

## Terms Completed

### ORDER SUMMARY – Case Number: C-09-366

**Name(s):** Capital Line Funding Group, Inc.  
Arthur James Hooper

**Order Number:** C-09-366-09-CO01

**Effective Date:** October 14, 2009

**License Number:** DFI: 45665 [NMLS: 1887] DFI: 45666 [NMLS: 48122]

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)

**License Effect:** n/a  
If applicable, you must specifically note the ending dates of terms.

**Not Apply Until:** n/a

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

**Prohibition/Ban Until:** n/a

<b>Investigation Costs</b>	\$144	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 10/13/09
<b>Fine</b>	\$375	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 10/13/09
<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**

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

NO. C-09-366-09-CO01

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CAPITAL LINE FUNDING GROUP, INC. and  
ARTHUR JAMES HOOPER, President and  
Designated Broker,  
  
Respondents.

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, Capital Line Funding Group, Inc. (hereinafter Respondent Capital Line), and Arthur James Hooper (hereinafter Respondent Hooper), and finding that the issues raised in the above-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:

**AGREEMENT AND ORDER**

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-09-366-09-SC01 (Statement of Charges), entered September 30, 2009, (copy attached hereto) and Temporary Order to Cease and Desist No. C-09-366-09-TD01 (Temporary Order to Cease and Desist) entered September 30, 2009 (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 and Temporary Order to Cease and Desist.

Based upon the foregoing:

CONSENT ORDER  
C-09-366-09-CO01  
Capital Line Funding, Inc. and Arthur James Hooper

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

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

6           **C. Failure to Maintain Bond in Violation of RCW 19.146.205(4).** On August 14, 2009, the  
7 Department received notice from The Hartford that Respondent Capital Line's surety bond would be cancelled.  
8 Respondent Capital Line's surety bond cancelled effective September 19, 2009. Respondent Capital Line's  
9 surety bond was reinstated on or about December 2, 2009, effective September 19, 2009.

10           **D. Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$375, in the form of a  
11 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

12           **E. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee  
13 of \$144, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this  
14 Consent Order. Respondents may pay both the fine and investigation fee in the form of one cashier's check made  
15 payable to the "Washington State Treasurer" upon entry of this Consent Order.

16           **F. Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented and  
17 warranted that they have the full power and right to execute this Consent Order on behalf of the parties  
18 represented.

19           **G. Authority of Department.** It is AGREED that nothing in this Consent Order shall be construed as  
20 preventing the Department from fully exercising its authority and enforcing any provision of chapter 19.146 RCW  
21 and chapter 208-660 WAC.

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

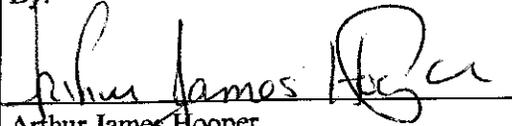
3 I. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into  
4 this Consent Order, which is effective when signed by the Director's designee.

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

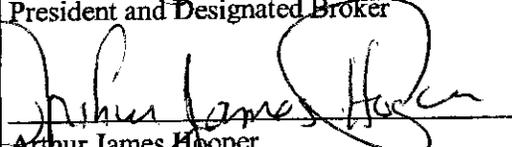
7 **RESPONDENTS:**

8 **Capital Line Funding, Inc.**

9 By:

10   
11 Arthur James Hooper  
12 President and Designated Broker

October 8, 2009  
Date

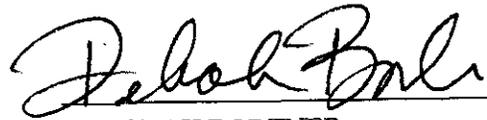
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14 Arthur James Hooper  
15 Individually

October 8, 2009  
Date

16 DO NOT WRITE BELOW THIS LINE

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1 THIS ORDER ENTERED THIS 14<sup>th</sup> DAY OF October, 2009.

