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**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

STATE OF IDAHO, DEPARTMENT OF)
FINANCE, CONSUMER FINANCE)
BUREAU,)
)
Complainant,)
)
vs.)
)
T & L BROKERAGE, INC., dba)
TLC CHECK CASHING,)
)
Respondent.)
_____)

Docket No. 2011-6-02

**DEFAULT ORDER REVOKING
PAYDAY LENDER LICENSE UNDER
THE IDAHO CREDIT CODE
AND NOTICE OF THE
OPPORTUNITY FOR A HEARING**

The Director of the State of Idaho, Department of Finance (Director), pursuant to the Idaho Credit Code, Idaho Code § 28-41-101 *et seq.* (the ICC), and in particular §§ 26-46-302(3)(a), of the ICC, hereby issues the following Findings of Fact, Conclusions of Law, and Order Revoking Payday Lender License Under the Idaho Credit Code and Notice of the Opportunity for a Hearing (Order).

FINDINGS OF FACT

1. T & L Brokerage, Inc., dba TLC Check Cashing (Respondent), has been licensed with the State of Idaho, Department of Finance, Consumer Finance Bureau (Department) as a

payday lender since August 4, 2003. Respondent currently holds Idaho Payday Loan License No. RPD-185 for its home office located at 710 S. Washington Avenue, Emmett, Idaho 83617. Respondent's president/owner is Travis O. Sharp.

2. On or about May 17, 2010, Respondent submitted an application to the Department seeking renewal of its Idaho payday loan license (2010 Renewal Application). The financial documents submitted by Respondent in conjunction with such application included three (3) Wells Fargo Bank cashier checks to demonstrate Respondent's liquid assets in the minimum amount of \$30,000, pursuant to Idaho Code § 28-46-403(1)(a):

a. The first check, check number 0164708067, was dated April 13, 2010, made payable to Travis Sharp, in the amount of \$10,000.

b. The second check, check number 0164704706, was dated April 09, 2010, made payable to Travis Sharp, in the amount of \$18,000.

c. The third check, check number 0164704687, was dated March 25, 2010, made payable to Travis Sharp, in the amount of \$20,000.

3. On or about May 27, 2011, Respondent submitted an application to the Department seeking renewal of its Idaho payday loan license (2011 Renewal Application). The financial documents submitted by Respondent in conjunction with such application included two Wells Fargo Bank cashier checks to demonstrate Respondent's liquid assets in the minimum amount of \$30,000, pursuant to Idaho Code § 28-46-403(1)(a):

a. The first check, check number 0164704706, was dated April 09, 2011, made payable to Travis Sharp, in the amount of \$18,000.

b. The second check, check number 0164704687, was dated March 25, 2011, made payable to Travis Sharp, in the amount of \$20,000.

4. Upon review of the financial documents, Department Examiner Tom Nate noted that the dates on both Wells Fargo Bank cashier checks appeared to be altered. At that time, Examiner Nate compared the checks submitted with Respondent's 2010 Renewal Application to the cashier checks submitted with its 2011 Renewal Application and noted that the cashier checks were the same, except for the year.

5. On May 31, 2011, the Department notified Respondent via e-mail of deficiencies in its 2011 Renewal Application. In such e-mail, the Department requested that Respondent provide evidence to the Department of required liquid assets in the minimum amount of \$30,000. The Department requested that Respondent provide such evidence by no later than May 31, 2011. To date, Respondent has not responded to the Department's request.

6. On July 18, 2011, the Department served a Subpoena *Duces Tecum* (Subpoena) upon the Wells Fargo Bank located in Emmett, Idaho. Such Subpoena requested records relating to cashier checks, to include the cashier checks numbered 0164704706 and 0164704687. Documents provided to the Department by Wells Fargo Bank in response to the Subpoena verified that no cashier checks were purchased on March 25, 2011 or April 9, 2011 by Respondent.

7. On January 6, 2012, the Department issued and served on Respondent a Complaint for Revocation of Payday Loan License Under the Idaho Credit Code. Respondent failed to timely file an answer to such Complaint pursuant to the Idaho Rules of Administrative Procedure (IRAP), including specifically IRAP 270.

