

ORDER SUMMARY – Case Number: C-16-1970

Name(s):

ESCS ENTERPRISES, INC. d/b/a CSE FINANCIAL,
And EARL GOODING, JR., Owner

Order Number:

C-16-1970-17-FO01

Effective Date:

June 20, 2017

License Number:

Or NMLS Identifier [U/L]

License Effect:

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until:

June 20, 2022

Investigation Costs	\$690.10	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$7,500.00	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	\$	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 type="checkbox"/> N			
No. of Victims:				

Comments:

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 Check
5 Cashers and Sellers Act of Washington by:

No.: C-16-1970-17-FO01

6 ESCS ENTERPRISES, INC. d/b/a CSE
FINANCIAL,
7 and
EARL GOODING, JR., Owner,

FINAL ORDER

8 Respondents.

9 I. DIRECTOR'S CONSIDERATION

10 A. Default. This matter has come before the Director of the Department of Financial
11 Institutions of the State of Washington (Director), through her designee, Consumer Services
12 Division Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On May
13 16, 2017, the Director, through the Director's designee, issued a Statement of Charges and Notice of
14 Intent to Enter an Order to to Ban From Industry, Require Affirmative Action, Impose Fine, and
15 Collect Investigation Fee (Statement of Charges) against ESCS Enterprises, Inc. d/b/a CSE Financial
16 and Earl Gooding, Jr., Owner (Respondents). A copy of the Statement of Charges is attached and
17 incorporated into this Order by this reference. The Statement of Charges was accompanied by a
18 cover letter dated May 17, 2017, a Notice of Opportunity to Defend and Opportunity for Hearing,
19 and a blank Application for Adjudicative Hearing for Respondents (collectively, accompanying
20 documents).

21 On May 17, 2017, the Department served Respondents with the Statement of Charges and
22 accompanying documents by United States Postal Service First-Class mail and Federal Express
23 overnight delivery. On May 19, 2017, the documents sent by Federal Express overnight delivery

1 were delivered. The documents sent by First-Class mail were not returned to the Department by the
2 United States Postal Service.

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

6 B. Record Presented. The record presented to the Director's designee for his review and
7 for entry of a final decision included the following: Statement of Charges, cover letter dated May 17,
8 2017, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for
9 Adjudicative Hearing for Respondents, with documentation for service.

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 ESCS Enterprises, Inc. d/b/a CSE Financial and Respondent Earl
17 Gooding Jr., provide the Director a plan for ceasing business operations in
conformance with WAC 208-630-836; and
- 18 2. Respondent ESCS Enterprises, Inc. d/b/a CSE Financial is banned from
19 participation in the conduct of the affairs of any check casher or check casher
with a small loan endorsement or check seller subject to licensure by the
20 Director for a period of five years, in any manner; and
- 21 3. Respondent Earl Gooding is banned from participation in the conduct of the
22 affairs of any check casher or check casher with a small loan endorsement or
check seller subject to licensure by the Director for a period of five years, in
any manner; and
- 23 4. Respondent ESCS Enterprises, Inc. d/b/a CSE Financial and Respondent Earl
24 Gooding Jr., jointly and severally pay a fine of \$7,500.00; and

1 5. Respondent ESCS Enterprises, Inc. d/b/a CSE Financial and Respondent Earl
2 Gooding pay investigation fee in the amount of \$690.10, calculated at \$69.01
 per hour for the ten (10) staff hours devoted to the investigation.

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

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

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

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

19 E. Non-compliance with Order. If you do not comply with the terms of this order,
20 **including payment of any amounts owed within 30 days of receipt of this order**, the Department
21 may seek its enforcement by the Office of the Attorney General to include the collection of the fines,
22 and fees imposed herein. The Department also may assign the amounts owed to a collection agency
23 for collection.

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

4 DATED this 20th day of June, 2017.

5 STATE OF WASHINGTON
6 DEPARTMENT OF FINANCIAL INSTITUTIONS

7 /s/ _____
8 CHARLES E. CLARK
9 Director
10 Division of Consumer Services

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 Check
6 Cashers and Sellers Act of Washington by:

7 ESCS ENTERPRISES, INC. d/b/a CSE
8 FINANCIAL,
9 and
10 EARL GOODING, JR., Owner,

11 Respondents.

No.: C-16-1970-17-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO BAN FROM INDUSTRY,
REQUIRE AFFIRMATIVE ACTION,
IMPOSE FINE, AND COLLECT
INVESTIGATION FEE

12 **INTRODUCTION**

13 Pursuant to RCW 31.45.110 and RCW 31.45.200, the Director of the Department of
14 Financial Institutions of the State of Washington (Director) is responsible for the administration
15 RCW 31.45, the Check Cashers and Sellers Act (Act). After having conducted an investigation
16 pursuant to RCW 31.45.100, and based upon the facts available as of May 05, 2017, the Director,
17 through her designee, Division of Consumer Services Director Charles E. Clark, institutes this
18 proceeding and finds as follows:

