

## Terms Completed

### ORDER SUMMARY – Case Number: C-12-1075-14-CO01

**Name(s):** Buddy Lee Terrell  
 \_\_\_\_\_  
 \_\_\_\_\_

**Order Number:** C-12-1075-14-CO01  
 \_\_\_\_\_

**Effective Date:** June 2, 2014  
 \_\_\_\_\_

**License Number:** NMLS #49074  
 \_\_\_\_\_

**License Effect:** n/a  
 \_\_\_\_\_  
 \_\_\_\_\_

**Not Apply Until:** n/a  
 \_\_\_\_\_

**Not Eligible Until:** n/a  
 \_\_\_\_\_

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

<b>Investigation Costs</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$1,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 5/23/14
<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: Respondent does not admit any wrongdoing by entry of the consent order.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

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

IN THE MATTER OF DETERMINING  
whether there has been a violation of the  
Consumer Loan Act of Washington by:

AMERICAHOMEKEY, INC., NMLS #49414,  
FRANK CAUGHRON, Director and Owner,  
NMLS #49055,  
LYNN M. EATON, Director and Owner,  
NMLS #49076,  
BUDDY L. TERRELL, Director and Owner,  
NMLS #49074, and  
LANE A. TERRELL, President, Director, and  
Owner, NMLS #49062

Respondents.

No.: C-12-1075-14-CO01

CONSENT ORDER AS TO  
BUDDY L. TERRELL

11 COMES NOW the Director of the Department of Financial Institutions (Director), through his  
12 designee Deborah Bortner, Division Director, Division of Consumer Services, and Buddy L. Terrell  
13 (Respondent B. Terrell), and finding that the issues raised in the above-captioned matter may be  
14 economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is  
15 entered pursuant to chapter 31.04 of the Revised Code of Washington (RCW), and RCW 34.05.060  
16 of the Administrative Procedure Act, based on the following:

17  
18

**AGREEMENT AND ORDER**

19 The Department of Financial Institutions, Division of Consumer Services (Department) and  
20 Respondent B. Terrell have agreed upon a basis for resolution of the matters alleged in Statement of  
21 Charges No. C-12-1075-13-SC01 (Statement of Charges), entered February 22, 2013, (copy attached  
22 hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the  
23 Administrative Procedure Act, Respondent B. Terrell hereby agrees to the Department's entry of this  
24 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 as to Respondent B. Terrell only.

CONSENT ORDER  
C-12-1075-14-CO01  
BUDDY L. TERRELL

1

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

1 Due to subsequent facts as to Respondent B. Terrell's role as a control person, the Department finds it  
2 appropriate to fully resolve the Statement of Charges as to Respondent B. Terrell through this  
3 Consent Order.

4 Based upon the foregoing:

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

7 B. **Waiver of Hearing.** It is AGREED that Respondent B. Terrell has been informed of the  
8 right to a hearing before an administrative law judge, and hereby waives his right to a hearing and  
9 any and all administrative and judicial review of the issues raised in this matter, or of the resolution  
10 reached herein. Accordingly, Respondent B. Terrell, by his signature below, withdraws his appeal to  
11 the Office of Administrative Hearings.

12 C. **No Admission of Liability.** The parties intend this Consent Order to fully resolve the  
13 Statement of Charges as to Respondent B. Terrell and agree that Respondent B. Terrell does not  
14 admit to any wrongdoing by its entry.

15 D. **Fine.** It is AGREED that Respondent B. Terrell shall pay a fine to the Department in the  
16 amount of \$1,000, in the form of a cashier's check made payable to the "Washington State  
17 Treasurer," upon entry of this Consent Order.

18 E. **Non-Compliance with Order.** It is AGREED that Respondent B. Terrell understands  
19 that failure to abide by the terms and conditions of this Consent Order may result in further legal  
20 action by the Director. In the event of such legal action, Respondent B. Terrell may be responsible to  
21 reimburse the Director for the cost incurred in pursuing such action, including but not limited to,  
22 attorney fees.

23 F. **Voluntarily Entered.** It is AGREED that Respondent B. Terrell has voluntarily entered  
24 into this Consent Order, which is effective when signed by the Director's designee.

