

ORDER SUMMARY
Consumer Services Division Case Number C-24-3781

Consent Orders resolve investigations. In these, companies and individuals work with us to agree to terms that resolve the alleged issues in the investigation.

Name	JFK Financial, Inc., NMLS #6540
Order Number	C-24-3781-25-CO01
Date issued	February 10, 2025

What does this Consent Order require?

- Must pay a fine of \$10,050.00.
- Must pay an investigation fee of \$597.60. (Investigation fees cover the cost of DFI staff time working on the investigation.)
- Cease and desist from conducting business in violation of the Act and all related rules.
- Respondent is not allowed to participate in Consumer Loan activity in Washington until February 11, 2030. *This has been stayed until February 10, 2030, and will not go into effect unless Respondent does not comply with the Consent Order.*
- Respondent's Consumer Loan license is revoked. *This has been stayed until February 10, 2030, and will not go into effect unless Respondent does not comply with the Consent Order.*
- Must fully cooperate with any Department examination.

Need more information?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-8703 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.*

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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-24-3781-25-CO01

CONSENT ORDER

JFK FINANCIAL INC.,
NMLS #6540,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Ali Higgs, Division of Consumer Services Director, and JFK Financial Inc. (Respondent),
and finding that the issues raised in the above-captioned matter may be economically and efficiently
settled, agrees to the entry of this Consent Order. This Consent Order 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 AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges
No. C-24-3781-24-SC01 (Statement of Charges), entered September 19, 2024 (copy attached hereto).
Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the
Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent
Order and further agrees that the issues raised in the above-captioned matter may be economically
and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully
resolve the Statement of Charges. Respondent is agreeing not to contest the Statement of Charges in
consideration of the terms of this Consent Order.

Based upon the foregoing:

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 waives its rights 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.

7 **C. Fine.** It is AGREED that Respondent has paid a fine to the Department in the amount of
8 \$10,050.00 via check submitted to the Department and received on December 2, 2024.

9 **D. Investigation Fee.** It is AGREED that Respondent has paid to the Department an
10 investigation fee of \$597.60 via check submitted to the Department and received on December 2,
11 2024.

12 **E. Cease and Desist.** It is AGREED that Respondent will cease and desist from conducting
13 business in violation of the Act and all related rules.

14 **F. Respondent's License Revocation Stayed.** It is AGREED that Respondent's license to
15 conduct business as a consumer loan company is revoked, except the revocation is stayed and only
16 effective if the stay is removed pursuant to Paragraph L. It is further AGREED that Respondent's
17 license revocation is stayed for five years from the date of the entry of this Consent Order contingent
18 upon Respondent's compliance with the Act and related rules, and compliance with this Consent
19 Order. If Respondent does not comply with the Act, related rules, or this Consent Order within that
20 period, the stay may be lifted pursuant to Paragraph L. Absent any action by the Department to lift
21 the stay and impose the stayed revocation pursuant to Paragraph L, the revocation shall expire five
22 years from the date of entry of this Consent Order without further action or notice by the Department.
23 However, expiration shall not occur if the steps of lifting the stay as stated in Paragraph L are in
24 process by the Department.

1 **G. Prohibition from Industry Stayed.** It is AGREED that Respondent is prohibited from
2 participating, in any manner, in the conduct of the affairs of any consumer loan company licensed by
3 the Department or subject to licensure or regulation by the Department, for a period of five years
4 from the date of entry of this Consent Order, except the prohibition is stayed and only effective if the
5 stay is removed pursuant to Paragraph L. It is further AGREED that the prohibition is stayed for five
6 years from the date of entry of this Consent Order contingent upon Respondent's compliance with the
7 Act and related rules, and compliance with this Consent Order. If Respondent does not comply with
8 the Act, related rules, or this Consent Order within that period, the stay may be lifted pursuant to
9 Paragraph L. Absent any action by the Department to lift the stay and impose the stayed prohibition
10 pursuant to Paragraph L, the prohibition shall expire five years from the date of entry of this Consent
11 Order without further action or notice by the Department. However, expiration shall not occur if the
12 steps of lifting the stay as stated in Paragraph L are in process by the Department.

13 **H. Compliance with Examination.** It is AGREED that Respondent will fully cooperate with
14 Department staff over the course of any examination consistent with RCW 31.04.145 and WAC 208-
15 620-580. Full cooperation includes timely and completely responding to correspondence from the
16 Department, including requests for books, accounts, records, papers, documents, files, and other
17 information used in conducting Respondent's business.

18 **I. Records Retention.** It is AGREED that Respondent, its officers, employees, and agents
19 shall maintain records in compliance with the Act and provide the Director with the location of the
20 books, records and other information relating to Respondent's consumer loan company business, and
21 the name, address, email, and telephone number of the individual responsible for maintenance of such
22 records in compliance with the Act.

