

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

**IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Check Cashers and Sellers Act of Washington by:**

NO. C-13-1356-14-C001
C-13-1371-14-C001

ACTION PDL SERVICES, LLC d/b/a ACTION PAYDAY; JEREMY D. SHAFFER, Co-Manager; and JOSHUA L. MITCHEM, Co-Manager;

**CONSENT ORDER FOR
ACTION PDL SERVICES, LLC and
INTEGRITY PDL SERVICES, LLC**

and

INTEGRITY PDL SERVICES, LLC d/b/a
INTEGRITY PAYDAY LOANS d/b/a IPL TODAY
and JOSHUA L. MITCHEM, Manager,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Action PDL Services, LLC d/b/a Action Payday (Respondent Action PDL), Integrity PDL Services, LLC d/b/a Integrity Payday Loans d/b/a IPL Today Respondent Integrity PDL), by and through their attorney, John L. Bley, and finding that the issues raised in the above-captioned matter may be economically and efficiently settled as to Respondents Action PDL and Integrity PDL, agree to the entry of this Consent Order.

This Consent Order is entered pursuant to chapter chapters 31.45 RCW, the Check Cashers and Sellers Act, 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 Respondents Action PDL and Integrity PDL have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-13-1356-14-SC01 and Statement of Charges No. C-13-1371-14-SC01, entered February 5, 2014, collectively "Statements of Charges," copies attached hereto) as they relate to Respondents Action PDL and Integrity PDL. Pursuant to chapter 31.45 RCW, the Check Cashers and Sellers Act, and RCW 34.05.060 of the

CONSENT ORDER
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ACTION PDL SERVICES, LLC
and INTEGRITY PDL SERVICES, LLC

1 Administrative Procedure Act, Respondents Action PDL and Integrity PDL hereby agree to the Department's
2 entry of this Consent Order and further agree that the issues raised in the above-captioned matter may be
3 economically and efficiently settled by entry of this Consent Order.

4 Based upon the foregoing:

5 **A. Respondent Entities.** This Consent Order shall extend to My Next Day Cash, Red Leaf Lending,
6 SCS Processing, VIP Loan Shop, Bottom Dollar Payday, Fast E Funds, Iggy Loans, My Quick Cash, and Lend Me
7 Now (collectively with Respondent Action PDL and Respondent Integrity PDL "Respondent Entities") or anyone
8 acting on their behalf, including but not limited to their principals, directors, officers, shareholders, employees,
9 successors or assignees of the named corporate respondents in this action, and agents in active concert or
10 participation with any of the foregoing who are involved in the conduct of business that is the subject of this
11 litigation and to any corporations, company, business entity, or other entity or device through which Respondent
12 Entities may now or hereafter act or conduct business that is the subject of this litigation. It is AGREED that My
13 Next Day Cash, Red Leaf Lending, SCS Processing, VIP Loan Shop, Bottom Dollar Payday, Fast E Funds, Iggy
14 Loans, My Quick Cash, and Lend Me Now were not named as respondents in Respondent Action PDL Services'
15 Statement of Charges No. C-13-1356-14-SC01 or Respondent Integrity PDL Services' Statement of Charges No.
16 C-13-1371-14-SC01 but agree to be legally bound by the terms of this Consent Order as if they had been named as
17 respondents in the aforementioned Statements of Charges. My Next Day Cash, Red Leaf Lending, SCS
18 Processing, VIP Loan Shop, Bottom Dollar Payday, Fast E Funds, Iggy Loans, My Quick Cash, and Lend Me
19 Now agree to be jointly and severally liable for the financial obligations of this Consent Order with Respondents
20 Action PDL and Integrity PDL.

21 **B. Jurisdiction.** Respondent Entities consent to the jurisdiction of the Department to enter this Consent
22 Order, and solely for purposes of entering into this Consent Order, as well as the jurisdiction of the Department
23 and Washington State courts to the extent required for the Department to enforce all terms contained in this
24
25

1 Consent Order, including but not limited to this provision. The limited consent provided herein may not be
2 construed as a waiver or consent to jurisdiction for any other purpose as to the Respondent Entities.

3 **C. Waiver of Hearing.** It is AGREED that Respondents Action PDL and Integrity PDL have been
4 informed of their right to a hearing before an administrative law judge, and hereby waive their right to a hearing
5 and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondents Action PDL and Integrity PDL, by the signatures of their representatives
7 below, withdraw their appeal to the Office of Administrative Hearings.

8 **D. No Admission of Liability.** The parties intend this Consent Order to fully resolve the Statements of
9 Charges and agree that Respondent Entities neither admit nor deny any of the allegations contained in the
10 Statements of Charges.

11 **E. Cease and Desist.** Respondent Entities have represented to the Department that Respondent Entities
12 ceased making small loans to individuals located in Washington prior to May 15, 2014. Further, Respondent
13 Entities represented to the Department that Respondent Entities ceased collecting payments on loans made to
14 individuals located in Washington, that loans made to individuals located in Washington have been written-off or
15 charged-off, and that loans made to individuals in Washington have not been sold, transferred, or assigned to any
16 affiliates or other third parties since prior to May 15, 2014. The Department AGREES to take no further
17 enforcement action against Respondent Entities for lending activities related to individuals located in Washington
18 that occurred prior to May 15, 2014.