1 G. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent B. Terrell  
2 has read this Consent Order in its entirety and fully understands and agrees to all of the same.

3 **RESPONDENT:**

4 [Redacted Signature]

5 Buddy L. Terrell

6 April 13, 2014  
Date

7 DO NOT WRITE BELOW THIS LINE

8 THIS ORDER ENTERED THIS 2<sup>nd</sup> DAY OF June, 2014.



13 [Redacted Signature]

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

18 Presented by:

19 [Redacted Signature]

20 DEVON P. PHELPS  
21 Financial Legal Examiner

22 Approved by:

23 [Redacted Signature]

24 CHARLES E. CLARK  
Enforcement Chief



1 Respondent AHK also does business under the trade names “First Choice Lending Group,” “Liberty  
2 Star Mortgage,” “Mortgage Mentor,” “MTH Lending Group,” and “www.ahkse.com.”

3 B. **Frank Caughron** is a Director and Owner of Respondent AHK.

4 C. **Lynn M. Eaton** is a Director and Owner of Respondent AHK.

5 D. **Buddy L. Terrell** is a Director and Owner of Respondent AHK.

6 E. **Lane A. Terrell** is the President and a Director and Owner of Respondent AHK.

7 **1.2 Failure to Maintain Surety Bond.** On or about April 26, 2012, the Department received  
8 notice from Hartford Fire Insurance Company that Respondent AHK’s surety bond would be  
9 cancelled effective June 18, 2012. On June 18, 2012, Respondent AHK’s surety bond was cancelled.  
10 As of the date of this Statement of Charges, Respondents have failed to notify the Department of the  
11 cancellation of the surety bond, and have failed to provide the required surety bond or an approved  
12 alternative.

13 **1.3 Failure to File Annual Reports and Pay Annual Assessment.** Respondent AHK’s Annual  
14 Assessment Report, Consolidated Annual Report, and Annual Assessment Fee for 2011 were due by  
15 March 1, 2012. As of the date of this Statement of Charges, Respondents have failed to file the  
16 Annual Assessment Report or Consolidated Annual Report and have not paid the Annual Assessment  
17 Fee.

18 **1.4 Failure to Notify Department of Significant Developments.**

19 A. **Cancellation of Surety Bond.** Respondents failed to notify the Department within  
20 ten days after the receipt of notification from Hartford Fire Insurance Company of the cancellation of  
21 Respondent AHK’s surety bond.

22 B. **Revocation of License.** Respondents failed to notify the Department within twenty  
23 days after receipt of notification of license revocation procedures against AHK’s license. On or

1 about May 17, 2012, California revoked Respondent AHK's Finance Lenders License. On or about  
2 June 26, 2012, Wisconsin revoked AHK's Mortgage Banker and Mortgage Broker Licenses. On or  
3 about October 8, 2012, North Carolina revoked Respondent AHK's Mortgage Lender License. On or  
4 about October 25, 2012, California revoked Respondent AHK's Residential Mortgage Lender  
5 License. On or about November 8, 2012, Arkansas revoked Respondent AHK's Mortgage Banker,  
6 Mortgage Broker, and Mortgage Servicer License.

7 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the  
8 Act by Respondents continues to date.

## 9 II. GROUNDS FOR ENTRY OF ORDER

10 **2.1 Requirement to Obtain and Maintain a Surety Bond.** Based on the Factual Allegations set  
11 forth in Section I above, Respondents are in apparent violation of RCW 31.04.045(6) and RCW  
12 31.04.027(2) for failing to maintain a surety bond approved by the Director.

13 **2.2 Requirement to File Annual Reports and Pay Annual Assessment.** Based on the Factual  
14 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.085,  
15 RCW 31.04.155, WAC 208-620-430(1), and WAC 208-620-499(2) for failing to file Annual Reports  
16 and pay an Annual Assessment to the Director on or before the first day of March of each year, or  
17 within thirty days of closure. Pursuant to WAC 208-620-430(3), if Respondents fail to file the  
18 Annual Reports or pay the Annual Assessment by the due date the Department may make a claim for  
19 the greater of the assessment fee paid the previous year, the average annual assessment fee paid in the  
20 previous two years, or fifteen hundred dollars.