1 **J. Authority to Execute Order.** It is AGREED that the undersigned have represented and
2 warranted that they have the full power and right to execute this Consent Order on behalf of the
3 parties represented.

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

8 **L. Lifting of Stay and Imposition of Stayed Sanctions.** It is AGREED:

- 9 1. If during a stay, the Department determines that Respondent has not complied with the
10 Act, related rules, or this Consent Order, and the Department seeks to lift the stay and
11 impose the stayed revocation and/or prohibition from industry, the Department will
12 first serve Respondent with a written notice of alleged noncompliance.
- 13 2. The notice will include:
- 14 i. A description of the alleged noncompliance,
 - 15 ii. A statement that the Department seeks to lift the stay and impose the
16 stayed revocation and/or prohibition,
 - 17 iii. Notice that Respondent can contest the Department's determinations
18 of noncompliance in an adjudicative hearing before an
19 Administrative Law Judge of the Office of Administrative Hearings,
20 and
 - 21 iv. A statement that the notification and adjudicative hearing process
22 provided in this paragraph applies only to this Consent Order in the
23 event either Respondent chooses to contest the Department's
24 determination of noncompliance.
3. Any Respondent who wishes to contest the Department's determination of
noncompliance will have twenty days from the date of receipt of the Department's
notice to submit a written request to the Department for an adjudicative hearing.
4. The scope and issues of the adjudicative hearing are limited solely to whether or not
Respondent is in violation of the terms of this Consent Order, the Act, or related rules.
5. At the conclusion of the hearing, the administrative law judge will issue an initial
decision. Either party may file a petition for Review of the initial decision with the
Director of the Department.

1 6. **DEFAULT:** If Respondent does not timely request an adjudicative hearing or submit
2 timely a written response contesting the alleged noncompliance, the Department will
 impose the stayed revocation and/or prohibition without further notice.

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

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

7 **O. Counterparts.** This Consent Order may be executed in any number of counterparts,
8 including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed to be an
9 original, but all of which, taken together, shall constitute one and the same Consent Order.

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11 **RESPONDENT:**

JFK Financial Inc.

12 By: Katherine C. McCool

13 [Redacted Signature]

14 Katherine McCool
Operations Manager

2/16/2025

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Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 10th DAY OF February, 2025.



21 [Redacted Signature]
22 ALI HIGGS, Director
23 Division of Consumer Services
24 Department of Financial Institutions

1 Presented by:

2 [REDACTED]

3 LAURA J. DRABANDT
4 Financial Legal Examiner

5 Reviewed by:

6 [REDACTED]

7 DREW STILLMAN
8 Financial Legal Examiner Supervisor

9 Approved by:

10 [REDACTED]

11 JAMES R. BRUSSELBACK
12 Acting Enforcement Chief

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

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

7 JFK FINANCIAL INC.,
8 NMLS #6540,

9 Respondent.

No. C-24-3781-24-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST, REVOKE
LICENSE, PROHIBIT FROM INDUSTRY,
TAKE AFFIRMATIVE ACTIONS, IMPOSE
FINE, COLLECT INVESTIGATION FEE,
and RECOVER COSTS AND EXPENSES

10 **INTRODUCTION**

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

17 **I. FACTUAL ALLEGATIONS**

18 **1.1 Respondent. JFK Financial Inc. (Respondent)** was licensed by the Department of
19 Financial Institutions of the State of Washington (Department) to conduct business as a consumer
20 loan company on or about November 15, 2011, and continues to be licensed to date.

21 **1.2 Requests for Records.** On or about November 3, 2023, the Department sent a letter
22 informing Respondent it was selected for a full scope origination examination. The letter directed
23 Respondent to provide the information requested through the State Examination System (SES) by
24 December 1, 2023. The Department sent notices to Respondent on or about December 12, 2023, and
January 5, 2024, that Respondent had not provided the requested information. On or about April 8,
2024, after receiving a portion of the required information and several communications with

1 Respondent, the Department issued a subpoena for the remaining information due to the Department.
2 After phones calls and follow up emails, the subpoena due date was extended to May 6, 2024. As of
3 the date of this document, Respondent has not provided any additional information.

4 **1.3 On-Going Investigation.** The Department’s investigation into the alleged violations of the
5 Act by Respondent continues to date.

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

7 **2.1 Requirement to Produce Information.** Based on the Factual Allegations set forth in Section
8 I above, Respondent is in apparent violation of RCW 31.04.027(1)(b), RCW 31.04.145(1)(c), and
9 WAC 208-620-550(14) for having not provided the information requested in the directive and
10 subpoena.

11 **III. AUTHORITY TO IMPOSE SANCTIONS**

12 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the
13 Director may issue orders directing a licensee, its employee, loan originator, or other person subject
14 to the Act to cease and desist from conducting business in a manner that is injurious to the public or
15 violates any provision of the Act.