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

6 Presented by:

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8 DEBORAH PINSONNEAULT  
9 Financial Legal Examiner



10 Approved by:

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12 JAMES R. BRUSSELBACK  
13 Enforcement Chief

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25 CONSENT ORDER  
C-09-366-09-CO01  
Capital Line Funding, Inc. and Arthur James Hooper

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**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:

CAPITAL LINE FUNDING GROUP, INC.  
and ARTHUR JAMES HOOPER, President  
and Designated Broker,

Respondents.

NO. C-09-366-09-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO CEASE AND DESIST, REVOKE  
LICENSE, IMPOSE FINE, AND COLLECT  
INVESTIGATION FEE

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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 19.146.235, 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 Respondents.**

A. **Capital Line Funding Group, Inc. (Respondent Capital Line Funding)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about September 14, 2007, and was licensed as a mortgage broker at all relevant times. Respondent Capital Line Funding is licensed to conduct the business of a mortgage broker at the following location:

6440 Lusk Blvd, Suite D202  
San Diego, California 92121

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<sup>1</sup> RCW 19.146 (2006)



1 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per  
2 hour that each staff person devoted to the investigation.

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

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

- 8 **4.1** Respondents Capital Line Funding Group, Inc. and Arthur James Hooper cease and desist from  
conducting the business of a mortgage broker;
- 9 **4.2** Respondent Capital Line Funding Group, Inc's, license to conduct the business of a mortgage broker be  
10 revoked;
- 11 **4.3** Respondents Capital Line Funding Group, Inc. and Arthur James Hooper jointly and severally pay a fine  
which as of the date of this Statement of Charges totals \$375; and
- 12 **4.4** Respondents Capital Line Funding Group, Inc. and Arthur James Hooper jointly and severally pay an  
13 investigation fee which as of the date of this Statement of Charges totals \$144 calculated at \$48 per hour  
for the three (3) staff hours devoted to the investigation.

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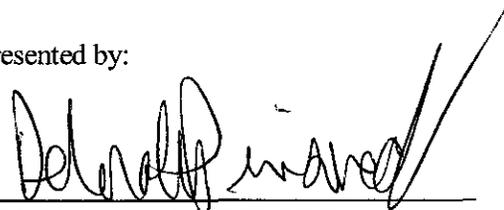
1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Revoke  
3 License, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the  
4 provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to  
5 the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written  
6 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY  
7 FOR HEARING accompanying this Statement of Charges.

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9 Dated this 30<sup>th</sup> day of September, 2009.

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

16 Presented by:

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18 DEBORAH PINSONNEAULT  
19 Financial Legal Examiner



20 Approved by:

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22 JAMES R. BRUSSELBACK  
23 Enforcement Chief

1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 CONSUMER SERVICES DIVISION

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

C-09-366-09-TD01

7 CAPITAL LINE FUNDING GROUP, INC. and  
8 ARTHUR JAMES HOOPER, President and  
9 Designated Broker,

TEMPORARY ORDER TO  
CEASE AND DESIST

Respondents.

10 THE STATE OF WASHINGTON TO: CAPITAL LINE FUNDING GROUP, INC.  
11 ARTHUR JAMES HOOPER

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

18 **1.1 Capital Line Funding Group, Inc. (Respondent Capital Line)** was licensed by the Department of  
19 Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or  
20 about September 14, 2007, and was licensed during all relevant times. Respondent Capital Line is licensed to  
21 conduct the business of a mortgage broker at the following location:

6440 Lusk Blvd, Suite D202  
San Diego, California 92121

22 **1.2 Respondent Arthur James Hooper (Respondent Hooper)** is President and Designated Broker of  
23 Respondent Capital Line. Respondent Hooper was named Designated Broker of Respondent Capital Line on or  
24 about September 14, 2007, and was Designated Broker at all relevant times.

