

## Terms Completed

### ORDER SUMMARY – Case Number: C-07-048

**Name(s):** Todd Alan Koellen

**Order Number:** C-07-048-08-CO01

**Effective Date:** April 16, 2008

**License Number:** DFI: 24653, 28679, & 31437 [NMLS: MLO-61669]

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)

**License Effect:** Returned to licensing for further processing.

**Not Apply Until:** n/a

**Not Eligible Until:**

**Prohibition/Ban Until:** n/a

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

**Comments:**

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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  
Mortgage Broker Practices Act of Washington by:

NO. C-07-048-08-CO01

TODD ALAN KOELLEN,  
Respondent.

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Todd Alan Koellen (hereinafter Respondent) and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**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-07-048-07-SC01 (Statement of Charges), entered December 19, 2007, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices 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 Respondent agrees not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

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

CONSENT ORDER  
C-07-048-08-CO01  
Todd Alan Koellen

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

1        **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing  
2 before an administrative law judge, and that he hereby waives his right to a hearing and any and all administrative  
3 and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly,  
4 Respondent agrees to withdraw his appeal and to inform the Office of Administrative Hearings in writing of his  
5 withdrawal.

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

8        **D. License Application.** It is AGREED that Respondent's loan originator application will be returned  
9 to the Licensing Unit of the Division of Consumer Services of the Department of Financial Institutions for further  
10 processing.

11       **E. Declaration of No Unlicensed Activity.** Respondent agrees to and has executed a Declaration of No  
12 Unlicensed Activity stating and declaring that from December 22, 2007 to the date of this Consent Order he has  
13 not acted as a loan originator or mortgage broker, as defined by RCW 19.146.010, or in any capacity requiring  
14 licensure by the Department in the State of Washington and agrees not to act as a loan originator or mortgage  
15 broker until he obtains a license pursuant to chapter 19.146 RCW. Said Declaration of No Unlicensed Activity is  
16 hereby attached and incorporated as a part of this Consent Order by this reference.

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

21       **G. Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into  
22 this Consent Order, which is effective when signed by the Director's designee.

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

1 **RESPONDENT:**

2 Todd Alan Koellen  
3 TODD ALAN KOELLEN

4-4-08  
Date

4 Angela Hayes  
5 ANGELA HAYES, WSBA No. 28381  
6 Attorney at Law  
7 Attorney for Respondent

4/8/08  
Date

8 **DO NOT WRITE BELOW THIS LINE**

9 THIS ORDER ENTERED THIS 16<sup>th</sup> DAY OF April, 2008.

10 Deborah Bortner  
11 DEBORAH BORTNER  
12 Director  
13 Division of Consumer Services  
14 Department of Financial Institutions

14 Presented by:

15 Fatima Batie  
16 FATIMA BATIE  
17 Financial Legal Examiner Supervisor

18 Approved by:

19 James R. Brusselback  
20 JAMES R. BRUSSELBACK  
21 Enforcement Chief



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CONSENT ORDER  
C-07-048-08-C001  
Todd Alan Koellen

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

IN THE MATTER OF INVESTIGATING  
the Loan Originator License Application under the  
Mortgage Broker Practices Act of Washington by:

TODD ALAN KOELLEN,

Respondent.

NO. C-07-048-07-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO DENY LICENSE APPLICATION  
AND PROHIBIT FROM INDUSTRY

**INTRODUCTION**

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (Act)<sup>1</sup>. After having conducted an investigation pursuant to RCW 19.146.310, 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 Deborah Bortner, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Todd Alan Koellen (Respondent Koellen)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Northstar Home Loans, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 6, 2006.

**1.2 Altered Mortgage Broker's License.** On August 13, 2003, the Department received a call from an employee of Argent Mortgage Company, LLC (Argent). Argent is a mortgage lender located in California that funds residential real estate loans. The Argent employee told Department staff that Argent was in possession of a copy of a Washington State Mortgage Broker License that Argent was

<sup>1</sup> RCW 19.146 (Amended 2006; Effective January 1, 2007)

1 unable to verify with the Department's database of licensees. The license was for "Allegiance  
2 Financial Services/9320 Hazard Way Ste A-1, San Diego, CA 92123/Todd Alan Koellen Designated  
3 Broker/License #510-MB-24392, issued April 18, 2003."

4 A search of the Department's records indicated that the Department did not issue a license to  
5 "Allegiance Financial Services" or to any business entity at the 9320 Hazard Way address. However,  
6 the Department did issue a license for "Puget Sound Lending, LLC/909 S 336<sup>th</sup> St. Ste 201, Federal  
7 Way, WA 98003/Todd Alan Koellen Designated Broker/ License #510-MB-24392, issued April 18,  
8 2003."

9  
10 A physical inspection of the copy of the license Argent faxed to the Department showed the  
11 fax header indicated that the altered license was faxed to Argent from Allegiance Financial Services  
12 (AFS) on August 11, 2003. Further physical inspection of the license indicated that the license was a  
13 physically altered Washington State Mortgage Broker License.

14 The Department's investigation revealed that on or about December of 2003, Respondent  
15 Koellen took business records and client information and moved to San Diego, California. The  
16 Department's investigation determined that Respondent Koellen went to work at AFS and is close  
17 friends with the two principals of AFS. The Department's investigation revealed Respondent Koellen  
18 had a relationship with employees of AFS that pre-dated the issuance of Respondent Koellen's  
19 Mortgage Broker License.  
20

## 21 II. GROUNDS FOR ENTRY OF ORDER

22 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent  
23 Koellen is in apparent violation of RCW 19.146.0201(1), (2), and (3) for altering a Washington State Mortgage  
24 Broker License.  
25

1 **2.2 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set  
2 forth in Section I above, Respondent Koellen fails to meet the requirements of RCW 19.146.310(1)(g) and  
3 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the  
4 confidence of the community and to warrant a belief that the business will be operated honestly and fairly  
5 within the purposes of the Act.

### 6 **III. AUTHORITY TO IMPOSE SANCTIONS**

7 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the  
8 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the  
9 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by  
10 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application  
11 of the denial.

12 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue  
13 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
14 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
15 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

### 16 **IV. NOTICE OF INTENTION TO ENTER ORDER**

17 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth  
18 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis  
19 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.310.  
20 Therefore, it is the Director's intention to ORDER that:

21 **4.1** Respondent Todd Alan Koellen's application for a loan originator license be denied.

22 **4.2** Respondent Todd Alan Koellen be prohibited from participation in the conduct of the affairs of any  
23 mortgage broker subject to licensure by the Director, in any manner, through December 6, 2011.  
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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 19<sup>th</sup> day of Month, Year.



DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:



EDWARD JURSEK  
Enforcement Attorney

Approved by:



FATIMA BATIE  
Financial Legal Examiner Supervisor

