

ORDER SUMMARY – Case Number: C-14-1460

Name(s): Mathias Kyle Julian

Order Number: C-14-1460-14-FO02

Effective Date: August 8, 2014

License Number: DFI: 39175 NMLS ID: 109232
Or NMLS Identifier [U/L]

License Effect: Suspended

Not Apply Until: Permanent Cease and Desist

Not Eligible Until: Permanent Cease and Desist

Prohibition/Ban Until: Permanent Cease and Desist

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$	Due	Paid <input 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:



State of Washington

DEPARTMENT OF FINANCIAL INSTITUTIONS

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

MATHIAS KYLE JULIAN,

Respondent.

No. C-14-1460-14-FO02

ORDER DENYING PETITION FOR
RECONSIDERATION AND AFFIRMATION
OF FINAL ORDER DATED MAY 20, 2014

THIS MATTER came before Scott Jarvis, Director ("Director") of the Department of Financial Institutions ("Department"), upon Petition for Reconsideration, dated July 1, 2014 ("Petition"), of a Final Default Order by the Department's Division of Consumer Services ("Division") dated May 20, 2014 ("Final Order") against Respondent MATHIAS KYLE JULIAN ("Respondent"); and the Director, having given this matter due consideration as hereinafter described, and having determined that the Petition has no merit in light of the Record on Reconsideration enumerated below;

NOW, THEREFORE, the Director makes the following determination by way of denying the Petition for Reconsideration:

The Director has considered the entire record on reconsideration, including, without limitation, the following documents (collectively, "Record on Reconsideration"):

- 1.1 The Temporary Order to Cease and Desist and Summary Suspension of License, dated April 14, 2014;
- 1.2 The Notice of Opportunity to Defend and Opportunity for Hearing, dated April 14, 2014;
- 1.3 The Final Order to Cease and Desist dated May 20, 2014;
- 1.4 The Petition for Reconsideration by Respondent Mathias Julian dated July 1, 2014, and supporting exhibits;

In re: MATHIAS KYLE JULIAN

No. C-14-1460-14-FO02

ORDER DENYING PETITION FOR RECONSIDERATION AND AFFIRMATION OF FINAL ORDER DATED MAY 20, 2014

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1.5 The Notice of Appearance on behalf of the Division by Jeffrey Rupert of the Office of Attorney General; and

1.6 The Department's [Division's] Response to Petition for Reconsideration, dated July 16, 2014, including the following exhibits thereto:

- 1.6.1 Applicable records of the National Mortgage Licensing System (Exhibit A);
- 1.6.2 The Division's Declaration of Service of the Temporary Order to Cease and Desist (Exhibit B);
- 1.6.3 The Declaration of Gregory Sandoz (Exhibit C);
- 1.6.4 The Declaration of Jill Bialas (Exhibit D); and
- 1.6.5 A series of email communications between Steven Sherman, Esq. (of the Division) and Seth Rosenberg, Esq. (representing the Respondent in this Petition for Reconsideration);

Respondent's Petition is untimely. However, in the interest of assuring due process, the Director, as indicated before, has elected to consider Respondent's Petition.

On the basis of the Record on Reconsideration, and after deliberation, the Director finds that Respondent's Petition is without merit.

IT IS HEREBY ORDERED, as follows:

3.1 The Petition for Reconsideration dated July 1, 2014, is hereby denied.

3.2 The Final Order to Cease and Desist dated May 20, 2014, is affirmed and incorporated herein as if fully set forth.

DATED this 8th day of August, 2014.


SCOTT JARVIS, Director

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:

MATHIAS KYLE JULIAN,
Mortgage Loan Originator, NMLS#109232,

Respondent.

No. C-14-1460-14-FO01

FINAL ORDER TO CEASE AND DESIST

I. DIRECTOR'S CONSIDERATION

A. **Default.** This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On April 14, 2014, the Director, through the Director's designee, issued a Temporary Order To Cease And Desist and Summary Suspension of License (TCD) against Mathias Kyle Julian (Respondent). A copy of the TCD is attached and incorporated into this order by this reference. The TCD was accompanied by a cover letter dated April 15, 2014, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

B. **Service.** On April 15, 2014, the Department served Respondent with the TCD and accompanying documents by First-Class mail and Federal Express overnight delivery to the Respondent's residence in Renton, WA 98056. On April 16, 2014, the documents sent by Federal Express overnight delivery were delivered to Respondent's residence and signed for by "M. Julian." The documents sent by First-Class mail were not returned to the Department by the United States Postal Service.

Respondent did not request an adjudicative hearing within twenty calendar days after the Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for in WAC 208-08-050(2).¹

C. Record Presented. The record presented to the Director's designee for her review and for entry of a final decision included the following: Temporary Cease and Desist and Summary Suspension of License, cover letter dated April 15, 2014, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing for Respondent, with documentation for service.

D. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the Director's designee hereby adopts the TCD, which is attached hereto.

II. FINAL ORDER

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

A. IT IS HEREBY ORDERED, That:

1. Respondent Mathias Kyle Julian's license to conduct business of a Mortgage Loan Originator is suspended.
2. Respondent Mathias Kyle Julian permanently cease and desist from conducting any and all business under the Consumer Loan Act.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has 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,

¹ Pursuant to Chapter 34.05 RCW, WAC 208-08-050 and WAC 10-08-110, the request for an administrative hearing had to be received by the Department on or before April 5, 2014. On May 12, 2014, the Department received Respondent's untimely Application For Adjudicative Hearing requesting a formal hearing postmarked May 8, 2014.