21 **2.3 Requirement to Notify Department of Significant Developments.** Based on the Factual  
22 Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-620-  
23

1 490(2)(e) and (3)(a) for failing to update Respondent AHK's MU1 record through the NMLSR after  
2 the occurrence of a significant development.

3 **2.4 Requirement to Maintain Records.** Pursuant to RCW 31.04.155 and WAC 208-620-520,  
4 every licensee shall preserve the books, accounts, records papers, documents, files, and other  
5 information relevant to a loan for at least twenty-five months, or the period of time required by  
6 federal law, whichever is longer, after making the final entry on the loan at a location approved by  
7 the director.

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

9 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3) and WAC 208-620-570, the  
10 Director may revoke a license if a licensee has failed to pay a fee due to the Department, been subject  
11 to an administrative action issued pursuant to the Act or similar laws of another state, been found in  
12 violation of another state's lending laws, securities laws, real estate laws, or insurance laws, or failed  
13 to maintain its bond.

14 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 31.04.093(6), the Director may  
15 issue orders removing from office or prohibiting from participation in the conduct of the affairs of  
16 any licensee, or both, any person subject to this chapter for revocation of a license in this state or  
17 another state or a violation of RCW 31.04.027 or RCW 31.04.155.

18 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of  
19 up to one hundred dollars per day upon the licensee for any violation of the Act.

20 **3.4 Authority to Collect Cost of Investigation.** Pursuant to RCW 31.04.145(3) and WAC 208-  
21 620-590, every licensee investigated by the Director or the Director's designee shall pay to the  
22 Director the cost of the investigation, calculated at the rate of \$69.01 per hour.

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

2 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,  
3 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
4 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and  
5 RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

6 **4.1** Respondent AmericaHomeKey, Inc.'s license to conduct business as a consumer loan  
7 company be revoked.

8 **4.2** Respondents AmericaHomeKey, Inc., Frank Caughron, Lynn M. Eaton, Buddy L.  
9 Terrell, and Lane A. Terrell be prohibited from participation, in any manner, in the  
conduct of the affairs of any consumer loan company subject to licensure by the  
Director for a period of five years.

10 **4.3** Respondents AmericaHomeKey, Inc., Frank Caughron, Lynn M. Eaton, Buddy L.  
11 Terrell, and Lane A. Terrell jointly and severally pay a fine in the amount of \$10,000.

12 **4.4** Respondents AmericaHomeKey, Inc., Frank Caughron, Lynn M. Eaton, Buddy L.  
13 Terrell, and Lane A. Terrell jointly and severally pay investigation costs, which total  
\$655.60 as of the date of this Statement of Charges.

14 **4.5** Respondents AmericaHomeKey, Inc., Frank Caughron, Lynn M. Eaton, Buddy L.  
15 Terrell, and Lane A. Terrell jointly and severally pay the Annual Assessment fee of  
\$3,605.63.

16 **4.6** Respondent AmericaHomeKey, Inc., its officers, employees, and agents maintain records  
17 in compliance with the Act and keep the Department apprised of the location of the  
books, records and other information relating to Respondent AmericaHomeKey, Inc.'s  
18 consumer loan company business, and the name, address and telephone number of the  
individual responsible for maintenance of such records in compliance with the Act.

19 \\  
20 \\  
21 \\  
22 \\  
23 \\  
24

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License,  
3 Prohibit from Industry, Impose Fine, Collect Investigation Fee, File Annual Reports, Pay Annual  
4 Assessment, and Maintain Records (Statement of Charges) is entered pursuant to the provisions of  
5 RCW 31.04.093, RCW 31.04.165, RCW 31.04.202 and RCW 31.04.205, and is subject to the  
6 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a  
7 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
8 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

9  
10 Dated this 22<sup>nd</sup> day of February, 2013

11 /S/ \_\_\_\_\_  
12 DEBORAH BORTNER  
13 Director  
14 Division of Consumer Services  
15 Department of Financial Institutions

16 Presented by:

17 /S/ \_\_\_\_\_  
18 DEVON P. PHELPS  
19 Financial Legal Examiner

20 Approved by:

21 /S/ \_\_\_\_\_  
22 CHARLES E. CLARK  
23 Enforcement Chief