

## Terms Completed

### ORDER SUMMARY – Case Number: C-07-146

**Name(s):** Jeff Cecil Johnson

\_\_\_\_\_

\_\_\_\_\_

**Order Number:** C-07-146-07-CO01

\_\_\_\_\_

**Effective Date:** December 17, 2007

\_\_\_\_\_

**License Number:** DFI: 37802 [NMLS: 370628]

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  
If applicable, you must specifically note the ending dates of terms.

**License Effect:** Denial

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\_\_\_\_\_

**Not Apply Until:** August 16, 2010

\_\_\_\_\_

**Not Eligible Until:** \_\_\_\_\_

**Prohibition/Ban Until:** \_\_\_\_\_

<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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\_\_\_\_\_



1 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondent Johnson has been informed of the right to a hearing,  
5 and that he has waived his right to a hearing and any and all administrative and judicial review of the issues raised  
6 in this matter, or of the resolution reached herein. Accordingly, Respondent agrees to withdraw his appeal and to  
7 inform the Office of Administrative Hearings in writing of his withdrawal.

8 C. **License Denial.** It is AGREED that the application for a loan originator license submitted by Respondent  
9 Johnson and received by the Department on or about December 27, 2006 is hereby denied.

10 D. **Prohibition from Industry.** It is AGREED that through August 15, 2010, Respondent Johnson is  
11 prohibited from originating or brokering residential mortgage loans on behalf of any person subject to chapter  
12 19.146, the Mortgage Broker Practices Act (Act). Respondent Johnson may not apply for licensure as a loan  
13 originator or mortgage broker until August 16, 2010.

14 E. **Supervision.** It is AGREED that through August 15, 2010, while employed by or working as an  
15 independent contractor for any person subject to the Act, Respondent Johnson shall be subject to supervision to  
16 ensure that he does not originate or broker residential mortgage loans. Respondent Johnson shall provide the  
17 Department with a letter, signed by the designated broker of any person<sup>1</sup> for whom he is working as an employee,  
18 independent contractor, or otherwise, agreeing to provide the required supervision and acknowledging receipt of a  
19 copy of this Consent Order. Should the person for whom Respondent Johnson is working change, Respondent  
20 Johnson shall provide a copy of this Consent Order to such person and shall provide the Department, within thirty  
21 (30) days of commencing such employment, with a letter signed by the designated broker agreeing to provide the  
22 required supervision and acknowledging receipt of a copy of this Consent Order.

23  
24  
25 <sup>1</sup> As it appears in this Consent Order, "Person" has the same meaning as defined in RCW 19.146.010(12).

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

5 G. Voluntarily Entered. It is AGREED that Respondent Johnson has voluntarily entered into this Consent  
6 Order, which is effective when signed by the Director's designee.

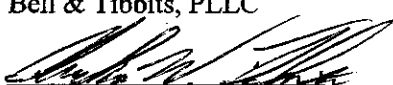
7 H. Completely Read, Understood, and Agreed. It is AGREED that Respondent Johnson has read this  
8 Consent Order in its entirety and fully understands and agrees to all of the same.

9 **RESPONDENT:**

10   
11 JEFF CECIL JOHNSON

12 12-04-07  
13   
14 DATE


12 Approved for entry by:  
13 Bell & Tibbits, PLLC

13   
14 CLARKE W. TIBBITS, WSBA # 23610  
15 Attorneys for Respondent

16 12-04-07  
17 DATE

18 DO NOT WRITE BELOW THIS LINE

19 DATED and ENTERED this 17<sup>th</sup> day of December, 2007.

20   
21 DEBORAH BORTNER, DIRECTOR  
22 Division of Consumer Services  
23 Department of Financial Institutions

24 Presented by:

25   
ANTHONY W. CARTER, Enforcement Attorney

Approved by:

  
JAMES R. BRUSSELBACK, Enforcement Chief

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:

JEFF CECIL JOHNSON,

Respondent.

NO. C-07-146-07-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT 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 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 Jeff Cecil Johnson** (Respondent Johnson) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under R & A Enterprises, Inc., a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 27, 2006.

**1.2 Prior Criminal Acts.** On May 14, 2003, Respondent Johnson was charged with two counts of Theft in the Second Degree in violation of RCW 9A.56.020(1)(a) and 9A.56.040(1)(d) in Chelan County Superior Court, Case No. 03-1-00273-0. On August 13, 2003, Respondent Johnson plead guilty and was convicted of two counts of Theft in the Second Degree in violation of RCW 9A.56.020(1)(a) and RCW 9A.56.040(1)(d). Pursuant to RCW 9A.56.040(2), Theft in the Second Degree is a Class C felony.

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

1 **1.3 Response to Application Questions.** The "Criminal Disclosure" section of the loan originator license  
2 application consists of eight questions, and instructs applicants to provide complete details of all events or  
3 proceedings when the answer to specific questions is "Yes". Respondent Johnson answered "No" to the  
4 following questions on the "Criminal Disclosure" section of his loan originator license application:

- 5 • 1- Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a domestic,  
6 foreign, or military court to any felony? If Yes, when and where?
- 7 • 2- Have you ever been charged with a felony?

8 Respondent Johnson was obligated by statute to answer questions on the loan originator license application  
9 truthfully and to provide the Department with complete details of all events or proceedings.

## 11 **II. GROUNDS FOR ENTRY OF ORDER**

12 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section I above,  
13 Respondent Johnson fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-660-350(2)(c) by  
14 having been convicted of a felony within seven years of the filing of the present application.

15 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent Johnson  
16 is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making any false  
17 statement or willfully making any omission of material fact in connection with any application or any  
18 information filed by a licensee in connection with any application, examination or investigation conducted by  
19 the Department.

20 **2.3 Requirement to Provide Information on Application.** Based on the Factual Allegations set forth in  
21 Section I above, on the date Respondent Johnson submitted his loan originator license application he failed to  
22 meet the requirements of RCW 19.146.300(1) and (2) and RCW 19.146.310(1)(b) by failing to provide an  
23 accurate and complete license application in the form prescribed by the Director.

1 **2.4 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set  
2 forth in Section I above, Respondent Johnson 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), or for  
16 false statements or omissions of material information on the applications that, if known, would have allowed for  
17 denial of the application for the original license.

### 18 **IV. NOTICE OF INTENT TO ENTER ORDER**

19 Respondent Johnson's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set  
20 forth above, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,  
21 RCW 19.146.223 and RCW 19.146.310. Therefore, it is the Director's intent to ORDER that:

22 **4.1** Respondent Jeff Cecil Johnson's application for a loan originator license be denied, and


23 **4.2** Respondent Jeff Cecil Johnson be prohibited from participation in the conduct of the affairs of any  
24 licensed mortgage broker, in any manner, through December 27, 2013.

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**V. AUTHORITY AND PROCEDURE**

This Statement of Charges and Notice of Intent to Enter an Order to Deny License Application and Prohibit from Industry (Statement of Charges) is issued 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 Johnson 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.

Issued and Dated this 15<sup>th</sup> day of August, 2007.


  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
ANTHONY W. CARTER  
Enforcement Attorney



Approved by:

  
FATIMA BATIE  
Financial Legal Examiner Supervisor