

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

**Name(s):** AmericaHomeKey Inc;  
Lane Andrew Terrell  


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**Order Number:** C-12-1075-14-FO02  


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**Effective Date:** June 9, 2014  


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**License Number:** AMERICAHOMEKEY, INC., DFI: 49414 NMLS ID: #49414,  
LANE A. TERRELL, NMLS #49062  


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**Or NMLS Identifier**  
**License Effect:** AmericaHomeKey's license is revoked  


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**Not Apply Until:** June 9, 2019  


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**Not Eligible Until:** June 9, 2019  


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**Prohibition/Ban Until:** June 9, 2019  


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<b>Investigation Costs</b>	\$655.60	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$10,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$3,605.63	Due	Paid <input type="checkbox"/> Y <input checked="" 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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1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 DIVISION OF CONSUMER SERVICES

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

No.: C-12-1075-14-FO02

7 AMERICAHOMEKEY, INC., NMLS #49414,  
8 FRANK CAUGHRON, Director and Owner,  
9 NMLS #49055,  
10 LYNN M. EATON, Director and Owner, NMLS  
11 #49076,  
12 BUDDY L. TERRELL, Director and Owner,  
13 NMLS #49074, and  
14 LANE A. TERRELL, President, Director, and  
15 Owner, NMLS #49062

FINAL ORDER RE:  
AMERICAHOMEKEY, INC. and  
LANE A. TERRELL

16 Respondents.

17 I. DIRECTOR'S CONSIDERATION

18 A. Default. This matter has come before the Director of the Department of Financial  
19 Institutions of the State of Washington (Director), through his designee, Consumer Services Division  
20 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On February 22,  
21 2013, the Director, through the Director's designee, issued a Statement of Charges and Notice of  
22 Intention to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, Collect  
23 Investigation Fee, File Annual Reports, Pay Annual Assessment, and Maintain Records (Statement  
24 of Charges) against AmericaHomeKey, Inc. (Respondent AHK), Frank Caughron (Respondent  
Caughron), Lynn M. Eaton (Respondent Eaton), Buddy L. Terrell (Respondent B. Terrell), and Lane  
A. Terrell (Respondent L. Terrell). A copy of the Statement of Charges is attached and incorporated  
into this order by this reference. The Statement of Charges was accompanied by a cover letter dated  
February 22, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank  
Application for Adjudicative Hearing for Respondents (collectively, accompanying documents).

1 On February 22, 2013, the Department served Respondents with the Statement of Charges and  
2 accompanying documents by First-Class mail and Federal Express overnight delivery. On February  
3 25, 2013, the documents sent by Federal Express overnight delivery were delivered to Respondents  
4 AHK and L. Terrell. The documents sent by First-Class mail were not returned to the Department by  
5 the United States Postal Service.

6 Respondents AHK and L. Terrell requested an adjudicative hearing within twenty calendar  
7 days after the Department served the Notice of Opportunity to Defend and Opportunity for Hearing,  
8 as provided for in WAC 208-08-050(2). Respondents AHK and L. Terrell subsequently withdrew  
9 their request for an adjudicative hearing (see attachment).

10 B. Record Presented. The record presented to the Director's designee for her review and  
11 for entry of a final decision included the following: Statement of Charges, cover letter dated February  
12 22, 2013, Notice of Opportunity to Defend and Opportunity for Hearing, blank Applications for  
13 Adjudicative Hearing for Respondents AHK and L. Terrell, with documentation for service,  
14 Applications for Adjudicate Hearing for Respondents AHK and L. Terrell, and Respondents AHK  
15 and L. Terrell's withdrawal request.

16 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the  
17 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

## 18 II. FINAL ORDER

19 Based upon the foregoing, and the Director's designee having considered the record and being  
20 otherwise fully advised, NOW, THEREFORE:

21 A. IT IS HEREBY ORDERED, That:

- 22 1. Respondent AmericaHomeKey, Inc.'s license to conduct business of a Consumer  
23 Lender is revoked.