19 **F. Agreement to Not Conduct Business with Individuals Located in Washington State.** It is
20 AGREED that Respondent Entities shall not conduct the business of a Check Casher or Check Seller with a
21 small loan endorsement with respect to any individual located in the state of Washington. Respondent Entities
22 agree that this provision precludes them from making small loans to any individual located in the state of
23 Washington. Respondent Entities further agree that any loans they made previously made to any individual
24 located in the state of Washington are not enforceable or collectable. Respondent Entities further agree that

1 they will not collect or attempt to collect outstanding loans that have been made to any individual located in the
2 state of Washington. It is further AGREED that Respondent Entities shall not sell, transfer, or assign any small
3 loans made to individuals located in the state of Washington.

4 **G. Restitution to Washington Borrowers.** It is AGREED that Respondent Entities provided funds
5 to a non-affiliated escrow company in the amount of \$21,553.50 to be placed in a trust account and distributed
6 to Washington borrowers identified on Appendix A who filed complaints with the Department prior to entry of
7 this Consent Order. These borrowers identified on Appendix A shall receive refunds for all fees and interest
8 collected by Respondent Entities, which total \$21,553.50. Upon entry of this Consent Order, Respondent
9 Entities shall promptly provide the escrow company with a copy of this Consent Order. Within 30 days from
10 entry of this Consent Order, Respondent Entities shall cause the escrow company to mail restitution payments
11 to the borrowers identified on Appendix A. Each mailed restitution check must be accompanied by an
12 explanatory letter discussing the restitution payment. A copy of the explanatory language is attached as
13 Appendix B. All expenses associated with the escrow company, including but not limited to the cost of
14 mailings and stop payment fees, shall be borne by Respondent Entities. If restitution cannot be made to any
15 particular borrower, Respondent Entities shall cause the escrow company to take the necessary steps to escheat
16 such funds to the state of Washington as unclaimed property in the name of the borrower. It is further agreed
17 that, within 120 days from the entry of this Consent Order, Respondent Entities shall cause the escrow
18 company to provide the Department with an affidavit attesting that the entire restitution amount has either been
19 received by borrowers or escheated to the state.

20 **H. Fine.** It is AGREED that Respondent Entities shall pay to the Department a fine of \$178,620 in the
21 form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

22 **I. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the consent
23 of any person or entity not a party to this Consent Order to take any action concerning their personal legal
24 rights. It is further AGREED that for any person or entity not a party to this Consent Order, this Consent Order

1 does not limit or create any private rights or remedies against Respondent Entities, limit or create liability of
2 Respondents Entities, or limit or create defenses of Respondent Entities to any claims.

3 **J. Investigation Costs.** It is AGREED that Respondent Entities shall pay to the Department
4 Investigation Costs of \$1,380, in the form of a cashier's check made payable to the "Washington State Treasurer,"
5 upon entry of this Consent Order. The Fine and Investigation Costs may be paid together in one cashier's check
6 made payable to the "Washington State Treasurer."

7 **K. Future Application.** It is AGREED the conduct giving rise to the Statements of Charges will not be
8 used by the Department in assessing a future license application by Respondent Entities.

9 **L. Authority to Execute Order.** It is AGREED that the undersigned have represented and warranted
10 that they have the full power and right to execute this Consent Order on behalf of Respondent Entities.

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

15 **N. Voluntarily Entered.** It is AGREED that the undersigned Respondent Entities have voluntarily
16 entered into this Consent Order, which is effective when signed by the Director's designee.

17 **O. Completely Read, Understood, and Agreed.** It is AGREED that the undersigned representatives of
18 Respondent Entities have read this Consent Order in its entirety and fully understands and agree to all of the same.

19 **RESPONDENTS:**

20 **Action PDL Services, LLC d/b/a Action Payday**

21 By:



22
23 Joshua L. Mitchem
24 Authorized Representative

25 //

12/18/14

Date

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ACTION PDL SERVICES, LLC
and INTEGRITY PDL SERVICES, LLC

1 Integrity PDL Services, LLC d/b/a Integrity
2 Payday Loans d/b/a IPL Today

2 By:

3 
4 Joshua L. Mitchem
5 Authorized Representative

12/18/14
Date

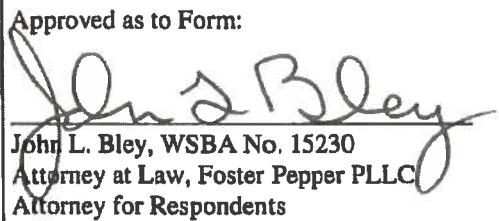
6 My Next Day Cash
7 Red Leaf Lending
8 SCS Processing
9 VIP Loan Shop
10 Bottom Dollar Payday
11 Fast E Funds
12 Iggy Loans
13 My Quick Cash
14 Lend Me Now

10 By:

11 
12 Joshua L. Mitchem
13 Authorized Representative

12/18/14
Date

14 Approved as to Form:

15 
16 John L. Bley, WSBA No. 15230
17 Attorney at Law, Foster Pepper PLLC
18 Attorney for Respondents

12/12/14
Date

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25 CONSENT ORDER
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ACTION PDL SERVICES, LLC
and INTEGRITY PDL SERVICES, LLC

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DO NOT WRITE BELOW THIS LINE

2 THIS ORDER ENTERED THIS 2nd DAY OF January, 2015.

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5 
DEBORAH BORTNER Charles Clark
6 Director
7 Division of Consumer Services
8 Department of Financial Institutions

9 Presented by:

10 
DEBORAH TAEILIUS

11 Financial Legal Examiner Supervisor

12 Approved by:

13 
CHARLES E. CLARK Steven C. Sherman
14 Enforcement Chief



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