

**Terms Complete**  
**CONSENT ORDER SUMMARY – Case Number: C-08-270**

**Name(s):** Lexington Capital Corporation (Company)  
Xeni D. Polymeropoulos (Individual)

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**Order Number:** C-08-270-10-CO01

**Effective Date:** 8/18/2011

**License Number:** 520-CL-27693 (Star - Company), did not transition to NMLS  
(Revoked, suspended, stayed, application denied or withdrawn)  
 If applicable, you must specifically note the ending dates of terms.

**License Effect:** Surrendered (Company)

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**Not Apply Until:** 8/18/2021 (BOTH Company AND Individual)

**Prohibition/Ban Until:** NA

<b>Examination Costs</b>	\$1,006.87	Due NOW	Paid YES	Date 8/15/11
<b>Fine</b>	\$	Due	Paid Y    N	Date
<b>Assessment(s)</b>	\$	Due	Paid Y    N	Date
<b>Restitution</b>	\$	Due	Paid Y    N	Date
	No. of Victims:			

**Other:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Special Instructions:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Distribution:    Original to Enforcement File  
                     Copy to Licensing Supervisor with Licensing File and copy of Consent Order  
                     Information to Database(s) – Branch, Individual, Contact Person

RECEIVED

AUG 15 2011

DEPT. OF FINANCIAL INSTITUTIONS  
OLYMPIA, WASHINGTON

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-08-270-10-CO01

CONSENT ORDER

LEXINGTON CAPITAL CORPORATION,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Lexington Capital Corporation (Lexington), by and through Xení D. Polymeropoulos (Polymeropoulos), Lexington's sole officer and 100% owner, and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree 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), Lexington, and Polymeropoulos have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-270-10-SC01 (Statement of Charges), entered September 21, 2010, (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act, and RCW 34.05.060 of the Administrative Procedure Act, Lexington and Polymeropoulos hereby agree to the Department's entry of this Consent Order and further agree 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.

Based upon the foregoing:

CONSENT ORDER  
C-08-270-10-CO01  
Lexington Capital Corporation

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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 Lexington has been informed of the right to a  
4 hearing before an administrative law judge, and hereby waives 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, Lexington, by the signature of its representative below, withdraws its appeal to  
7 the Office of Administrative Hearings.

8           **C. Consumer Loan Company License.** It is AGREED that Lexington's license to conduct  
9 business as a consumer loan company is surrendered.

10           **D. Declaration of Non-Activity.** Lexington has provided the Department with a declaration,  
11 signed by Polymeropoulos under penalty of perjury of the laws of the State of Washington, that:

- 12           • Polymeropoulos is the sole officer and 100% owner of Lexington.
- 13           • Lexington has not engaged in any activity requiring a consumer loan  
14           company license from the Department after December 31, 2007.
- 15           • Lexington has no assets.

16           **E. Application for License – Lexington and Polymeropoulos.** It is AGREED that, for a  
17 period of ten years from the date of entry of this Consent Order, Lexington shall not apply to the  
18 Department for any license under any name, and Polymeropoulos shall not apply to the Department  
19 for any license under any name. It is further AGREED that nothing in this Consent Order shall be  
20 construed as relieving Lexington or Polymeropoulos from the obligation to comply with the licensing  
21 requirements of any laws administered by the Department, including but not limited to the Consumer  
22 Loan Act (RCW 31.04), the Mortgage Broker Practices Act (RCW 19.146), the Escrow Agent and  
23 Registration Act (RCW 18.44), the Uniform Money Services Act (RCW 19.230), and the Check  
24 Cashers and Sellers Act (RCW 31.45), and the rules adopted thereunder. It is further AGREED that,



1 should Lexington or Polymeropoulos or both apply to the Department for any license under any name  
2 at any time later than ten years from the date of entry of this Consent Order, each applicant shall be  
3 required to meet any and all application requirements in effect at that time.

4 **F. Examination Fee.** It is AGREED that Lexington and Polymeropoulos shall pay to the  
5 Department an examination fee of \$1,006.87, in the form of a cashier's check made payable to the  
6 "Washington State Treasurer," upon entry of this Consent Order.

7 **G. Authority to Execute Order.** It is AGREED that the undersigned has represented and  
8 warranted that she has the full power and right to execute this Consent Order on behalf of Lexington.

