

# TERMS COMPLETE

## FINAL ORDER SUMMARY – Case Number: C-07-414

**Name(s)** Kenneth M. Harlow

**Order Number** C-07-414-08-FO01

**Effective Date** 11/19/08

**License Number** 510-LO-38892

(Revoked, suspended, stayed, application denied or withdrawn)  
If applicable, you must specifically note the ending dates of terms.  
LO license application denied.

**License Effect**

**Not Apply until** N/A

**Prohibition/Ban until** March 25, 2013

<b>Investigation Costs</b>	\$0	Due:0	Paid: N/A	Date: N/A
			Y N	

<b>Assessment(s)</b>	\$0	Due:0	Paid: N/A	Date: N/A
			Y N	

<b>Monetary Penalty</b>	\$0	Due:0	Paid: N/A	Date: N/A
			Y N	

**Other** None.

**Special Instructions**

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

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

NO. C-07-414-08-FO01  
FINAL ORDER

KENNETH MARK HARLOW,  
Respondent.

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Deborah Bortner, pursuant to RCW 34.05.440(1). On December 17, 2007, the Director of the Department of Financial Institutions of the State of Washington (Director), through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intent to Enter an Order to Deny License Application and Prohibit from Industry (Statement of Charges). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated December 17, 2007, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing. The Department served the Statement of Charges, cover letter dated December 17, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on December 17, 2007 by first class mail.

The documents sent via first class mail were not returned to the Department by the United States Postal Service. Respondent did not request an adjudicative hearing within twenty calendar days after the Department served him as provided for in WAC 208-08-050(2).

B. Record Presented. The record presented to the Director's designee for her review and for entry of a final decision included the Statement of Charges, cover letter dated December 17, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing, with documentation of service.

1 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the Director's designee hereby  
2 adopts the Statement of Charges, which is attached hereto.

3 II. FINAL ORDER

4 Based upon the foregoing, and the Director's designee having considered the record and being  
5 otherwise fully advised, NOW, THEREFORE:

6 A. IT IS HEREBY ORDERED that:

- 7 1. Respondent Kenneth Mark Harlow's application for a loan originator license is denied; and  
8 2. Respondent Kenneth Mark Harlow is prohibited from participating in the conduct of the affairs of any  
9 mortgage broker subject to licensure by the Director, in any manner, through March 25, 2013.

10 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a Petition for  
11 Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the  
12 Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater,  
13 Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days  
14 of service of the Final Order upon Respondent. The Petition for Reconsideration shall not stay the effectiveness  
15 of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

16 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition  
17 is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the  
18 date by which it will act on a petition.

19 C. Stay of Order. The Director's designee has determined not to consider a Petition to Stay the effectiveness  
20 of this order. Any such requests should be made in connection with a Petition for Judicial Review made under  
21 chapter 34.05 RCW and RCW 34.05.550.

22 D. Judicial Review. Respondent has the right to petition the superior court for judicial review of this agency  
23 action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review,  
24 see RCW 34.05.510 and sections following.

25 //

1 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial Review, service is  
2 effective upon deposit of this order in the U.S. mail, declaration of service attached hereto.

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4 DATED this 19<sup>th</sup> day of November, 2008.

5 [REDACTED]  
6 DEBORAH BORTNER  
7 Director, Division of Consumer Services  
8 Department of Financial Institutions  
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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:  
  
KENNETH MARK HARLOW,  
  
Respondent.

NO. C-07-414-07-SC01

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

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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:

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**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Kenneth M. Harlow (Respondent Harlow)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under America One Finance, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 29, 2006.

**1.2 Prior Criminal Acts.** On or about July 9, 2003, Respondent Harlow was charged in the Superior Court of Washington for Spokane County, case number 03-1-02189-1, with possession of a controlled substance in violation of RCW 69.50.401, a Class C felony. On or about March 25, 2004, Respondent Harlow plead guilty to the charge, and a Judgment and Sentence finding him guilty of that offense was entered on that date. Respondent Harlow disclosed the felony charge and conviction on the "Criminal Disclosure" section of the on-line loan originator license application.

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

1 **1.3 Supplemental Filing.** On or about March 20, 2007, Respondent Harlow notified the Department that  
2 he had relocated to another licensed mortgage broker, A+ Mortgage, Inc. Accompanying the Form MU4 was  
3 a signed, undated, one-page letter from Respondent Harlow explaining the felony conviction. Respondent  
4 Harlow described his criminal conduct as “a decision to experiment with MDMA (ecstasy),” an “experiment  
5 with drugs,” and “experimenting with drugs.”

6 **1.4** In the “Statement of Defendant on Plea of Guilty,” Respondent Harlow agreed that the court could  
7 review the police report to establish a factual basis for the plea. The court relied upon a “Statement of  
8 Investigating Officer,” a three-page “Affidavit of Facts” signed under penalty of perjury by Detective Mark  
9 Burbridge of the Spokane Police Department. Detective Burbridge reported that Respondent Harlow was  
10 observed selling drugs, attempted to run away when confronted, lied to the police about possessing drugs, and  
11 was arrested and searched. The search revealed that Respondent Harlow was in possession of more drugs.  
12 Respondent Harlow subsequently admitted to police that he was dealing drugs.

13 **1.5** Respondent Harlow was obligated by statute to answer questions on the loan originator license  
14 application truthfully and to provide the Department with complete details of all events or proceedings.

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

16 **2.1 Requirement of No prior Convictions.** Based on the Factual Allegations set forth in Section I above,  
17 Respondent Harlow fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-660-350(2)(c) by  
18 having been convicted of a felony within seven years of filing his application.

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

24 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set  
25 forth in Section I above, Respondent Harlow fails to meet the requirements of RCW 19.146.310(1)(g) and

1 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the  
2 confidence of the community and to warrant a belief that the business will be operated honestly and fairly  
3 within the purposes of the Act.

### 4 III. AUTHORITY TO IMPOSE SANCTIONS

5 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the  
6 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7),  
7 the Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been  
8 met by the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the  
9 application of the denial.

10 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue  
11 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
12 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
13 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

### 14 IV. NOTICE OF INTENT TO ENTER ORDER

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

19 **4.1** Respondent Kenneth Mark Harlow's application for a loan originator license be denied.

20 **4.2** Respondent Kenneth Mark Harlow be prohibited from participation in the conduct of the affairs of any  
21 mortgage broker subject to licensure by the Director, in any manner, through March 25, 2013.

### 22 V. AUTHORITY AND PROCEDURE

23 This Statement of Charges and Notice of Intent to Enter an Order to Deny License Application and  
24 Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,  
25 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05

1 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth  
2 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying  
3 this Statement of Charges.

4  
5 Dated this 17th day of December 2007.

[Redacted signature]

DEBORAH BORTNER  
Director, Division of Consumer Services  
Department of Financial Institutions

9 Presented by:

10 [Redacted signature]

11 ANTHONY W. CARTER  
12 Enforcement Attorney

13 Approved by:

14 [Redacted signature]

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16 FATIMA BATIE  
Financial Legal Examiner Supervisor



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