8. On January 30, 2012, the Department issued and served on Respondent a Notice of Proposed Default pursuant to IRAP 700, due to the fact that Respondent had failed to file an answer to the complaint issued and served on Respondent by the Department, pursuant to IRAP

270. The notice informed Respondent that it had seven (7) days from the issuance of that notice to file a written petition with the Department requesting that a default order not be entered, and that the petition must state the grounds for the assertion that default should not be entered

9. Respondent failed to respond to the Notice of Proposed Default served on it by the Department.

CONCLUSIONS OF LAW

10. Paragraphs 1 through 9 above are fully incorporated herein by this reference.

11. Idaho Code §§ 28-46-302(7) and 28-46-404(6) provide that before May 31 of each year, every licensee under the ICC shall file with the Director a renewal form containing such information as the Director may require.

12. Idaho Code § 28-46-403(1)(a) provides that to qualify for a payday lender license under the Act, the applicant “shall have liquid assets of at least thirty thousand dollars (\$30,000) determined in accordance with generally accepted accounting principles....” Pursuant to Idaho Code § 28-46-403(2), the \$30,000 liquid asset requirement is continuing in nature, subject to the Director’s periodic review.

13. Pursuant to Idaho Code § 28-46-302(2), a licensee under the ICC shall meet the requirements of Idaho Code § 28-46-302(1) at all times while licensed pursuant to the ICC.

14. Idaho Code § 28-46-302(1) provides that the Director may deny an application for license if the Director finds that:

(a) The financial responsibility, character, and fitness of the applicant, and of the officers and directors thereof (if the applicant is a corporation) are not such as to warrant belief that the business will be operated honestly and fairly within the purposes of this act;

(b) The applicant does not maintain at least thirty thousand dollars (\$30,000) in liquid assets, as determined in accordance with generally accepted accounting principles, available for the purpose of making loans under this chapter;

...

15. The Director finds that Respondent's representation to the Department that it maintained at least \$30,000 in liquid assets on a continuing basis, as required by Idaho Code § 28-46-403(1) and -(2), when it did not, as referenced above, shows that Respondent lacks the financial responsibility, character, and fitness necessary to warrant the belief that Respondent will engage in the payday lending business honestly and fairly, within the purposes of the ICC. Based on that finding, the Director finds it appropriate to deny Respondent's renewal application for a payday lender license, pursuant to Idaho Code § 28-46-302(1)(a).

16. Further, the Director finds that Respondent's failure to maintain, on a continuing basis, \$30,000 in liquid assets, as referenced above, establishes a separate basis for denial of Respondent's renewal application for a payday lender license, pursuant to Idaho Code § 28-46-302(1)(b).

ORDER

NOW, THEREFORE, BASED ON THE FOREGOING, IT IS HEREBY ORDERED THAT IDAHO PAYDAY LOAN LICENSE NO. RPD-185, ISSUED TO RESPONDENT, IS REVOKED, EFFECTIVE IMMEDIATELY.

IT IS SO ORDERED.

DATED this 29th day of February, 2012.



STATE OF IDAHO
DEPARTMENT OF FINANCE



GAVIN M. GEE, Director

NOTICE

17. Respondent is HEREBY NOTIFIED that the foregoing ORDER REVOKING PAYDAY LENDER LICENSE is a final order of the Director, subject to Respondent's right to timely initiate a contested case and request for hearing pursuant to Idaho Code § 67-5254. Such request for a must be in writing and submitted to the Department within fifteen (15) days after the service of this Order. A copy of the request for hearing shall be served on Michael Larsen, Consumer Finance Bureau Chief, at the following address:

Michael Larsen
Consumer Finance Bureau Chief
Idaho Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031

A copy of the request for contested case and hearing shall also be served on the Department's counsel in this matter, Brian D. Nicholas, Deputy Attorney General, at the same address.

18. If Respondent timely files a request for hearing, the Department will notify Respondent of the date, time and place of the hearing, as well as the name and contact information of the presiding officer.

19. Any hearing and subsequent proceedings in this matter will be conducted in accordance with the Idaho Administrative Procedure Act, Idaho Code § 67-5201 *et seq.*

20. Pursuant to Idaho Code § 28-46-302(2), if a hearing is held, Respondent shall reimburse, pro rata, the Director for his reasonable and necessary expenses incurred as a result of the hearing.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 29 day of February, 2012, I caused a true and correct copy of the foregoing fully-executed DEFAULT ORDER REVOKING PAYDAY LOAN LICENSE UNDER THE IDAHO CREDIT CODE AND NOTICE OF THE OPPORTUNITY FOR A HEARING to be served on the following by the designated means:

T & L Brokerage, Inc., dba
TLC Check Cashing
Attn: Travis O. Sharp, Owner/President
710 S. Washington Ave.
Emmett, ID 83617

- U.S. mail, postage prepaid
- certified mail
- facsimile: (208) 398-7553



Paralegal