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

14 **I. Voluntarily Entered.** It is AGREED that Lexington and Polymeropoulos have  
15 voluntarily entered into this Consent Order, which is effective when signed by the Director's  
16 designee.

17 **J. Completely Read, Understood, and Agreed.** It is AGREED that Lexington and  
18 Polymeropoulos have read this Consent Order in its entirety and fully understand and agree to all of  
19 the same.

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1 **RESPONDENT:**

2 **Lexington Capital Corporation**

3 By:

[Redacted signature]

Xeni D. Polymeropoulos  
Sole Officer and 100% Owner

8-13-11  
Date

[Redacted signature]

Xeni D. Polymeropoulos  
Individually

8-13-11  
Date

8 **DO NOT WRITE BELOW THIS LINE**

9 THIS ORDER ENTERED THIS 18<sup>th</sup> DAY OF August, 2011



[Redacted signature]

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

15 Presented by:

[Redacted signature]

16 MARK T. OLSON  
17 Financial Legal Examiner

19 Approved by:

[Redacted signature]

21 JAMES R. BRUSSELBACK  
22 Enforcement Chief

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

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

NO. C-08-270-10-SC01

LEXINGTON CAPITAL CORPORATION,

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO REVOKE LICENSE, IMPOSE FINE,  
FILE ANNUAL REPORTS, COLLECT ANNUAL  
ASSESSMENTS, ASSESS LATE PENALTY,  
COLLECT COSTS OF EXAMINATION AND  
INVESTIGATION, AND MAINTAIN RECORDS

Respondent.

**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, the Director, by and through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Lexington Capital Corporation (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 March 25, 2005, and continues to be licensed to date. Respondent is licensed to conduct business as a consumer loan company at the following location: 3 Imperial Promenade Ste 100, Santa Ana, California (licensed location).

**1.2 Failure to Pay Cost of Examination.** In or around May 2007 and June 2007, the Department conducted an examination of the books and records of Respondent's consumer loan company business. On or about July 3, 2007, the Department sent Respondent an invoice in the amount of \$3,726 for the cost of the examination, with a due date of August 2, 2007. The Department subsequently sent Respondent letters on or about September 7, 2007, and on or about October 4, 2007, each requesting payment and indicating interest was



1 accruing, and each with invoices for the examination fee enclosed. As of the date of this Statement of Charges,  
2 Respondent has not paid the cost of the examination. As of August 31, 2010, the cost of the examination,  
3 including accrued interest, totaled \$5,104.02.

4 **1.3 Failure to Maintain Bond.** On or about April 29, 2008, the Department received a notice from  
5 Hartford Fire Insurance Company that Respondent's surety bond would be cancelled, effective June 16, 2008.  
6 From June 16, 2008 through the date of this Statement of Charges, Respondent has not maintained the required  
7 surety bond or permitted substitute.

8 **1.4 Failure to File Reports.** A Consolidated Annual Report and an Annual Assessment Report,  
9 concerning the business and operations of each licensed place of business conducted during the preceding  
10 calendar year, are due to the Department on or before the first day of March or within 30 days of closure. A  
11 licensee is subject to a penalty of \$50 per report for each day's delay in filing required reports. As of the date of  
12 this Statement of Charges, Respondent has not filed a Consolidated Annual Report and an Annual Assessment  
13 Report for each of the calendar years 2008 and 2009, due to the Department on or before March 1, 2009, and  
14 March 1, 2010, respectively. If Respondent has closed, it did not file a Consolidated Annual Report and Annual  
15 Assessment Report within 30 days of closure.

16 **1.5 Failure to Pay Annual Assessments.** Payment of an annual assessment, as calculated on the Annual  
17 Assessment Report, is due to the Department on or before the first day of March or within 30 days of closure.  
18 As of the date of this Statement of Charges, Respondent has not paid an annual assessment for each of the  
19 calendar years 2008 and 2009, due to the Department on or before March 1, 2009, and March 1, 2010,  
20 respectively. If Respondent has closed, it did not pay an annual assessment within 30 days of closure.

