

ORDER SUMMARY – Case Number: C-14-1511

Name: John Edward Hunter

Order Number: C-14-1511-16-CO01

Effective Date: 2/25/2016

License Number: DFI: MLO-76887 NMLS: #76887
Or NMLS Identifier [U/L] _____

License Effect:

Not Apply Until: 2/25/2021

Not Eligible Until: _____

Prohibition/Ban Until: 2/25/2021

Investigation Costs	\$2,270.42	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$10,000.00	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

1 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter
2 of the activities discussed herein.

3 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
4 hearing before an administrative law judge, and hereby waives his right to a hearing and any and all
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondent, by his signature below, withdraws his appeal to the Office of
7 Administrative Hearings.

8 C. **Prohibition.** It is AGREED that, for a period of five years from the date of entry of this
9 Consent Order, Respondent is prohibited from supervising mortgage loan originators or mortgage
10 loan originator candidates for any mortgage broker or consumer loan company licensed by the
11 Department or subject to licensure or regulation by the Department.

12 D. **Confession of Judgment.** It is AGREED that the Department has accepted a Confession
13 of Judgment from Respondent for the fine and investigation fee obligations agreed to in Paragraphs E
14 and F of this Consent Order. A copy of this Confession of Judgment is attached and incorporated
15 into this Consent Order by this reference. It is further AGREED that the Department will not seek
16 entry of the judgment as long as Respondent makes timely payment of the fine and investigation fee
17 obligations as agreed in Paragraphs E and F of this Consent Order. In the event Respondent fails to
18 make a payment required under this Consent Order the Department may immediately seek entry of
19 the judgment consistent with RCW 4.60. Respondent shall, upon the Department's request, fully and
20 promptly cooperate with the Department in its efforts to get the judgment entered by the superior
21 court.

22 E. **Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
23 \$10,000 within one year of the date of entry of this Consent Order.

1 **F. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
2 investigation fee of \$2,270.42 within one year of the date of entry of this Consent Order. It is further
3 AGREED that Respondent shall pay the fine and investigation fee in approximately equal quarterly
4 installments in the form of cashier's checks made payable to the "Washington State Treasurer." It is
5 further AGREED that all payments shall be applied first to satisfy the investigation fee and second to
6 the fine.

7 **G. Change of Address.** It is AGREED that for the duration of the period this Consent Order
8 is in effect, unless otherwise agreed to in writing by the Department, Respondent shall provide the
9 Department with a mailing address and telephone number at which Respondent can be contacted and
10 Respondent shall notify the Department in writing of any changes to his mailing address or telephone
11 number within fifteen days of any such change.

12 **H. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to
13 abide by the terms and conditions of this Consent Order may result in further legal action by the
14 Director. In the event of such legal action, Respondent may be responsible to reimburse the Director
15 for the cost incurred in pursuing such action, including but not limited to, attorney fees. Additionally,
16 pursuant to RCW 31.04.093(3)(a), non-compliance with this Consent Order may result in revocation
17 of Respondent's license.

18 **I. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this
19 Consent Order, which is effective when signed by the Director's designee.

20 **J. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read
21 this Consent Order in its entirety and fully understands and agrees to all of the same.

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1 **RESPONDENT:**

2 [Redacted]

3 JOHN EDWARD HUNTER

Date 2/17/16

4 Approved for Entry:

5 [Redacted]

6 Ken Kagan, WSBA No.12983
7 Law Office of Kenneth S. Kagan, PLLC
8 Attorney for Respondent

Date 2/19/16

9 DO NOT WRITE BELOW THIS LINE

10 THIS ORDER ENTERED THIS 25th DAY OF February, 2016.



11 [Redacted]

12 CHARLES E. CLARK
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17 [Redacted]

18 ROBERT E. JONES
19 Financial Legal Examiner

20 Approved by:

21 [Redacted]

22 STEVEN C. SHERMAN
23 Enforcement Chief

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

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IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

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JOHN EDWARD HUNTER,
Loan Originator, NMLS #76887

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Respondent.

No. C-14-1511-15-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO REVOKE LICENSE, PROHIBIT
FROM INDUSTRY, IMPOSE FINE, AND
COLLECT INVESTIGATION FEE

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). 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, 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 Respondent John Edward Hunter (Respondent Hunter) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage loan originator (MLO) on or about June 26, 2009, and continues to be licensed to date. Respondent Hunter was employed by Guaranteed Rate, Inc., a licensed consumer loan company, as a branch manager in Maple Valley, Washington.