19 **I. FACTUAL ALLEGATIONS**

20 **1.1 Respondents.**

21 A. **Respondent ESCS Enterprises, Inc. d/b/a CSE Financial** was licensed by
22 the Department of Financial Institutions of the State of Washington (Department) to conduct
23 business as a check casher with a small loan endorsement on or about July 14, 2008. Respondent
24 ESCS Enterprises' license and small loan endorsement was suspended on or about April 25, 2014,
and subsequently expired on May 15, 2014. Respondent ESCS Enterprises was licensed to conduct
the business of a check casher with a small loan endorsement at one location in Washington State:
1637 E Isaacs Suite A, Walla Walla, WA 99362.

1 B. **Respondent Earl Gooding** is the Owner and self-identified manager of
2 Respondent ESCS Enterprises.

3 **1.2 Failed to Maintain Information System as Required under the Act.** Respondents
4 failed to maintain a database, Veritec Solutions (Veritec), as required by the Act. On at least one
5 occasion, Respondents failed to update a Washington State borrower’s small loan status from “open”
6 to “closed” status. Respondents’ failure curtailed the borrower’s ability to obtain a small loan until
7 the borrower’s loan status with Respondent ESCS Enterprises was accurately reflected in Veritec.
8 At the time of this Statement of Charges, Respondent ESCS Enterprises’ Veritec account shows 139
9 “open” small loans.

10 **1.3 Failed to Timely Notify Director of Business Closure.** Respondents failed to
11 provide the Department closure documents as required by the Act. The closure information should
12 have contained, at minimum, Respondent ESCS Enterprises’ financial records for the previous year,
13 and a detailed plan on how Respondents plan to wind down their business operations in Washington
14 State. Respondents also failed to notify the Department at least thirty days prior to ceasing business
15 operations.

16 **1.4 Failed to file Annual Assessment.** Respondents failed to submit their 2013 Check
17 Casher/Seller Annual Assessment Reports and Financials (AAR) by April 15, 2014. To date,
18 Respondents have not submitted the required AAR.

19 **1.5 Advertising Small Loan Lending Business.** Respondents maintained a website
20 (“www.cseloans.com”) as late as October 03, 2016, which advertised Respondent ESCS Enterprises
21 as an active and licensed small loan lender. The website contained loan terms, Respondent ESCS
22 Enterprises’ contact information, and a hyperlink to a small loan application form. The website
23 could be reasonably construed as providing a means for prospective Washington State borrowers to
24

1 obtain small loans from Respondent ESCS Enterprises despite Respondent ESCS Enterprises no
2 longer being licensed by the Department.

3 **1.6 Failed to Comply with the Department’s Subpoena.** On or about October 26,
4 2015, the Department sent Respondents a subpoena requesting information requesting, in relevant
5 part, information related to Respondents’ maintenance of Washington State borrower information on
6 Veritec, Respondents’ plan to close its business operations consistent with the requirements of the
7 Act, and communication and transaction history related to a Washington State borrower. The
8 deadline to respond to the subpoena was by 5:00PM on November 10, 2015. On or about November
9 16, 2015, the Department received an expository statement (*e.g.*, letter) from Respondent Earl
10 Gooding, Jr. The letter was untimely and did not contain the above stated required information.

11 **1.7 On-going Investigation.** The Department’s investigation into the alleged violations
12 of the Act by Respondents continues to date.

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

14 **2.1 Definition of Small Loan.** Pursuant to RCW 31.45.010(21), a “Small Loan” is
15 defined as a loan up to the maximum amount and for a period of time up to the maximum term
16 specified in RCW 31.45.073.

17 **2.2 Definition of Licensee.** Pursuant to RCW 31.45.010(13), a “Licensee” is defined as
18 a check casher or seller licensed by the director to engage in business in accordance with the Act.
19 For the purpose of the enforcement powers of the Act, including the power to issue cease and desist
20 orders under RCW 31.45.110, “Licensee” also means a check casher or seller, located within or
21 outside of this state, who fails to obtain the license or small loan endorsement required by the Act.

22 **2.3 Requirement to Comply with Director’s Administrative Rules.** Based on the
23 Factual Allegations set forth in Section I above, Respondents are in apparent violation of
24 RCW 31.45.200 and WAC 208-620-556(12) for failing to update a required database system.

1 **2.4 Requirement to Notify the Department of Change of Business Activity.** Based on
2 the Factual Allegations set forth in Section I above, Respondents are in apparent violation of
3 RCW 31.45.050(3) by failing to provide written notification of their intention to close their business
4 within 30 days before the proposed business closing.

