ORDER SUMMARY – Case Number: C-15-1804

Name(s): William McKibbin

Order Number: C-15-1804-16-FO02

Effective Date: April 22, 2016

License Number: UL
NMLS: 1483209

Or **NMLS Identifier** [U/L]

License Effect:

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until: Permanent

Investigation Costs	$4,000	Due	Paid ☐ Y ☒ N	Date
Fine	$110,000	Due	Paid ☐ Y ☒ N	Date
Assessment(s)	$	Due	Paid ☐ Y ☐ N	Date
Restitution	See terms of Final Order	Due	Paid ☐ Y ☐ N	Date
Judgment	$	Due	Paid ☐ Y ☐ N	Date
Satisfaction of Judgment Filed?		☐ Y ☐ N		
No. of Victims:				

Comments:

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: AUTO LOANS, LLC A/K/A CAR LOAN, LLC A/K/A LIQUIDATION, LLC A/K/A VEHICLE LIQUIDATION, LLC A/K/A SOVEREIGN LENDING SOLUTIONS A/K/A TITLE LOAN AMERICA; and WILLIAM MCKIBBIN, Principal; Respondents.	No.: C-15-1804-16-FO02 FINAL ORDER RE: WILLIAM MCKIBBIN

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On December 29, 2015, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Impose Fine, Order Restitution, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) against Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America (Respondent Auto Loans) and William McKibbin (Respondent McKibbin). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated March 16, 2016, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On March 16, 2016, the Department served Respondent McKibbin with the Statement of Charges and accompanying documents by First-Class mail. The documents sent by First-Class mail were not returned to the Department by the United States Postal Service.

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

B. Record Presented. The record presented to the Director's designee for his review and for entry of a final decision included the following:

> Statement of Charges, cover letter dated March 16, 2016, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents, with documentation of service.

C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the Director's designee hereby adopts the Statement of Charges, which is attached hereto.

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II. FINAL ORDER

Based upon the foregoing, and the Director's designee having considered the record and being otherwise fully advised, NOW, THEREFORE:

A. IT IS HEREBY ORDERED, That:

1. Respondent McKibbin cease and desist from engaging in the business of a consumer loan company in the state of Washington by making, servicing, collecting, or assigning any loan made to any resident in the state of Washington.

2. Respondent McKibbin is prohibited from participation in the conduct of the affairs of any consumer loan company subject to licensure by the Director.

3. Respondent McKibbin pay a fine of $110,000.

4. Respondent McKibbin pay a refund of all fees and interest charged to each Washington resident to whom Respondent Auto Loans made loans.

5. Respondent McKibbin pay an investigation fee of $4,000.

6. Respondent McKibbin maintain records in compliance with chapter 31.04 RCW, the Consumer Loan Act (Act) and provide the Director with the location of the books, records and other information relating to Respondent Auto Loans' consumer loan business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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

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

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

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

E. Non-compliance with Order. If Respondent McKibbin does not comply with the terms of this order, **including payment of any amounts owed within 30 days of receipt of this order,** the Department may seek its enforcement by the Office of the Attorney General of the State of Washington to include the collection of the fines, restitution, fees, costs, and expenses imposed herein. The Department also may assign the amounts owed to a collection agency for collection.

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

DATED this 22nd day of April, 2016.

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

[redacted]

CHARLES E. CLARK
Director
Division of Consumer Services

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: AUTO LOANS, LLC A/K/A CAR LOAN, LLC A/K/A LIQUIDATION, LLC A/K/A VEHICLE LIQUIDATION, LLC A/K/A SOVEREIGN LENDING SOLUTIONS A/K/A TITLE LOAN AMERICA; and WILLIAM MCKIBBIN, Principal; Respondents.	No. C-15-1804-15-SC01 STATEMENT OF CHARGES and NOTICE OF INTENTION TO ENTER AN ORDER TO CEASE AND DESIST, PROHIBIT FROM INDUSTRY, IMPOSE FINE, ORDER RESTITUTION, 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).[1] 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 Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Impose Fine, Order Restitution, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges), the Director, through his designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

[1] RCW 31.04 (Amended 2009; Effective January 1, 2010)

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

A. Respondent Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America (Respondent Auto Loans) is known to have engaged in business from numerous addresses located in Florida, Indiana, Nevada, and the Cook Islands. Respondent Auto Loans has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to engage in the business of a consumer loan company.

B. Respondent William McKibbin (Respondent McKibbin) was a principal of Respondent Auto Loans at all times relevant to this Statement of Charges.

1.2 Unlicensed Activity. Between at least June 2013, and the date of this Statement of Charges, Respondents engaged in the business of a consumer loan company in at least 13 loan transactions when Respondents did not possess a valid consumer loan license and were not exempt from licensing. Respondents made loans to at least 13Washington residents and collected fees for those services.

1.3 Unfair or Deceptive Practices. In at least 13 loan transactions Respondents engaged in unfair or deceptive practices by holding themselves out as being authorized to make loans to Washington residents when in fact they did not possess a valid consumer loan license and were not exempt from licensing, and by charging usurious interest rates.