25 **1.3 Surety Bond Cancellation.** On August 14, 2009, the Department received notice from The Hartford  
that Respondent Capital Line's surety bond would be cancelled. The bond cancelled effective September 19,  
2009. To date, Respondents have failed to provide the required surety bond.

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

2 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I  
3 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to  
4 file and maintain a surety bond with the Department.

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

6 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW 19.146.227, the  
7 Director is authorized to issue a temporary order to cease and desist whenever the Director determines that the  
8 public is likely to be substantially injured by delay in issuing a cease and desist order. Based on the Factual  
9 Findings and Grounds for Entry of Order set forth above, Respondent Capital Line does not maintain the  
10 required surety bond, and the public is likely to be substantially injured by the lack of said surety bond  
11 coverage.

12 **IV. ORDER**

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

16 **4.1** Respondents shall immediately cease and desist from participating in the conduct of the affairs of any  
17 mortgage broker subject to licensure by the Director, in any manner, specifically including, but not limited to  
18 originating any residential mortgage loan, assisting with the origination of any residential mortgage loan, and  
19 holding out as able to assist any person with applying for or obtaining any residential mortgage loan.

20 **4.2** This order shall take effect immediately and shall remain in effect unless set aside, limited, or  
21 suspended in writing by an authorized court.

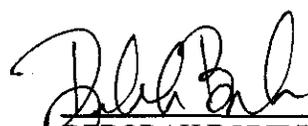
22 **NOTICE**

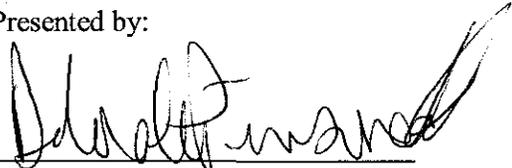
23 **PURSUANT TO CHAPTER 19.146 RCW, YOU ARE ENTITLED TO A HEARING WITHIN 14 DAYS**  
24 **OF REQUEST TO DETERMINE WHETHER THIS ORDER SHALL BECOME PERMANENT. IF YOU**  
25 **DESIRE A HEARING, THEN YOU MUST RETURN THE ATTACHED APPLICATION FOR**  
**ADJUDICATIVE HEARING INCORPORATED HEREIN BY THIS REFERENCE. FAILURE TO**

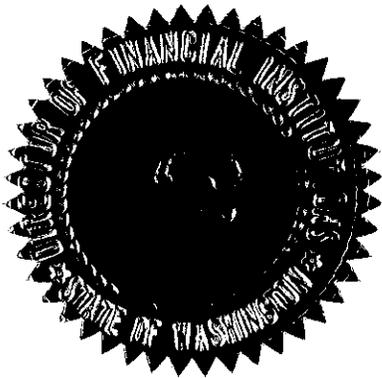
1 COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE HEARING FORM SO THAT IT IS  
2 RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF  
3 THE DATE THAT THIS ORDER WAS SERVED ON YOU WILL CONSTITUTE A DEFAULT AND WILL  
4 RESULT IN THE LOSS OF YOUR RIGHT TO A HEARING. SERVICE ON YOU IS DEFINED AS POSTING  
5 IN THE U.S. MAIL, POSTAGE PREPAID, TO YOUR LAST KNOWN ADDRESS. BE ADVISED THAT  
6 DEFAULT WILL RESULT IN THIS ORDER TO CEASE AND DESIST BECOMING PERMANENT ON THE  
7 TWENTY-FIRST (21ST) DAY FOLLOWING SERVICE OF THIS ORDER UPON YOU.

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

13 DATED this 30<sup>th</sup> day of September, 2009.

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17 DEBORAH BORTNER  
18 Director  
19 Division of Consumer Services  
20 Department of Financial Institutions

21 Presented by:  
22   
23 DEBORAH PINSONNEAULT  
24 Financial Legal Examiner



25 Approved by:  
  
JAMES R. BRUSSELBACK  
Enforcement Chief