

ORDER SUMMARY – Case Number: C-16-1921

Name(s): Youron Ulus Knighton III

Order Number: C-16-1921-16-CO01

Effective Date: 09/26/2016

License Number: 30336 - Application Denied
Or NMLS Identifier [U/L] _____

License Effect: Cannot apply for a license in WA State until 09/26/2021

Not Apply Until: 09/26/2021

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$450.00	Due 11/04/2016	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$3,000.00	Due 11/04/2016	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 checked="" type="checkbox"/> N		
No. of Victims:		0		

Comments: _____

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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:

No.: C-16-1921-16-CO01

CONSENT ORDER

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YOURON ULUS KNIGHTON III,
Mortgage Loan Originator, NMLS # 1294332,

Respondent.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Charles E. Clark, Division Director, Division of Consumer Services, and Youron Ulus
Knighton III (Respondent), and finding that the issues raised in the above-captioned matter may be
economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is
entered pursuant to chapter 31.04 of the Revised Code of Washington (RCW), and RCW 34.05.060 of
the Administrative Procedure Act, based on the following:

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AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No.
C-16-1921-16-SC01 (Statement of Charges), entered June 10, 2016, (copy attached hereto). Pursuant to
chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative
Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further
agrees that the issues raised in the above-captioned matter may be economically and efficiently settled
by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of
Charges and agree that the Respondent does not admit any wrongdoing by its entry. Respondent agrees
to not contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

1 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of
2 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 herein.
6 Accordingly, Respondent, by his signature below, withdraws his appeal to the Office of Administrative
7 Hearings.

8 C. **No Admission of Liability.** The parties intend this Consent Order to fully resolve the
9 Statement of Charges and agree that Respondent does not admit to any wrongdoing by its entry.

10 D. **Mortgage Loan Originator License Application Denial.** It is AGREED that Respondent's
11 mortgage loan originator license application is denied.

12 E. **Prohibition from Industry.** It is AGREED that, for a period of five years from the date of
13 entry of this Consent Order, Respondent is prohibited from participating, in any capacity, in the conduct
14 of the affairs of any consumer loan company licensed by the Department or subject to licensure or
15 regulation by the Department. This provision will only apply to business activities within the State of
16 Washington.

17 F. **Application for License.** It is AGREED that, for a period of five years from the date of
18 entry of this Consent Order, Respondent shall not apply to the Department for any license under any
19 name. It is further AGREED that, should Respondent apply to the Department for any license under any
20 name at any time later than five years from the date of entry of this Consent Order, Respondent shall be
21 required to meet any and all application requirements in effect at that time.

22 G. **Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
23 \$3,000.00, in the form of a cashier's check made payable to the "Washington State Treasurer."
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1 **H. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
2 investigation fee of \$450.00 in the form of a cashier's check made payable to the "Washington State
3 Treasurer." The Fine and Investigation Fee shall be paid together in one \$3,450.00 cashier's check
4 made payable to the "Washington State Treasurer." Respondent's payment shall be delivered to the
5 Department by or before November 04, 2016.

6 **I. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
7 consent of any person or entity not a party to this Consent Order to take any action concerning their
8 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent
9 Order, this Consent Order does not limit or create any private rights or remedies against Respondent,
10 limit or create liability of Respondent, or limit or create defenses of Respondent to any claims.

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

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

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

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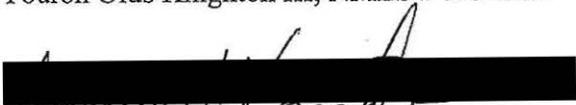
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RESPONDENT:

Youron Ulus Knighton III, NMLS # 1294332


Youron Ulus Knighton III

9-21-2016
Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 26th DAY OF September, 2016.




CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:


IGOR VOLOSHIN
Financial Legal Examiner

Approved by:


STEVEN C. SHERMAN
Enforcement Chief

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

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

YOURON ULUS KNIGHTON III,
Mortgage Loan Originator, NMLS # 1294332,
Respondent.