21 **1.6 Failure to Notify Department of Significant Developments.**

- 22 • Correspondence sent by the Department to Respondent's licensed location has been returned as  
23 "undeliverable" since at least in or around February 2008. In or around June 2010, the Department  
24 received confirmation from the United States Postal Service that Respondent had moved from the  
25 licensed location and a forwarding order had expired. As of the date of this Statement of Charges,  
Respondent has not notified the Department of this change in its principal place of business and this  
change in its mailing address.

- 1 • As discussed in paragraph 1.3 above, Respondent's surety bond was cancelled in 2008. As of the  
2 date of this Statement of Charges, Respondent has not notified the Department of receipt of  
notification of cancellation of Respondent's surety bond.
- 3 • Respondent's corporate license expired on or about February 28, 2009. As of the date of this  
4 Statement of Charges, Respondent has not notified the Department of this expiration of  
Respondent's Washington state master business license and this change in standing with the state of  
Washington Secretary of State.
- 5 • If Respondent has closed, it has not notified the Department of such closure as of the date of this  
6 Statement of Charges.

7 **1.7 Failure to Obtain Approval to Maintain Records at an Out-Of-State Location.** As discussed in  
8 paragraph 1.6 above, Respondent is no longer located at its licensed location. As of the date of this Statement  
9 of Charges, Respondent has not requested approval in writing to maintain its records at any out-of-state location  
10 other than its licensed location.

11 **1.8 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
12 Respondent continues to date.

## 13 II. GROUNDS FOR ENTRY OF ORDER

14 **2.1 Requirement to Pay Cost of Examination.** Based on the Factual Allegations set forth in Section I  
15 above, Respondent is in apparent violation of RCW 31.04.145(3) and WAC 208-620-590(3) for failing to pay  
16 the Director the cost of an examination within thirty days after the Department submitted an invoice to  
Respondent for the cost of such examination.

17 **2.2 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I  
18 above, Respondent is in apparent violation of RCW 31.04.045(6)<sup>1</sup> for failing to maintain in effect a surety bond  
19 or permitted substitute.

20 **2.3 Requirement to File Annual Reports.** Based on the Factual Allegations set forth in Section I above,  
21 Respondent is in apparent violation of RCW 31.04.155, WAC 208-620-430(1), WAC 208-620-460(1), and  
22 WAC 208-620-499(2) for failing to file a Consolidated Annual Report and an Annual Assessment Report with  
the Director on or before the first day of March of each year, or within thirty days of closure, giving such

23 \_\_\_\_\_  
24 <sup>1</sup> Codified as RCW 31.04.045(3) prior to January 1, 2010.



1 relevant information as the Director may reasonably require concerning the business and operations of each  
2 licensed place of business conducted during the preceding calendar year.

3 **2.4 Requirement to Pay Annual Assessment.** Based on the Factual Allegations set forth in Section I  
4 above, Respondent is in apparent violation of RCW 31.04.085, WAC 208-620-430(1), WAC 208-620-460(1),  
5 and WAC 208-620-499(2) for failing to pay an annual assessment, as calculated on the Annual Assessment  
6 Report, to the Director on or before the first day of March of each year, or within thirty days of closure.

7 **2.5 Requirement to Report Significant Developments.** Based on the Factual Allegations set forth in  
8 Section I above, Respondent is in apparent violation of:

- 9 • RCW 31.04.075 and WAC 208-620-490(1)(a) for failing to notify the Department in writing at  
10 least ten days prior to a change in Respondent's principal place of business.
- 11 • WAC 208-620-490(1)(f) for failing to notify the Department in writing at least ten days prior to  
12 closure.
- 13 • WAC 208-620-490(2) for failing to notify the Department in writing within ten days of: a change in  
14 Respondent's mailing address, telephone number, fax number, or e-mail address; cancellation or  
15 expiration of Respondent's Washington state master business license; a change in Respondent's  
16 standing with the state of Washington secretary of state, including the resignation or change of the  
17 registered agent; and receipt of a notification of cancellation of Respondent's surety bond.