1.2 Aiding and Abetting Unlawful Mortgage Loan Originator Activity. On or about February 28, 2014, Respondent Hunter hired Mathias Julian (Julian) to work as an MLO at the above mentioned branch office. Julian's MLO license was inactive at the time he was hired and his

1 sponsorship by Respondent Hunter's consumer loan company was never approved by the
2 Department. Pursuant to WAC 208-620-710(11), Julian was prohibited from conducting business as
3 a mortgage loan originator while his license was inactive. Julian had begun originating a residential
4 mortgage loan for Washington borrower R.J.L. at his previous employer. Between at least March 3,
5 2014, and April 11, 2014, Respondent Hunter allowed Julian to engage in the business of a mortgage
6 loan originator without an active license with borrower R.J.L. and also borrowers D.P., M.H., and
7 R.L.

8 **1.3 Misrepresentation.** Respondent Hunter represented in the loan documents for the R.L. loan
9 that he was the MLO for the transaction when it was actually originated by Julian.

10 **1.4 False Statement to the Department.** In the course of investigating the unlawful origination
11 by Julian, the Department interviewed Respondent Hunter on or about April 14, 2014. Respondent
12 Hunter was asked if Julian had worked on any loans since his employment at Respondent Hunter's
13 branch office. Respondent Hunter stated that Julian had not.

14 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
15 Act by Respondent Hunter continues to date.

16 II. GROUNDS FOR ENTRY OF ORDER

17 **2.1 Aiding and Abetting Unlawful Mortgage Loan Originator Activity.** Based on the Factual
18 Allegations set forth in Section I above, Respondent Hunter is in apparent violation of RCW
19 31.04.027(2) for aiding and abetting unlawful mortgage loan origination activity by Julian.

20 **2.2 Misrepresentation.** Based on the Factual Allegations set forth in Section I above,
21 Respondent Hunter is in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging
22 in any unfair or deceptive act or practice toward any person.

1 **2.3 False Statement.** Based on the Factual Allegations set forth in Section I above, Respondent
2 Hunter is in apparent violation of RCW 31.04.027(8) for negligently making any false statement or
3 knowingly and willfully making any omission of material fact in connection with any investigation
4 conducted by the Department.

5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(b), the Director may revoke a
7 license for violating any provision of the Act or the rules adopted thereunder.

8 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
9 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
10 employee, or any other person subject to the Act for violation of RCW 31.04.027.

11 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
12 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
13 any other person subject to the Act for any violation of the Act.

14 **3.4 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
15 590, every licensee examined or investigated by the Director or the Director's designee shall pay for
16 the cost of the examination or investigation, calculated at the rate of \$69.01 per staff hour devoted to
17 the examination or investigation, and shall pay travel costs if the licensee maintains its records
18 outside the state.

19 **IV. NOTICE OF INTENTION TO ENTER ORDER**

20 Respondent's violations of the provisions of chapter 31.04 RCW, as set forth in the above
21 Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a
22 basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW 31.04.205.

23 Therefore, it is the Director's intention to ORDER that:

- 1 **4.1** Respondent John Edward Hunter's license to conduct the business of a mortgage loan
2 originator be revoked.
- 3 **4.2** Respondent John Edward Hunter be prohibited from participation in the conduct of the
4 affairs of any consumer loan company subject to licensure by the Director, in any
5 manner, for a period of five years.
- 6 **4.3** Respondent John Edward Hunter pay a fine. As of the date of this Statement of
7 Charges, the fine totals \$5,000.
- 8 **4.4** Respondent John Edward Hunter pay an investigation fee. As of the date of this
9 Statement of Charges, the investigation fee totals \$2,270.42.
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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Prohibit from
3 Industry, Impose Fine, Order Restitution, Collect Examination Fee, and Collect Investigation Fee
4 (Statement of Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165,
5 RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The
6 Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in
7 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
8 accompanying this Statement of Charges.

9 Dated this 10th day of April, 2015.



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11 **CHARLES E. CLARK**
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions



13 Presented by:



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15 **ROBERT E. JONES**
16 Financial Legal Examiner

16 Approved by:



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18 **STEVEN C. SHERMAN**
19 Enforcement Chief