

**STATE OF ALABAMA
STATE BANKING DEPARTMENT**

IN THE MATTER OF:

KREDIT CARE, INC.
and its President, Zachary W. Gatlin

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**ADMINISTRATIVE ORDER
MB-2010-05**

CEASE AND DESIST ORDER

1. The Alabama State Banking Department ("Department"), having the authority to administer and provide for the enforcement of all provisions of Title 5, Chapter 19, Code of Alabama 1975, the Alabama Consumer Credit Act ("Act"), upon due consideration of the subject matter hereof has determined as follows:

RESPONDENT

2. **KREDIT CARE, INC.** at all times relevant to the issuance of this Order was a Baldwin County, Alabama, corporate entity with a business address of 6460 Van Buren Street, Daphne, Alabama.

STATEMENT OF FACTS

3. The Articles of Incorporation for **KREDIT CARE, INC.**, filed in Baldwin County, Alabama on November 6, 2003 indicate that the initial Board of Trustees were Zachary W. Gatlin and Zachary W. Gatlin, Jr. The Articles also list the officers of **KREDIT CARE, INC.** as Zachary W. Gatlin, President and Zachary W. Gatlin, Jr. Secretary.

4. **KREDIT CARE, INC.** is not presently licensed by the Department nor has it previously held a license under the Act. The Department has no record of an application for licensure filed by **KREDIT CARE, INC.**

5. Mr. Zachary W. Gatlin was the President of a company licensed by the Department. According to the records of the Department, Mr. Zachary W. Gatlin was President of America's EZ Mortgage, Inc. located in Daphne, Alabama and that company was licensed under the Act from February 2003 until that license was cancelled on July 10, 2009. As a result, Mr. Zachary W. Gatlin was personally familiar with the licensing requirements under the Act.

6. The Department obtained records through the Offices of the Mobile County Probate Judge and Baldwin County Probate Judge indicating that from the period of January 1, 2003 until December 31, 2008 **KREDIT CARE, INC.** entered into 119 transactions where **KREDIT CARE, INC.**, acting as a creditor, made mortgage loans or mortgages were assigned to **KREDIT CARE, INC.**

7. On September 13, 2010, the Department provided **KREDIT CARE, INC.** and its President, Zachary W. Gatlin, with a Notice to Produce Books and Records. This Notice to Produce Books and Records required that **KREDIT CARE, INC.** produce those books and records at the office of the Department no later than October 13, 2010. This Notice was sent to the following addresses:

KREDIT CARE, INC.
c/o Wayne Gatlin
6460 Van Buren Street
Daphne, Alabama 36526

Wayne Gatlin
c/o **KREDIT CARE, INC.**
28480 Bay Cliff Lane
Daphne, Alabama 36526

KREDIT CARE, INC.
P.O. Box 7877
Spanish Fort, Alabama 36577

8. The Department did not receive any books or records in response to the Notice issued on September 13, 2010.

9. On October 27, 2010, the Department provided Notice of Hearing Prior to Cease and Desist Order to **KREDIT CARE, INC.** and its President, Zachary W. Gatlin. This Notice of Hearing Prior to Cease and Desist Order was sent to following addresses:

KREDIT CARE, INC.
c/o Wayne Gatlin
6460 Van Buren Street
Daphne, Alabama 36526

Wayne Gatlin
c/o **KREDIT CARE, INC.**
28480 Bay Cliff Lane
Daphne, Alabama 36526

KREDIT CARE, INC.
P.O. Box 7877
Spanish Fort, Alabama 36577

10. The Notice of Hearing Prior to Cease and Desist Order advised **KREDIT CARE, INC.** and its President, Zachary W. Gatlin, that the Department had reasonable cause to believe that the company was acting as a creditor, as that term is defined under Section 5-19-1(3) of the Act, without the required license. In addition, the company, **KREDIT CARE, INC.**, and its President, Zachary W. Gatlin, were notified that it had failed to produce all books and records for the period 2003 through 2008 as requested by the Notice to Produce Books and Records dated September 13, 2010.

11. **KREDIT CARE, INC.** and its President, Zachary W. Gatlin, were notified that the Department would conduct a hearing on November 23, 2010 at 10:00 a.m. at the office of the Department located at 401 Adams Avenue, Suite 680, Montgomery, Alabama 36104. **KREDIT CARE, INC.** was also advised that the failure of the company or a representative of the company to appear at the hearing would result in the entry of a cease and desist order against the company and the imposition of a civil penalty of up to \$50,000.

