

Terms Completed

ORDER SUMMARY – Case Number: C-21-3116

Name: Meratas Inc.

Order Number: C-21-3116-22-CO01

Effective Date: April 15, 2022

NMLS Number: 2120180

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$4,444.00		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$350.00	Due	Paid <input checked="" type="checkbox"/> Y <input 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
Financial Literacy and Education	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
No. of Victims:				

Comments: Meratas has agreed not to add additional student education loans to its servicing portfolio until it obtains a consumer loan company license. Meratas’s consumer loan company license application is pending and will be processed in due course.

**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-21-3116-22-CO01

CONSENT ORDER

MERATAS INC.,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Service Director, and Meratas 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 Order. This Consent Order is entered pursuant to Revised Code of Washington (RCW) 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, based upon the following:

FINDINGS OF FACT

1.1 Generally, in an income share agreement (ISA), a student agrees to repay a school a fixed percentage of the student's future gross income after graduation, but only if the student is employed and making more than an agreed-upon amount.

1.2 Residents of Washington State (Washington Consumers) entered into ISAs to finance postsecondary education and the costs of attendance at financial institutions.

1.3 From on or about October 30, 2019, to at least March 10, 2022, Respondent received scheduled periodic payments from Washington Consumers pursuant to the terms of ISAs, applied those payments to the Washington Consumers' accounts, and performed other administrative services with respect to the ISAs.

1 **1.4** Respondent has never obtained a consumer loan company license in accordance with the Act
2 from the Department of Financial Institutions of the State of Washington (Department).

3 **1.5** On or about December 21, 2021, Respondent submitted to the Department an application for a
4 license to engage in the business of a consumer loan company under the Act. The application is
5 pending.

6 **CONCLUSIONS OF LAW**

7 **2.1** Based on the above Findings of Fact, the ISAs are “student education loans” as defined by
8 RCW 31.04.015(32), the Washington Consumers that entered into the ISAs are “student education
9 loan borrowers” as defined by RCW 31.04.015(33), and Respondent engaged in “student education
10 loan servicing” as defined by RCW 31.03.015(35).

11 **2.2** Based on the above Findings of Fact, Respondent violated RCW 31.04.035 by servicing
12 student education loans without first obtaining and maintaining a license in accordance with the Act
13 or meeting an exclusion from the Act under RCW 31.04.025 or an exemption from the licensing
14 requirement under RCW 31.04.420.

15 **AGREEMENT AND ORDER**

16 The Department and Respondent have agreed upon a basis for resolution of the Findings of
17 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 31.04.093(7) and
18 RCW 34.05.060, Respondent and the Department agree to entry of this Consent Order and further
19 agree that the matters alleged herein may be economically and efficiently settled by the entry of this
20 Consent Order.

21 Based upon the foregoing:

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

1 **B. Waiver of Hearing.** It is AGREED that Respondent hereby waives any right it has to a hearing
2 and any and all administrative and judicial review of the issues raised in this matter or the resolution
3 reached herein.

4 **C. Consumer Loan License Required.** It is AGREED that Respondent understands that, in
5 order to service student education loans made to Washington State residents, Respondent must obtain
6 a consumer loan company license in accordance with the Act or qualify for an exclusion or
7 exemption from licensing as delineated in the Act. It is FURTHER AGREED that Respondent will
8 not add any new student education loans to its servicing portfolio until it obtains a license in
9 accordance with the Act.

10 **D. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
11 \$350.00, upon delivery of this Consent Order, properly dated and signed.

12 **E. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the
13 Department in the amount of \$4,444.00, upon delivery of this Consent Order, properly dated and
14 signed. It is FURTHER AGREED that the Fine and Investigation Fee shall be paid together in one
15 cashier's check in the amount of \$4,794.00, made payable to the "Washington State Treasurer."

16 **F. Records Retention.** It is AGREED that Respondent, its officers, employees, and agents shall
17 maintain records in compliance with the Act and provide the Director with the location of the books,
18 records and other information relating to Respondent's student education loan servicing business
19 conducted prior to licensure, and the name, address and telephone number of the individual
20 responsible for maintenance of such records in compliance with the Act.

21 **G. Application for Consumer Loan Company License.** It is AGREED that the entry of this
22 Consent Order will not preclude Respondent from obtaining a consumer loan company license
23 pursuant to Respondent's pending consumer loan company license application with the Department.

1 It is FURTHER AGREED that, upon payment to the Department of the sums required under
2 paragraphs D and E of this Consent Order, SO LONG AS all requirements under chapters 31.04
3 RCW and 208-620 WAC are satisfactorily met and the application is complete as determined by the
4 Department, the Department will process Respondent's pending consumer loan company license
5 application in due course. Respondent will be timely notified of any additional licensing
6 requirements.

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

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

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

15 **K. Authority to Execute Order.** It is AGREED that the undersigned authorized representative
16 has represented and warranted that he has the full power and right to execute this Consent Order on
17 behalf of Respondent.

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

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1 **RESPONDENT:**

Meratas Inc.

2 By:

3 _____
/s/

4 Darius Goldman
Authorized Representative

4/4/22

Date

6
7 **DO NOT WRITE BELOW THIS LINE**

8
9 THIS ORDER ENTERED THIS 15 DAY OF April, 2022.



11 _____
/s/

12 LUCINDA FAZIO, Director
13 Division of Consumer Services
14 Department of Financial Institutions

14 Presented by:

15 _____
/s/

16 AMANDA J. HERNDON
17 Financial Legal Examiner

18 Approved by:

19 _____
20 JACK McCLELLAN
Enforcement Chief