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

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

C-09-352-09-TD01

PREFERRED FINANCIAL GROUP, INC., and
EDWARD HARTOUNIAN, Owner and Designated
Broker,

TEMPORARY ORDER TO
CEASE AND DESIST

Respondents.

THE STATE OF WASHINGTON TO: PREFERRED FINANCIAL GROUP, INC.
EDWARD HARTOUNIAN

COMES NOW the Director of the Washington State Department of Financial Institutions (Director), by and through his designee Deborah Bortner, Division Director, Division of Consumer Services (designee), and finding that the public is likely to be substantially injured by delay in issuing a cease and desist order, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, enters this Temporary Order to Cease and Desist pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), based on the following findings:

I. FACTUAL FINDINGS

1.1 Respondent Preferred Financial Group, Inc. (Respondent Preferred Financial) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on May 15, 1998, and continues to be licensed to date. Respondent Preferred Financial is licensed to conduct the business of a mortgage broker at the following location:

4800 Pointes Drive
Mukilteo, Washington 98275

1.2 Respondent Edward Hartounian (Respondent Hartounian) is Owner and Designated Broker of Respondent Preferred Financial. Respondent Hartounian was named Designated Broker of Respondent Preferred Financial on May 15, 1998, and continues as Designated Broker to date.

1 **1.3 Surety Bond Cancellation.** On August 4, 2009, the Department received notice from Hartford Fire
2 Insurance Company that Respondent Preferred Financial's surety bond would be cancelled, effective September
3 7, 2009. To date, Respondents have failed to provide the required surety bond.

4 **II. GROUNDS FOR ENTRY OF ORDER**

5 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
6 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to
7 file and maintain a surety bond with the Department.

8 **III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST**

9 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW 19.146.227, the
10 Director is authorized to issue a temporary order to cease and desist whenever the Director determines that the
11 public is likely to be substantially injured by delay in issuing a cease and desist order. Based on the Factual
12 Findings and Grounds for Entry of Order set forth above, Respondent Preferred Financial does not maintain the
13 required surety bond, and the public is likely to be substantially injured by the lack of said surety bond
14 coverage.

15 **IV. ORDER**

16 Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue Temporary
17 Order to Cease and Desist, and pursuant to RCW 19.146.227, the Director determines that the public is likely to
18 be substantially harmed by a delay in entering a cease and desist order. Therefore, the Director ORDERS that:

19 **4.1** Respondents shall immediately cease and desist from participating in the conduct of the affairs of any
20 mortgage broker subject to licensure by the Director, in any manner, specifically including, but not limited to
21 originating any residential mortgage loan, assisting with the origination of any residential mortgage loan, and
22 holding out as able to assist any person with applying for or obtaining any residential mortgage loan.

23 **4.2** This order shall take effect immediately and shall remain in effect unless set aside, limited, or
24 suspended in writing by an authorized court.

1 NOTICE

2 PURSUANT TO CHAPTER 19.146 RCW, YOU ARE ENTITLED TO A HEARING WITHIN 14 DAYS
3 OF REQUEST TO DETERMINE WHETHER THIS ORDER SHALL BECOME PERMANENT. IF YOU
4 DESIRE A HEARING, THEN YOU MUST RETURN THE ATTACHED APPLICATION FOR
5 ADJUDICATIVE HEARING INCORPORATED HEREIN BY THIS REFERENCE. FAILURE TO
6 COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE HEARING FORM SO THAT IT IS
7 RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF
8 THE DATE THAT THIS ORDER WAS SERVED ON YOU WILL CONSTITUTE A DEFAULT AND WILL
9 RESULT IN THE LOSS OF YOUR RIGHT TO A HEARING. SERVICE ON YOU IS DEFINED AS POSTING
10 IN THE U.S. MAIL, POSTAGE PREPAID, TO YOUR LAST KNOWN ADDRESS. BE ADVISED THAT
11 DEFAULT WILL RESULT IN THIS ORDER TO CEASE AND DESIST BECOMING PERMANENT ON THE
12 TWENTY-FIRST (21ST) DAY FOLLOWING SERVICE OF THIS ORDER UPON YOU.

13 WITHIN TEN DAYS AFTER YOU HAVE BEEN SERVED WITH THIS TEMPORARY
14 ORDER TO CEASE AND DESIST, YOU MAY APPLY TO THE SUPERIOR COURT IN THE
15 COUNTY OF YOUR PRINCIPAL PLACE OF BUSINESS FOR AN INJUNCTION SETTING
16 ASIDE, LIMITING, OR SUSPENDING THIS ORDER PENDING THE COMPLETION OF THE
17 ADMINISTRATIVE PROCEEDINGS PURSUANT TO THIS NOTICE.

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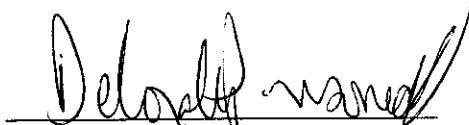
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1 DATED this ^{2nd} 20 day of September, 2009.

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4 DEBORAH BORTNER
5 Director
6 Division of Consumer Services
7 Department of Financial Institutions

8 Presented by:

9 

10 DEBORAH PINSONNEAULT
11 Financial Legal Examiner



12 Approved by:

13 
14 JAMES R. BRUSSELBACK
15 Enforcement Chief