2. Respondents AmericaHomeKey, Inc. and Lane A. Terrell are 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.
3. Respondents AmericaHomeKey, Inc. and Lane A. Terrell pay a fine of \$10,000. This fine shall be joint and several with any other Respondents determined to have violated the Act.
4. Respondents AmericaHomeKey, Inc. and Lane A. Terrell pay an annual assessment of \$3,605.63. This assessment shall be joint and several with any other Respondents determined to have violated the Act.
5. Respondents AmericaHomeKey, Inc. and Lane A. Terrell pay an investigation fee of \$655.60. This investigation fee shall be joint and several with any other Respondents determined to have violated the Act.
6. Respondent AmericaHomeKey, Inc., its officers, employees, and agents maintain records 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 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.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondents AHK and L. Terrell have the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents AHK and L. Terrell. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date by which it will act on a petition.

1 C. Stay of Order. The Director's designee has determined not to consider a Petition to  
2 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition  
3 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

4 D. Judicial Review. Respondents AHK and L. Terrell have the right to petition the  
5 superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW.  
6 For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections  
7 following.

8 E. Non-compliance with Order. If Respondents AHK and L. Terrell do not comply with  
9 the terms of this order, **including payment of any amounts owed within 30 days of receipt of this**  
10 **order**, the Department may seek its enforcement by the Office of the Attorney General to include the  
11 collection of the fines, assessments, and fees imposed herein. The Department also may assign the  
12 amounts owed to a collection agency for collection.

13 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial  
14 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
15 attached hereto.

16 DATED this 9<sup>th</sup> day of June, 2014.



18 STATE OF WASHINGTON  
19 DEPARTMENT OF FINANCIAL INSTITUTIONS

20 [Redacted Signature] \_\_\_\_\_  
21 DEBORAH BORTNER  
22 Director, Division of Consumer Services

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

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

7 AMERICAHOMEKEY, INC., NMLS #49414,  
8 FRANK CAUGHRON, Director and Owner,  
9 NMLS #49055,  
10 LYNN M. EATON, Director and Owner, NMLS  
11 #49076,  
12 BUDDY L. TERRELL, Director and Owner,  
13 NMLS #49074, and  
14 LANE A. TERRELL, President, Director, and  
15 Owner, NMLS #49062

16 Respondents.

No.: C-12-1075-13-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO REVOKE LICENSE, PROHIBIT  
FROM INDUSTRY, IMPOSE FINE,  
COLLECT INVESTIGATION FEE, FILE  
ANNUAL REPORTS, PAY ANNUAL  
ASSESSMENT, AND MAINTAIN  
RECORDS

17 INTRODUCTION

18 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial  
19 Institutions of the State of Washington (Director) is responsible for the administration of chapter  
20 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to  
21 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the  
22 Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes  
23 this proceeding and finds as follows:

24 I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **AmericaHomeKey, Inc. (AHK)** is a Texas corporation with its principal place of  
business located at 3838 Oak Lawn Avenue, Suite 1050, Dallas, Texas 75219. AHK was licensed by  
the Department of Financial Institutions of the State of Washington (Department) to conduct business  
as a Consumer Loan Company on or about July 23, 2008, and continues to be licensed to date.

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-



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.

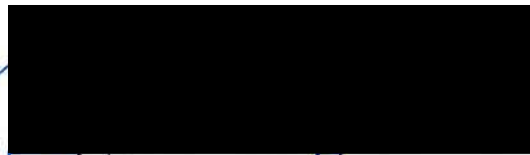
16 **4.6** Respondent AmericaHomeKey, Inc., its officers, employees, and agents maintain records  
17 in compliance with the Act and keep the Department apprised of the location of the  
books, records and other information relating to Respondent AmericaHomeKey, Inc.'s  
18 consumer loan company business,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

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24

1 **V. AUTHORITY AND PROCEDURE**

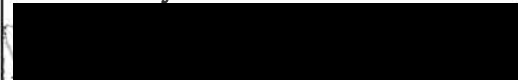
2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License,  
3 Prohibit from Industry, Impose Fine, Collect Investigation Fee, File Annual Reports, Pay Annual  
4 Assessment, and Maintain Records (Statement of Charges) is entered pursuant to the provisions of  
5 RCW 31.04.093, 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 DEBORAH BORTNER  
12 Director  
13 Division of Consumer Services  
14 Department of Financial Institutions

15 Presented by:



16 DEVON P. PHELPS  
17 Financial Legal Examiner



18 Approved by:



19 CHARLES E. CLARK  
20 Enforcement Chief