

**NORTH CAROLINA DEPARTMENT OF INSURANCE
RALEIGH, NORTH CAROLINA**



**STATE OF NORTH CAROLINA
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER
OF INSURANCE**

**IN THE MATTER OF
THE LICENSURE OF
SOUTHWEST STAGE FUNDING, LLC
DBA CASCADE FINANCIAL SERVICES
PERMIT NO. 113363**

**VOLUNTARY SETTLEMENT
AGREEMENT**

NOW COME, SOUTHWEST STAGE FUNDING, LLC, dba Cascade Financial Services (hereinafter "SOUTHWEST") and the North Carolina Department of Insurance (hereinafter "Department"), and hereby enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

WHEREAS, the Department has the authority and responsibility for the enforcement of the provisions of Chapter 58 of the General Statutes of North Carolina applicable to Collection Agencies and the collection agency business; and

WHEREAS, SOUTHWEST is a corporation organized and existing under the laws of the State of Arizona, and is doing business and has been issued a permit by the Department to operate as a foreign collection agency in North Carolina; and

WHEREAS, N.C. Gen. Stat. Sec. 58-70-1 provides that no person, firm, corporation, or association shall conduct or operate a collection agency or do a collection agency business, as defined in Chapter 58 Article 70 of the General Statutes of North Carolina, until he or it shall have secured a permit therefore as provided in Article 70; and

WHEREAS, N.C. Gen. Stat. Sec. 58-70-10 provides that a person, firm, corporation or association desiring to renew a permit issued pursuant to G.S. 58-70-5 shall make application to the Commissioner of Insurance not less than 30 days prior to the expiration date of the then current permit; and

WHEREAS, SOUTHWEST failed to renew its permit to do business as a collection agency in North Carolina by June 30, 2019 in accordance with the provisions of N.C. Gen. Stat. § 58-70-10; and

WHEREAS, N.C. Gen. Stat. Sec. 58-70-15(c) (3) provides that for purposes of licensure and doing the collection agency business in North Carolina, the term "Collection agency" does not include "Mortgage banking companies"; and

WHEREAS, SOUTHWEST has represented and certified to the Department that the only North Carolina loans that it currently services (and has ever serviced) are loans that fall within the scope of its North Carolina Mortgage Lender License; and

WHEREAS, SOUTHWEST has represented and certified to the Department that out of an abundance of caution it desires to continue to hold a collection agency license so that it will remain in compliance with North Carolina law should it service North Carolina loans in the future that do not fall within the scope of its North Carolina Mortgage Lender license; and

WHEREAS, SOUTHWEST has acknowledged and admitted to violating the provisions of N.C. Gen. Stat. § 58-70-10; and

WHEREAS, SOUTHWEST will be allowed to reinstate its authority back to July 1, 2019 by the Department, and will be authorized to act as a collection agency in North Carolina; and

WHEREAS, pursuant to N.C. Gen. Stat. Sec. 58-2-70(g), the Commissioner of Insurance and the Department have the express authority to negotiate “a mutually acceptable agreement with any person as to the status of the person’s license or certificate or as to any civil penalty or restitution”; and

WHEREAS, the parties to this Agreement have reached a mutually agreeable resolution of this matter as set out in this Agreement; and

NOW THEREFORE, in consideration of the promises and agreements set out herein, the Department and **SOUTHWEST** hereby agree to the following;


1. Immediately upon signing this agreement, **SOUTHWEST** has agreed to pay a regulatory monetary penalty of **\$1000.00** to the Department for not submitting its renewal application by the June 30, 2019 deadline. The form of payment shall be certified check, cashier’s check or money order. The check or money order for the payment of this penalty shall be payable to the “North Carolina Department of Insurance.” **SOUTHWEST** shall remit the regulatory monetary penalty by certified mail, return receipt requested, to the Department along with a copy of this signed agreement. The regulatory monetary penalty and the signed Agreement must be received by the Department no later than **November 29, 2019**. The penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools.
2. **SOUTHWEST** shall comply with all provisions of Chapter 58 of the General Statutes of North Carolina and Title 11 of the North Carolina Administrative Code that are applicable to **SOUTHWEST**.
3. This Agreement does not in any way affect the Department’s disciplinary power in any future or follow-up examination of **SOUTHWEST**, or in any cases or complaints involving **SOUTHWEST**. In the event **SOUTHWEST** or any of its present or future locations fail to comply with this Agreement or otherwise fail to

comply with the laws and rules applicable to **SOUTHWEST**, the Department may take any administrative or legal action it is authorized to take.

4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner of Insurance. **SOUTHWEST** understands that N.C. Gen. Stat. Sec. 58-70-40(c)(6) provides that a collection agency's permit may be revoked if a partner or proprietor or officer of the collection agency has violated or refused to comply with an Order of the Commissioner.
5. **SOUTHWEST** enters into this Agreement freely and voluntarily and with knowledge of its right to have an administrative hearing on this matter. **SOUTHWEST** understands that it may consult with an attorney prior to entering into this Agreement.
6. This Voluntary Settlement Agreement, when finalized will be a public record and will not be treated as confidential. All permits issued by the Department to **SOUTHWEST** shall reflect that Regulatory Action has been taken against the licensee following the execution of this Agreement. The Department is free to disclose the contents of this Agreement to third parties upon request or pursuant to any law or policy providing for such disclosure. The Department routinely provides copies of voluntary settlement agreements to all companies that have appointed the licensee.
7. This Agreement shall become effective when signed by **SOUTHWEST** and the Department.

**SOUTHWEST STAGE
FUNDING, LLC
DBA CASCADE FINANCIAL
SERVICES
Permit # 113363**

N.C. Department of Insurance

By 
David M. Cherek
General Counsel

By 
Angela Hatchell
Deputy Commissioner

Date: 11-21-19

Date: 11/6/19