12. A hearing was conducted on November 23, 2010 at the office of the Department. Present at the hearing were Mr. Mark Anderson, Deputy General Counsel, State Banking Department and Mr. Jeremy Windham, Loan Examinations Coordinator, State Banking Department. No one was present on behalf of **KREDIT CARE, INC.** The hearing was held before Mr. Scott Corscadden, Supervisor, Bureau of Loans, State Banking Department.

CONCLUSIONS OF LAW

13. Section 5-19-25, Code of Alabama 1975, grants the Department the authority to issue Cease and Desist Orders after notice and hearing. The Department provided notice of the Cease and Desist Order to **KREDIT CARE, INC.** and its President, Zachary W. Gatlin, and held an administrative hearing in compliance with the Act.

14. Section 5-19-1, Code of Alabama 1975, provides that a creditor is one who regularly extends or arranges for the extension of credit for which the payment of a finance charge is required whether in connection with loans, sales of property or services. The documentation entered at the hearing gave clear evidence that **KREDIT CARE, INC.** had acted as a creditor, as that term is defined, on numerous mortgage transactions with Alabama consumers from the period of January 1, 2003 until December 31, 2008.

15. Section 5-19-22, Code of Alabama 1975, provides that no creditor shall engage in making loans to Alabama residents or taking assignment of consumer credit contracts without first obtaining a license from the Department unless otherwise exempt. **KREDIT CARE, INC.** was not licensed by the Department at any time during the period of January 1, 2003 until December 31, 2008.

16. Section 5-19-25, Code of Alabama 1975, provides that a creditor who is found, after notice and hearing, to have violated the Act may be ordered to pay a civil money penalty in an amount not to exceed \$50,000 where the violation is deemed a knowing violation. The evidence entered at the hearing established that the President of **KREDIT CARE, INC.**, Zachary W. Gatlin, was also the President of America's EZ Mortgage, a former licensee under the Act. As such, **KREDIT CARE, INC.** and its President Zachary W. Gatlin are deemed to have known that **KREDIT CARE, INC.'s** business activities were subject to licensing under the Act.

ORDER

THEREFORE, based upon the foregoing statement of facts and conclusions of law, the Supervisor, Bureau of Loans, **HEREBY ORDERS**:

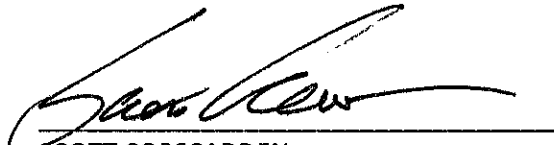
1. The Respondent, **KREDIT CARE, INC.**, and its President, Zachary W. Gatlin, shall **CEASE AND DESIST** from all consumer lending activities unless the company is licensed in accordance with the Act.

2. The Respondent, **KREDIT CARE, INC.** shall be subject to a civil money penalty under the authority of Section 5-19-25 Code of Alabama 1975, for a knowing and willful violation of applicable state law. The civil money penalty in this case is ordered set at \$50,000.00.

3. This is a **FINAL ORDER**.

This Order does not prevent the Department from seeking such other civil remedies that may be available to it under the Alabama Consumer Credit Act nor does it prevent the Department from advising the appropriate law enforcement agencies of the activities making the company subject to this **ORDER**.

IT IS SO ORDERED on this the 3rd day of February, 2011.



SCOTT CORSCADDEN
SUPERVISOR, BUREAU OF LOANS


Certificate of Service

I hereby certify that a copy of the foregoing FINAL ORDER was sent by certified mail return receipt requested on this the 3rd day of February, 2011, to the following:

KREDIT CARE, INC.
c/o Wayne Gatlin
6460 Van Buren Street
Daphne, Alabama 36526

Wayne Gatlin
c/o **KREDIT CARE, INC.**
28480 Bay Cliff Lane
Daphne, Alabama 36526

KREDIT CARE, INC.
P.O. Box 7877
Spanish Fort, Alabama 36577



W. M. Anderson
State Banking Department
401 Adams Avenue, Suite 680
Montgomery, Alabama 36104
(334) 242-3452

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

WAYNE GATLIN
KREDIT CARE INC
P O BOX 7877
SPANISH FORT AL 36577

2. Article Number
(Transfer)

91 7108 2133 3936 7699 1158

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
(Extra Fee) Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

KREDIT CARE INC
C/O WAYNE GATLIN
6460 VAN BUREN ST
DAPHNE AL 36526

2. Article Number
(Transfer from service label)

91 7108 2133 3936 7699 1141

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
4. Restricted Delivery? (Extra Fee) Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

WAYNE GATLIN
C/O KREDIT CARE INC
28480 BAY CLIFF LN
DAPHNE AL 36526

2. Article Number
(Transfer from service label)

91 7108 2133 3936 7699 1134

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
4. Restricted Delivery? (Extra Fee) Yes