18 **2.6 Requirement to Maintain Records.** Pursuant to RCW 31.04.155 and WAC 208-620-520, a licensee  
19 shall preserve the books, accounts, records papers, documents, files, and other information relevant to a loan for  
20 at least twenty-five months after making the final entry on any loan. Pursuant to WAC 208-620-380, an out-of-  
21 state licensee must request approval from the Department in writing to maintain a licensee's records at an out-  
22 of-state location and must agree to provide the Department access to the records.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3) and WAC 208-620-570, the Director  
3 may revoke a license if a licensee: has failed to pay any fee due the state of Washington; has failed to maintain  
4 in effect the bond or permitted substitute; or, either knowingly or without the exercise of due care, has violated  
5 any provision of the Act or any rule adopted under the Act.

6 **3.2 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one  
7 hundred dollars per day upon the licensee for any violation of the Act.

8 **3.3 Authority to Issue Order to Take Affirmative Action.** Pursuant to RCW 31.04.093(5), the Director  
9 may issue an order directing the licensee, its employee or loan originator, or other person subject to the Act, to  
10 take such affirmative action as is necessary to comply with the Act.

11 **3.4 Authority to Assess Report Late Penalties.** Pursuant to RCW 31.04.155 and WAC 208-620-430(2), a  
12 licensee that fails to file a report that is required to be filed by the Act, within the time frame required under the Act,  
13 is subject to a penalty of fifty dollars per report for each day of delay. The maximum late penalty that will be  
14 assessed is five thousand dollars per year.

15 **3.5 Authority to Collect Cost of Examination and Investigation.** Pursuant to RCW 31.04.145(3) and WAC  
16 208-620-590, every licensee examined or investigated by the Director or the Director's designee shall pay to the  
17 Director the cost of the examination or investigation, calculated at the rate of \$69.01 per staff hour spent on the  
18 examination or investigation. Pursuant to RCW 43.17.240, interest at the rate of one percent per month, or fraction  
19 thereof, shall accrue on debts owed to the state, starting on the date the debts become past due.

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1 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

6 **4.1** Respondent Lexington Capital Corporation's license to conduct business as a consumer loan company be  
7 revoked.

8 **4.2** Respondent Lexington Capital Corporation pay a fine. As of the date of this Statement of Charges, the fine  
9 totals \$20,000.

10 **4.3** Respondent Lexington Capital Corporation provide the Department with a completed Consolidated Annual  
11 Report and a completed Annual Assessment Report, including all required supporting documentation, for each of  
12 the calendar years ended December 31, 2008, and December 31, 2009, respectively, and for the calendar year in  
13 which Respondent Lexington Capital Corporation closed.

14 **4.4** Respondent Lexington Capital Corporation pay a \$10,000 penalty (\$5,000 per year) for failing to file a  
15 Consolidated Annual Report and an Annual Assessment Report for each of the calendar years ended December 31,  
16 2008, and December 31, 2009, respectively, by March 1, 2009, and March 1, 2010, respectively.

17 **4.5** Respondent Lexington Capital Corporation pay an annual assessment for each of the calendar years ended  
18 December 31, 2008, and December 31, 2009, respectively, and for the calendar year in which Respondent  
19 Lexington Capital Corporation closed, as calculated in accordance with the instructions for the Annual Assessment  
20 Report for each of those years.

21 **4.6** Respondent Lexington Capital Corporation pay the cost of the Department's 2007 examination. As of the  
22 date of this Statement of Charges, the cost of the examination totals \$1,006.87.<sup>2</sup>

23 **4.7** Respondent Lexington Capital Corporation pay the cost of the Department's investigation. As of the date  
24 of this Statement of Charges, the cost of the investigation totals \$3,450.50.

25 **4.8** Respondent Lexington Capital Corporation, its officers, employees, and agents maintain records in  
compliance with the Act and provide the Director with the location of the books, records and other information  
relating to Respondent Lexington Capital Corporation's 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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<sup>2</sup> In or around September 2010, the Department received \$4,097.15 from Hartford Fire Insurance Company pursuant to a claim made on Respondent's surety bond for the cost of the examination, including interest accrued through the effective date of cancellation of that bond.



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**V. AUTHORITY AND PROCEDURE**

This Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Impose Fine, File Annual Reports, Collect Annual Assessments, Assess Late Penalty, Collect Costs of Examination and Investigation, and Maintain Records is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 21<sup>st</sup> day of September, 2010.



[Redacted signature]

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

[Redacted signature]

MARK T. OLSON  
Financial Legal Examiner

Approved by:

[Redacted signature]

JAMES R. BRUSSELBACK  
Enforcement Chief