

Terms Completed

ORDER SUMMARY – Case Number: C-08-414

Name(s): Advantage Mortgage dba Advantage Mortgage Lending Co.;
Scott Guy Krelle

Order Number: C-08-414-09-CO01

Effective Date: May 28, 2009

License Number: DFI: 30911 [NMLS: 3034] -Advantage

Or NMLS Identifier [U/L] DFI: 30912 [NMLS: 17082] –Scott Krelle

(Revoked, suspended, stayed, application denied or withdrawn)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

License Effect: None

Not Apply Until: n/a

Not Eligible Until: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$132	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$2,250	Due	Paid <input checked="" type="checkbox"/> Y <input 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 type="checkbox"/> N		
No. of Victims:				

Comments: _____

1
2
3
4
5
6
7
8

**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-08-414-09-CO01

ADVANTAGE MORTGAGE, dba ADVANTAGE
MORTGAGE LENDING CO. and SCOTT
KRELLE, President, Owner and Designated Broker,

CONSENT ORDER

Respondents.

9
10
11
12
13
14
15

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Advantage Mortgage, Inc. (hereinafter Respondent Advantage Mortgage), and Scott Krelle, President, Owner and Designated Broker (hereinafter Respondent Krelle), 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:

16
17

AGREEMENT AND ORDER

18
19
20
21
22
23
24

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-414-08-SC01 (Statement of Charges), entered December 30, 2008, (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, Respondents hereby agree to the Department's entry of this Consent Order and further agree 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. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

25

CONSENT ORDER
C-08-414-09-CO01
Advantage Mortgage and Scott Krelle

1

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Based upon the foregoing:

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

B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing before an administrative law judge, and that they hereby waive their right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

C. **Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$2,250, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

D. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee of \$132, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

E. **Authority to Execute Order.** It is AGREED that the undersigned Respondent Krelle has represented and warranted that he has the full power and right to execute this Consent Order on behalf of the parties represented.

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

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

H. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this Consent Order in its entirety and fully understand and agree to all of the same.

//
//

1 **RESPONDENTS:**

2 **Advantage Mortgage**

3 By:

4 Scott Krelle
5 Scott Krelle
6 President, Owner and Designated Broker

2/3/09
Date

7 Scott Krelle
8 Scott Krelle
9 Individually

2/3/09
Date

10 **DO NOT WRITE BELOW THIS LINE**

11 THIS ORDER ENTERED THIS 28th DAY OF May, 2009.

12 Deborah Bortner

13 DEBORAH BORTNER
14 Director
15 Division of Consumer Services
16 Department of Financial Institutions

17 Presented by:

18 Robert E Jones
19 ROBERT E. JONES
20 Financial Legal Examiner



21 Approved by:

22 James R. Brusselback
23 JAMES R. BRUSSELBACK
24 Enforcement Chief

1
2
3
4
5
6
7
8
9

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

10
11
12
13
14
15

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

NO. C-08-414-08-SC01

16
17
18
19
20
21
22
23
24
25

ADVANTAGE MORTGAGE, dba
ADVANTAGE MORTGAGE LENDING CO.
and SCOTT KRELLE, President, Owner and
Designated Broker,

Respondents.

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO IMPOSE FINE AND COLLECT
INVESTIGATION FEE

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)¹. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as 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 Respondents.

A. **Advantage Mortgage, (Respondent Advantage)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on October 13, 2006, and continued to be licensed through December 31, 2007, when its license expired². Respondent Advantage renewed its license on February 8, 2008. Respondent Advantage was not licensed from January 1, 2008, through February 7, 2008.

¹ RCW 19.146 (2006).

² RCW 19.146.210(4).

1 B. **Scott Krelle (Respondent Krelle)** is the Principal Owner and Designated Broker of
2 Respondent Advantage Mortgage. Respondent Krelle was issued a Loan Originator license on January 1, 2007,
3 and continues to be licensed to date.

4 **1.2 Untimely Renewal of Mortgage Broker License.** In order to continue conducting business in 2008,
5 the Respondents were required to renew their mortgage broker license before January 1, 2008. The
6 Respondents did not renew their mortgage broker license timely and as a result could not conduct the business
7 of a mortgage broker until their license was renewed on February 8, 2008.

8 **1.3 Unlicensed Activity.** Between at least January 1, 2008, and February 7, 2008, Respondents performed
9 activity that would require licensure as a mortgage broker under the Act.

10 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
11 Respondents continues to date.

12 II. GROUNDS FOR ENTRY OF ORDER

13 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
14 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of compensation or
15 gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential
16 mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
17 person in obtaining or applying to obtain a residential mortgage loan.

18 **2.2 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in
19 apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a scheme, device or
20 artifice to defraud or mislead borrowers or lenders or any person, for engaging in an unfair or deceptive practice
21 toward any person, and for obtaining property by fraud or misrepresentation.

22 **2.3 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in Section
23 I above, Respondents are in apparent violation of RCW 19.146.200 for engaging in the business of a mortgage
24 broker without first obtaining and maintaining a license under the Act.

25

1 **2.4 Requirement to Timely Renew License and Refrain from Conducting Business.** Based on the
2 Factual Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-
3 163(16), (17), and (18) for continuing to conduct the business of a mortgage broker after failing to timely renew
4 a license under the Act.

5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), and (3)(a), the Director may impose
7 fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act for any
8 violations of RCW 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, RCW
9 19.146.200, RCW 19.146.205(4), or RCW 19.146.265, or any violation of the Act.

10 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520, and WAC
11 208-660-550(5), upon completion of any investigation of the books and records of a licensee or other person subject
12 to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of
13 the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each staff person
14 devoted to the investigation.

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

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

- 20 **4.1** Respondents Advantage Mortgage and Scott Krelle jointly and severally pay a fine of \$2,850; and
21 **4.2** Respondents Advantage Mortgage and Scott Krelle jointly and severally pay an investigation fee,
22 which as of the date of these charges is \$132 calculated at \$48 per hour for 2.75 staff hours
23 devoted to the investigation.

24 **V. AUTHORITY AND PROCEDURE**

25 This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and Collect
Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,

1 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05
2 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth
3 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying
4 this Statement of Charges.

5
6 Dated this 30th day of December, 2008.

7
8 

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

13 Presented by:

14 

15 ROBERT E. JONES
16 Financial Legal Examiner

17 Approved by:

18 

19 JAMES R. BRUSSELBACK
20 Enforcement Chief