1.4 Obtaining Property by Fraud or Misrepresentation. In at least 13 loan transactions Respondents obtained property by fraud or misrepresentation by misrepresenting the terms of loans that they made to Washington residents, and by placing liens on Washington residents' automobiles. In at least five loan transactions Respondents repossessed Washington residents' automobiles.

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

II. GROUNDS FOR ENTRY OF ORDER

2.1 Definition of Loan. Pursuant to RCW 31.04.015(11) and WAC 208-320-010, a "loan" means a sum of money lent at interest or for a fee or other charge and includes both open-end and closed-end loan transactions.

2.2 Definition of Making a Loan. Pursuant to RCW 31.04.015(13) and WAC 208-320-010, "making a loan" means advancing, offering to advance, or making a commitment to advance funds to a borrower for a loan.

2.3 Requirement to Obtain and Maintain License in Accordance with the Act. Based on the Factual Allegations set forth in Section 1.2 above, Respondents are in apparent violation of RCW 31.04.035 and WAC 208-620-230 for engaging in the business of making secured or unsecured loans to at least one Washington resident without first obtaining and maintaining a license in accordance with the Act or meeting an exemption from the Act under RCW 31.04.025.

2.4 Unfair or Deceptive Practices. Based on the Factual Allegations set forth in Section 1.3 above, Respondents are in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging in any unfair or deceptive practice toward any person.

2.5 Obtaining Property by Fraud or Misrepresentation. Based on the Factual Allegations set forth in Section 1.4 above, Respondents are in apparent violation of RCW 31.04.027(3) for directly or indirectly obtaining property by fraud or misrepresentation.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Issue an Order to Cease and Desist. Pursuant to RCW 31.04.093(5)(a), the Director may issue orders directing any person subject to the Act to cease and desist from conducting business in a manner that is injurious to the public or violates any provision of the Act.

3.2 Authority to Order Affirmative Action. Pursuant to RCW 31.04.093(5)(b), the Director may issue an order directing any person subject to the Act to take such affirmative action as is necessary to comply with the Act.

3.3 Authority to Prohibit from the Industry. Pursuant to RCW 31.04.093(6), the Director may issue an order prohibiting from participation in the affairs of any licensee, any officer, principal, employee, or any other person subject to the Act for a violation of RCW 31.04.027, RCW 31.04.102, RCW 31.04.155, or RCW 31.04.221; or failure to obtain a license for activity that requires a license.

3.4 Authority to Impose Fine. Pursuant to RCW 31.04.093(4)(a), the Director may impose fines of up to one hundred dollars per day, per violation, upon any person subject to the Act for any violation of the Act.

3.5 Authority to Order Restitution. Pursuant to RCW 31.04.093(5)(c), the Director may issue an order directing any person subject to the Act to make a refund or restitution to a borrower or other person who is damaged as a result of a violation of the Act.

3.6 Authority to Order Refund. Pursuant to RCW 31.04.035(2)(b), any person who makes a nonresidential loan without first obtaining and maintaining a license in accordance with the Act, except those exempt under RCW 31.04.025, must refund any fees or interest charged to the borrower.

3.7 Authority to Collect Investigation Fee. Pursuant to RCW 31.04.145(3), every licensee investigated by the Director or the Director's designee shall pay for the cost of the investigation, calculated at the rate of $69.01 per staff hour devoted to the investigation.

3.8 Authority to Recover Costs and Expenses. Pursuant to RCW 31.04.205(2), the Director may recover the State's costs and expenses for prosecuting violations of the Act, including staff time spent preparing for and attending administrative hearings and reasonable attorneys' fees.

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IV. NOTICE OF INTENTION TO ENTER ORDER

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

4.1 Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America and William McKibbin cease and desist from engaging in the business of a consumer loan company in the state of Washington by making, servicing, collecting, or assigning any loan made to any resident in the state of Washington.

4.2 Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America and William McKibbin be prohibited from participation in the conduct of the affairs of any consumer loan company subject to licensure by the Director.

4.3 Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America and William McKibbin jointly and severally pay a fine of $110,000.

4.4 Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America and William McKibbin jointly and severally pay restitution to each Washington resident to whom they made loans and whose automobiles they repossessed, in an amount to be determined at hearing.

4.5 Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America and William McKibbin jointly and severally pay a refund of all fees and interest charged to each Washington resident to whom the made loans.

4.6 Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America and William McKibbin jointly and severally pay an investigation fee. As of the date of this Statement of Charges, the investigation fee totals $4,000.

4.7 Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America and William McKibbin jointly and severally pay the State's costs and expenses, in an amount to be determined at hearing.

4.8 Respondents Auto Loans, LLC a/k/a Car Loan, LLC a/k/a Liquidation, LLC a/k/a Vehicle Liquidation, LLC a/k/a Sovereign Lending Solutions a/k/a Title Loan America and William McKibbin maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondents' consumer loan 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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V. AUTHORITY AND PROCEDURE

This Statement of Charges 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). Respondents 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 29th day of December, 2015.

[redacted]

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

Presented by:

[redacted]

KENNETH J. SUGIMOTO
Financial Legal Examiner

Approved by:

[redacted]

STEVEN C. SHERMAN
Enforcement Chief