No. C-16-1921-16-SC01

STATEMENT OF CHARGES AND
NOTICE OF INTENTION TO ENTER AN
ORDER TO DENY LICENSE
APPLICATION, PROHIBIT FROM
INDUSTRY, IMPOSE FINE, COLLECT
INVESTIGATION FEE, AND RECOVER
COSTS AND EXPENSES

INTRODUCTION

Pursuant to RCW 31.04.165 and RCW 31.04.168, 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).¹ After having conducted an investigation pursuant to RCW 31.04.055 and 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 Youron Ulus Knighton III (Respondent) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a mortgage loan originator license (MLO) under Paramount Equity Mortgage, LLC, a consumer loan company licensed under the Act. The license application was received by the Department, through the Nationwide Mortgage Licensing System and Registry (NMLS), on or about January 27, 2016. Respondent subsequently attempted to withdraw his MLO license on March 14, 2016. At this time, the MLO license application is pending.

¹ RCW 31.04 (Amended 2009; Effective January 1, 2010)

1 **1.2 Prior Criminal Acts.** On or about November 16, 1992, the Sacramento Superior Court
2 entered Respondent's guilty plea to a felony crime meeting the language of RCW 31.04.247(1)(d)(ii)
3 and WAC 208-620-710(4)(c)(ii).

4 **1.3 Misstatement to the Department.** Respondent's MLO application required the submission
5 of a Uniform Individual Mortgage License/Registration & Consent form (Form MU4), which consists
6 of a series of questions. The following question is included in the Form MU4 under the Criminal
7 Disclosure section:

8 Have you ever been convicted of or pled guilty or nolo contendere ("no contest")
9 in a domestic, foreign, or military court to any felony?

10 Respondent answered "no" to this question. Respondent was obligated by statute to answer questions
11 on Form MU4 truthfully and to provide the Department with complete details of all relevant events or
12 proceedings. Respondent did not provide details, documents, or other statements to the Department
13 regarding any past felony conviction. On or about January 27, 2016, Respondent attested, under
14 penalty of perjury, that the information and statements contained within the Form MU4 are "current,
15 true, accurate, and complete[.]"

16 **1.4 On-Going Investigation.** The Department's investigation into the factual allegation
17 continues to date.

18 **II. GROUNDS FOR ENTRY OF ORDER**

19 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section
20 I above, Respondent fails to meet the requirements of RCW 31.04.247(1)(d)(ii) and WAC 208-620-
21 710(4)(c)(ii) by having pled guilty to a felony crime involving an act of dishonesty.

22 **2.2 False Statements and Omissions of Material Facts.** Based on the Factual Allegations set
23 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(8) and WAC 208-
24 620-550(6) for negligently making any false statements or knowingly and willfully making any

1 statements that omitted material facts in connection with any report filed with the Department by a
2 licensee or in connection with any investigation conducted by the Department.

3 **III. AUTHORITY TO IMPOSE SANCTIONS**

4 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW
5 31.04.247(2), the Director shall not issue a license if the conditions of RCW 31.04.247(1) have not
6 been met by the applicant, and shall notify the applicant of the denial.

7 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
8 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
9 employee, or any other person subject to the Act for a violation of RCW 31.04.027.

10 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
11 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
12 any other person subject to the Act for any violation of the Act.

13 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
14 590(1), the Director may recover the state's cost and expenses for investigating violations of the Act.
15 The Department will charge the target of the investigation \$69.01 per hour.

16 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
17 may recover the state's costs and expenses for prosecuting violations of the Act.

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

19 Respondent's failure to meet the applicable licensing requirements of chapter 31.04 RCW and
20 chapter 208-620 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and
21 Authority to Impose Sanctions, constitute a basis for the entry of an Order under RCW 31.04.055,
22 RCW 31.04.093, RCW 31.04.165, RCW 31.04.168, and RCW 31.04.247. Therefore, it is the
23 Director's intention to ORDER that:

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Presented by:

[REDACTED]

IGOR VOLOSHIN
Financial Legal Examiner

Approved by:

[REDACTED]

STEVEN C. SHERMAN
Enforcement Chief