

## Terms Completed

### ORDER SUMMARY – Case Number: C-07-426

**Name(s):** Christopher Coit Meleney  
aka Chris Meleney

**Order Number:** C-07-426-08-CO01

**Effective Date:** April 16, 2008

**License Number:** DFI: 44225

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  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

**Not Apply Until:**

**Not Eligible Until:**

**Prohibition/Ban Until:** December 31, 2009

<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 INVESTIGATING  
the Loan Originator License Application under the  
Mortgage Broker Practices Act of Washington by:

NO. C-07-426-08-CO01

CHRISTOPHER COIT MELENEY, AKA  
CHRIS MELENEY

CONSENT ORDER

Respondent.

8 COMES NOW the Director of the Department of Financial Institutions (Director), through his designee  
9 Deborah Bortner, Division Director, Division of Consumer Services, and Christopher Coit Meloney (Respondent),  
10 and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the  
11 entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of  
12 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-07-426-07-SC01  
(Statement of Charges), entered December 17, 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.

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-07-426-07-CO01  
Christopher Coit Meloney

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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 Denial.** It is AGREED that Respondent Melency's application for a Loan  
9 Originator license is denied.

10           **E. Prohibition from Industry.** It is AGREED that Respondent is prohibited from participating in the  
11 conduct of the affairs of any mortgage broker licensed by the Department or any mortgage broker exempt from  
12 Washington law under RCW 19.146.020(1)(e) or (g) until December 31, 2009, in any capacity, including but not  
13 limited to: (1) any financial capacity whether active or passive or (2) as an officer, director, principal, designated  
14 broker, employee, or loan originator or (3) any management, control, oversight or maintenance of any trust  
15 account(s) in any way related to any residential mortgage transaction or (4) receiving, disbursing, managing or  
16 controlling in any way, consumer trust funds in any way related to any residential mortgage transaction.

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 Christopher Coit Meleney  
3 Christopher Coit Meleney  
4

4/07/2008  
Date

DO NOT WRITE BELOW THIS LINE

5 THIS ORDER ENTERED THIS 16<sup>th</sup> DAY OF April, 2008.  
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7 Deborah Bortner

8 DEBORAH BORTNER  
9 Director  
10 Division of Consumer Services  
11 Department of Financial Institutions

11 Presented by:

12 Robert E. Jones  
13 ROBERT E. JONES  
14 Financial Legal Examiner



15 Approved by:

16 James R. Brusselback  
17 JAMES R. BRUSSELBACK  
18 Enforcement Chief

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CONSENT ORDER  
C-07-426-07-CO01  
Christopher Coit Meleney

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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:

CHRISTOPHER COIT MELENEY, AKA  
CHRIS MELENEY,

Respondent.

NO. C-07-426-07-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 Christopher Coit Meleney (Respondent Meleney)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Proactive Mortgage, LLC, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about June 4, 2007.

**1.2 Prior Administrative Action.** On April 6, 2007, Respondent Meleney was suspended from the practice of law for six months effective April 13, 2007. The WSBA found that Respondent Meleney accepted compensation from the principals of a company in financial distress to file an involuntary bankruptcy petition on behalf of several of the company's creditors. The petition was filed in an attempt to delay business license revocation procedures. Respondent Meleney entered into a Stipulation to Suspension, in which he stipulated

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

1 that he had failed to consult with petitioning creditors during the pendency of bankruptcy proceedings, failed to  
2 fully advise the petitioning creditors, and purported to act as the lawyer for the petitioning creditors when he  
3 was not authorized to act on their behalf. Further, Respondent Meleney stipulated that he failed to explain the  
4 actions he was taking so that the petitioning creditors could make informed decisions about the representation.  
5 Respondent Meleney also stipulated that accepting compensation from the company's principals constituted a  
6 conflict of interest. Finally Respondent Meleney stipulated that filing the petition to delay the license  
7 revocation constituted conduct that is prejudicial to the administration of justice.

8 **1.3 Responses to Application Questions.** The "Regulatory Action Disclosure" section of the loan  
9 originator license application consists of nine questions, and includes the following instruction:

10 "If the answer to any of the following is "YES", provide complete details of all events or proceedings"

11 Respondent Meleney provided the following explanations to the following questions on his loan originator  
12 license application:

- 13 • 1-Has any State or federal regulatory agency or foreign financial regulatory authority ever  
14 found you to have made a false statement or omission or been dishonest, unfair or unethical?

15 Respondent Meleney, in explanation to this question, wrote: "The Washington State Bar association found that  
16 I did not maintain adequate communications with a client."

- 17 • 8-Have you ever had an authorization to act as an attorney, accountant, or State or federal  
18 contractor that was revoked or suspended?

19 Respondent Meleney, in explanation to this question, wrote: "See one above - suspended by Bar Association  
20 for 6 months for failure to communicate."

- 21 • 9-Are you now the subject of any regulatory proceeding that could result in a "yes" answer to  
22 any part of (1 to 7) or 8?

23 Respondent Meleney, in explanation to this question, wrote: "I am under suspension by the Washington State  
24 Bar Association from April 2007 to October 2007 for the offence alleged in paragraph 1 above- failure to  
25 adequately communicate with a client."

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

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

4 **2.1 Requirement of No Prior License Suspension or Revocation.** Based on the Factual Allegations set  
5 forth in Section I above, Respondent Meleney fails to meet the requirements of RCW 19.146.310(1)(c) and  
6 WAC 208-660-350(2)(b) by having a license issued under this chapter or any similar state statute suspended or  
7 revoked within five years of the filing of the present application.

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

13 **2.3 Requirement to Provide Information on License Application.** Based on the Factual Allegations set  
14 forth in Section I above, Respondent Meleney fails to meet the requirements of RCW 19.146.300(1) and (2) and  
15 RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form  
16 prescribed by the Director.

17 **2.4 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set  
18 forth in Section I above, Respondent Meleney fails to meet the requirements of RCW 19.146.310(1)(g) and  
19 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the  
20 confidence of the community and to warrant a belief that the business will be operated honestly and fairly  
21 within the purposes of the Act.

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

23 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the  
24 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the  
25 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by

1 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application  
2 of the denial.

3 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue  
4 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
5 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
6 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

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

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

12 **4.1** Respondent Christopher Coit Meleney's application for a loan originator license be denied.

13 **4.2** Respondent Christopher Coit Meleney be prohibited from participation in the conduct of the affairs of  
14 any mortgage broker subject to licensure by the Director, in any manner, through June 4, 2014.

#### 15 **V. AUTHORITY AND PROCEDURE**

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

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1 Dated this 17<sup>th</sup> day of December, 2007.



DEBORAH BORTNER

Director  
Division of Consumer Services  
Department of Financial Institutions

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5 Presented by:



ROBERT E. JONES  
Financial Legal Examiner

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10 Approved by:



FATIMA BATIE  
Financial Legal Examiner Supervisor