5 **2.5 Requirement to update all Required Information for any Loans Subject to the**
6 **Act that are Outstanding and Submit a Plan for Continuing Compliance.** Based on the Factual
7 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.45.093(4)
8 for failing to submit a plan to the Director for approval within ten business days after ceasing to
9 make loans.

10 **2.6 Requirement to File Financial Statement.** Based on the Factual Allegations set
11 forth in Section I above, Respondents are in apparent violation of RCW 31.45.090 and
12 WAC 208-630-090 for failing to provide annual financial statements to the Director within one
13 hundred five days after the close of each calendar fiscal year.

14 **2.7 Requirement to not Engage in Prohibited Conduct.** Based on the Factual
15 Allegations set forth in Section I above, Respondents are in apparent violation of
16 RCW 31.45.105(2)(a), for advertising a false or misleading statement.

17 **2.8 Requirement to Comply with the Director's Investigation Authority.** Based on
18 the Factual Allegations set forth in Section I above, Respondents are in apparent violation of
19 RCW 31.45.100 for failing to respond to the Department's Subpoena.

20 **III. AUTHORITY TO IMPOSE SANCTIONS**

21 **3.1 Authority to Remove and Ban from the Industry.** Pursuant to RCW
22 31.45.110(2)(e), the Director may remove from office or ban from participation in the conduct of the
23 affairs of any licensee any director, officer, sole proprietor, partner, controlling person, or employee
24 of a licensee that is violating or has violated the Act including rules and orders, or commits any act

1 or engages in conduct that demonstrates incompetence or untrustworthiness, or is a source of injury
2 or loss to the public.

3 **3.2 Authority to Order Affirmative Action.** Pursuant to RCW 31.45.110(2)(d), the
4 Director may order or take other affirmative action as necessary to comply with this chapter against
5 any licensee or applicant, or any directors, officers, sole proprietors, partners, controlling persons, or
6 employees of a licensee or applicant.

7 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.45.110(2)(c), the Director may
8 impose a fine, not to exceed one hundred dollars per day for each day's violation of the Act, on any
9 licensee or applicant, or any director, officer, sole proprietor, partner, controlling person, or
10 employee of a licensee or applicant, that is violating or has violated the Act.

11 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 31.45.050(1),
12 RCW 31.45.100, WAC 208-630-360, and WA 208-630-380, the Director shall collect from the
13 licensee the actual cost of an examination or investigation of the business, books, accounts, records,
14 files, or other information of a licensee or person who the Director has reason to believe is engaging
15 in the business governed by the Act. The investigation charge will be calculated at the rate of \$69.01
16 per person per hour expended to the investigation, plus actual expenses.

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

18 Respondent's violations of the provisions of RCW 31.45 and WAC 208-630, as set forth in
19 the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an
20 Order under RCW 31.45.110 and RCW 31.45.200. Therefore, it is the Director's intent to ORDER
21 that:

22 **3.1** Respondent ESCS Enterprises, Inc. d/b/a CSE Financial and Respondent Earl
23 Gooding Jr., comply with RCW 31.45.093(4) by providing the Director a plan for
ceasing business operations in conformance with WAC 208-630-836; and

24 //

- 1 **3.2** Respondent ESCS Enterprises, Inc. d/b/a CSE Financial be banned from participation
2 in the conduct of the affairs of any check casher or check casher with a small loan
3 endorsement or check seller subject to licensure by the Director for a period of five
4 years, in any manner; and
- 5 **3.3** Respondent Earl Gooding be banned from participation in the conduct of the affairs
6 of any check casher or check casher with a small loan endorsement or check seller
7 subject to licensure by the Director for a period of five years, in any manner; and
- 8 **3.4** Respondent ESCS Enterprises, Inc. d/b/a CSE Financial and Respondent Earl
9 Gooding Jr., jointly and severally pay a fine of \$7,500.00; and
- 10 **3.5** Respondent ESCS Enterprises, Inc. d/b/a CSE Financial and Respondent Earl
11 Gooding pay investigation fee in the amount of \$690.10, calculated at \$69.01 per
12 hour for the ten (10) staff hours devoted to the investigation.
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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intent to Enter an Order to Statement of Charges and Notice of Intent to Enter an Order to Ban From Industry, Require Affirmative Action, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 31.45.110 and RCW 31.45.200, and is subject to the provisions of RCW 34.05 (the Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND accompanying this Statement of Charges.

Dated this 16th day of May, 2017.

/s/ _____
CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

_____/s/_____
IGOR VOLOSHIN
Financial Legal Examiner

Approved by:

_____/s/_____
STEVEN C. SHERMAN
Enforcement Chief