16 **3.2 Authority to Condition, Suspend, or Revoke License.** Pursuant to RCW 31.04.093(3)(d),
17 the Director may condition, suspend, or revoke a license for not complying with any directive, order,
18 or subpoena issued by the Director under the Act.

19 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
20 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
21 employee, mortgage loan originator, or any other person subject to the Act for failure to comply with
22 any order or subpoena issued under the Act.

23 **3.4 Authority to Order Affirmative Action.** Pursuant to RCW 31.04.093(5)(b), the Director
24 may issue an order directing a licensee, its employee, loan originator, or other person subject to the

1 Act to take such affirmative action as is necessary to comply with the Act.

2 **3.5 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 or failure to comply with any order or
5 subpoena issued by the Director under the Act.

6 **3.6 Authority to Charge Examination Fee and Investigation Fee.** Pursuant to RCW
7 31.04.145(3), WAC 208-620-590, and WAC 208-620-610(7), every licensee examined or
8 investigated by the Director or the Director's designee shall pay for the cost of the examination or
9 investigation, calculated at the rate of \$69.01 per staff hour devoted to the examination or
10 investigation, and shall pay travel costs if the licensee maintains its records outside the state.

11 **3.7 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
12 may recover the state's costs and expenses for prosecuting violations of the Act.

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

14 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
15 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
16 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
17 31.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

18 **4.1** Respondent JFK Financial Inc. cease and desist from conducting business in a manner
19 that is injurious to the public or violates any provision of the Act, including not
complying with directives and subpoenas from the Department.

20 **4.2** Respondent JFK Financial Inc.'s license to conduct the business of a consumer loan
21 company be revoked.

22 **4.3** Respondent JFK Financial Inc. be prohibited from participation in the conduct of the
23 affairs of any consumer loan company subject to licensure by the Director, in any
manner, for a period of five (5) years.

24 **4.4** Respondent JFK Financial Inc. take the following affirmative actions:

- 1 a. Provide to the Department copies of its previous two:
- 2 1. Bank Secrecy Act/Anti-Money Laundering Program (BSA/AML
- 3 Program) risk assessments.
- 4 2. BSA/AML Program independent tests/audits, including the scope of
- 5 the testing and the qualifications of the auditors (external or internal)
- 6 who performed the independent test/audit.
- 7 3. Management responses to the last two independent tests/audits,
- 8 including any document tracking, assigned personnel, required actions,
- 9 recommendations, corrective actions, due dates, and status tracking.
- 10 b. Provide to the Department copies of documentation of its Board or senior
- 11 management approval of the BSA/AML Program and Compliance Officer,
- 12 including a copy of the most recent written BSA/AML Program approved by the
- 13 Board or senior management with date of approval noted in any meeting minutes.
- 14 Include how often BSA/AML reports are presented to the Board.
- 15 c. Provide to the Department copies of all its policies, procedures, and controls
- 16 applicable to BSA/AML, the United States of America Patriot Act, Office of
- 17 Foreign Assets Control, Identity Theft Prevention, fraud prevention, suspicious
- 18 activity reporting, and record retention.
- 19 d. Provide to the Department copies of its BSA/AML training documentation,
- 20 including training materials, schedules and topics covered. The documentation
- 21 should include a spreadsheet of all employees (including senior management and
- 22 the board) that includes: Name; Title; Hire Date; Date of previous two BSA/AML
- 23 trainings.
- 24 e. Provide to the Department copies of its supervisory plans.
- f. Provide to the Department a copy of its business resumption plan.

4.5 Respondent JFK Financial Inc. pay a fine. As of the date of this Statement of Charges, the fine totals \$10,050.00.

4.6 Respondent JFK Financial Inc. pay an investigation fee. As of the date of this Statement of Charges, the investigation fee totals \$597.60.

4.7 Respondent JFK Financial Inc. maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent JFK Financial Inc.'s consumer loan business, and the name, address, email address, and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

4.8 Respondent JFK Financial Inc. pay the Department's 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 Respondent.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Revoke
3 License, Prohibit from Industry, Take Affirmative Actions, Impose Fine, Collect Examination Fee,
4 and Collect Investigation Fee (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). Respondent may make a written request
7 for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY
8 FOR HEARING accompanying this Statement of Charges.

9 Dated this 19th day of September, 2024.



10 [Redacted Signature]

11 ALI HIGGS, Director
12 Division of Consumer Services
13 Department of Financial Institutions

14 Presented by:

15 [Redacted Signature]

16 LAURA J. DRABANDT
17 Financial Legal Examiner

18 Reviewed by:

19 [Redacted Signature]

20 DREW STILLMAN
21 Financial Legal Examiner Supervisor

22 Approved by:

23 JAMES R. BRUSSELBACK
24 Acting Enforcement Chief