation fee shall be paid together in the form of one cashier's check for \$20,500, made
22 payable to the "Washington State Treasurer" upon entry of this Consent Order.

1 **G. Records Retention.** It is AGREED that Respondent, its officers, employees, and agents
2 shall maintain records in compliance with the Act and provide the Director with the location of the
3 books, records and other information relating to Respondent's consumer loan company business, and
4 the name, address and telephone number of the individual responsible for maintenance of such
5 records in compliance with the Act.

6 **H. Authority to Execute Order.** It is AGREED that the undersigned have represented and
7 warranted that they have the full power and right to execute this Consent Order on behalf of the
8 parties represented.

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

13 **J. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this
14 Consent Order, which is effective when signed by the Director's designee.

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

17
18
19 **RESPONDENT:**
Veritas Funding, LLC

20 By:

21 

22 BRYCE LONG
23 CEO
President

9/1/2023
Date

24 DO NOT WRITE BELOW THIS LINE

CONSENT ORDER
C-23-3505-23-CO01
VERITAS FUNDING, LLC

4

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

THIS ORDER ENTERED THIS 18th DAY OF September, 2023.



Lucinda Fazio, Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

KENNETH J. SUGIMOTO
Financial Legal Examiner Supervisor

Approved by:

JACK McCLELLAN
Enforcement Chief

CONSENT ORDER
C-23-3505-23-CO01
VERITAS FUNDING, LLC

**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:

VERITAS FUNDING, LLC,
NMLS # 252108,

Respondent.

No. C-23-3505-23-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO IMPOSE FINE, COLLECT
INVESTIGATION FEE, and RECOVER
COSTS AND EXPENSES

INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges and Notice of Intent to Enter an Order to Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges), the Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Veritas Funding, LLC (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a consumer loan company on or about July 26, 2018, and continues to be licensed to date.

1.2 Advertising Violations. In subpoenas to Respondent dated October 11, 2022, and December 14, 2022, the Department directed Respondent to provide, among other things, copies of its print advertising sent by Respondent to consumers in the state of Washington between January 1, 2020, and December 14, 2022, and a description of its print advertising campaign in the state of Washington. The Department reviewed Respondent's print advertising for this period and determined

1 that Respondent mailed thousands of advertisements to Washington consumers in violation of the Act
2 as described below.

3 **1.3 Unfair or Deceptive Advertising.** Respondent's advertising contained numerous features
4 suggesting a false sense of urgency inducing consumers to respond to the advertisements when no
5 response was required. Respondent's advertisements included the following phrases, among others:
6 "RESPONSE REQUIRED NOTICE TYPE: URGENT," "RESPONSE REQUESTED," "Notice,"
7 "Please keep a copy of this notice for your records," "A report dated <mail date> indicates that you
8 have <dollar amount> in available funds. These funds are only available to the homeowner listed
9 above and can be limited at your discretion," "Changes to your <loan year> <loan type> Loan," and
10 "We believe there is [sic] additional calculations on your <loan year> <loan type> loan, which affects
11 the following areas of your loan: Equity"

12 **1.4 Implying Official or Government Business.** Respondent's advertising contained features
13 suggesting that the advertisements were from consumers' lenders or related to government business,
14 when no relationship existed between Respondent and consumers' lenders or the government.
15 Respondent's advertisements included the following words or features: "RE: <lender>," bar codes,
16 images of eagles, and black and white numbering often found in government documents.

17 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
18 Act by Respondent continues to date.

19 II. GROUNDS FOR ENTRY OF ORDER

20 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,
21 Respondent is in apparent violation of RCW 31.04.027(1)(a), (b), and (c), WAC 208-620-550(5), and
22 WAC 208-620-630(1) for: directly or indirectly employing any scheme to defraud or mislead any
23 person, directly or indirectly engaging in any unfair or deceptive practice toward any person, and
24 directly or indirectly obtaining property by fraud or misrepresentation.

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
3 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
4 any other person subject to the Act for any violation of the Act.

5 **3.2 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
6 590, WAC 208-620-610(7), every licensee examined or investigated by the Director or the Director's
7 designee shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour
8 devoted to the investigation.

9 **3.3 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 Respondent's 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, RCW
15 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

16 **4.1** Respondent Veritas Funding, LLC, pay a fine. As of the date of this Statement of
17 Charges, the fine totals \$50,000.

18 **4.2** Respondent Veritas Funding, LLC pay an investigation fee. As of the date of this
19 Statement of Charges, the investigation fee totals \$3,000.

20 **4.3** Respondent Veritas Funding, LLC pay the Department's costs and expenses
21 for prosecuting violations of the Act in an amount to be determined at hearing or by
22 declaration with supporting documentation in event of default by Respondent Veritas
23 Funding, LLC.

24 //

//

//

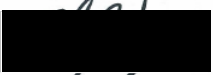
1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW
3 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05
4 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as
5 set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO
6 DEFEND accompanying this Statement of Charges.

7 Dated this 25th day of April, 2023.

8 
9 Lucinda Fazio, Director
10 Division of Consumer Services
11 Department of Financial Institutions

12 Presented by:

13 
14 KENNETH J. SUGIMOTO
15 Financial Legal Examiner Supervisor

16 Approved by:

17 
18 JACK R. McCLELLAN
19 Enforcement Chief
20
21
22
23
24