1 Washington 98504-1200, within ten (10) days of service of the Final Order To Cease and Desist upon
2 Respondent. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a
3 Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

10 D. Judicial Review. Respondent has the right to petition the superior court for judicial
11 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
12 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

13 E. 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 20th day of May, 2014.



17 STATE OF WASHINGTON
18 DEPARTMENT OF FINANCIAL INSTITUTIONS

19 [REDACTED]
20 DEBORAH BORTNER
21 Director
22 Division of Consumer Services
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NO. C-14-1460-14-TD01

TEMPORARY ORDER TO CEASE AND DESIST AND SUMMARY SUSPENSION OF LICENSE

Respondent.

THE STATE OF WASHINGTON TO: MATHIAS KYLE JULIAN

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, enters this Temporary Order to Cease and Desist and Summary Suspension of License pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), based on the following findings:

I. FACTUAL ALLEGATIONS

1.1 Mathias Kyle Julian (Respondent Julian). Respondent Julian is a mortgage loan originator (MLO) licensed under the Consumer Loan Act, MLO-109232. Respondent Julian has been licensed as a mortgage loan originator by the Department since at least August 2012, and was licensed at all times relevant to this Temporary Order to Cease and Desist. Respondent Julian was sponsored by consumer loan company Diamond Residential Mortgage Corporation (DRMC) on or about December 17, 2013. DRMC terminated its sponsorship of Respondent

1 Julian effective February 28, 2014, and notified the Department of its termination of Respondent
2 Julian March 3, 2014. Respondent Julian's mortgage loan originator license has been inactive
3 since March 3, 2014.

4 **1.2 Termination, Altered Documents and LO Activity With Inactive License.**

5 Respondent Julian was hired as a MLO with DRMC on or about December 8, 2013, and
6 was to report directly to C.W., Branch Manager for DRMC. Respondent Julian had his
7 employment terminated with DRMC after C.W. discovered what appeared to be fraudulent
8 mortgage loan originator activity in one of the loan files assigned to Respondent Julian. The
9 fraudulent loan originator activity involved employment, income, and asset misrepresentation in
10 one of the loan files assigned to Respondent Julian. Additionally, based on email
11 communications identified on the DRMC laptop computer assigned to Respondent Julian that
12 C.W. reviewed, C.W. identified that Respondent Julian continued to conduct loan originator
13 activity after termination from DRMC and after his license became inactive.
14

15 According to DRMC, Respondent Julian had four loan files assigned to him while
16 employed at DRMC including the loan file for R.L. and his wife who was co-borrower. The loan
17 application in the R.L. loan file was signed by both borrowers and dated February 13, 2014.
18 C.W. indicated that he, along with DRMC employee S.K., began working Respondent Julian's
19 loan files after he had been out sick for three days in February 2014. In processing the R.L. loan
20 file, C.W. noted that there were multiple concerns and irregularities in the loan file and
21 ultimately determined there were fraudulent documents and information in the loan file related to
22 the borrowers. Based on the information in the loan file, information entered into the DRMC
23 computer system, and Respondent Julian's emails and attachments, Respondent Julian was
24

1 identified as the source of the fraudulent information and believed to have manufactured
2 employment, income, and asset documentation in the loan file.

3 DRMC attempted to contact R.L. but determined that the contact information Respondent
4 Julian had entered was incorrect, preventing DRMC from initially being able to contact R.L.
5 DRMC also determined that employment information entered by Respondent Julian indicating
6 that R.L. was employed by Educational Technology Consulting, Inc. (ETCI) as a Senior
7 Educational Manager, and income information indicating he was making over \$7,000 a month
8 based on employment with ETCI was fabricated. Additionally, DRMC also noted the phone
9 number on the application for this employer was not correct, as DMRC was unable to contact
10 ETCI through this phone number to verify employment and income. DRMC researched and
11 found the true owner for ETCI who indicated R.L. had never been an employee of the company
12 and that the owner was the only employee of the company.

14 DRMC also found loan file documents that had incorrect contact information for the co-
15 borrower, preventing them from being able to contact her, incorrect employment information
16 indicating she was employed by Acadia Health Center as a Speech Therapist, and incorrect
17 income information indicating she was making \$3,041 per month from her employment with
18 Acadia Health Center. DRMC further determined the phone number on the application for the
19 co-borrower's employer was not correct, as DMRC was unable to make contact through this
20 phone number to verify employment and income. DRMC subsequently verified that the co-
21 borrower was not an employee of Acadia Health Center and the employment information and
22 documentation had been fabricated.

1 C.W. was able to obtain the correct contact information for R.L. through their realtor.
2 The information for the realtor was different than the contact information in the computer system
3 and loan file. When C.W. was able to make contact with R.L., R.L. confirmed that he had never
4 worked for ETCI and his wife had never worked for Acadia Health Center, that he was self-
5 employed at the time of the loan application, and that his wife had only recently begun working
6 for the realtor. DRMC determined that Respondent Julian was the individual who had input the
7 borrowers' information into their computer system and that the email, phone number,
8 employment and bank information were all fabricated. DRMC advised that R.L. provided a
9 copy of his correct bank statements directly to DRMC which were duplicates of statements that
10 R.L. had previously provided to Respondent Julian. However, the statements provided to
11 Respondent Julian showed a balance of \$400,144.75, whereas the statements provided directly to
12 DRMC had a balance of \$100,104.75; establishing the statements in the system and loan file had
13 been altered.
14

15 DRMC reviewed the company email account for Respondent Julian and discovered
16 Respondent Julian had emailed financial documents from his DRMC email to his personal
17 Hotmail account, and then emailed the documents back to his DRMC company email account
18 after they had been altered. These documents included employment, income, and assets
19 information, and other documentation which had been altered. DRMC also discovered financial
20 documents for individuals who were not DRMC loan applicants believed to have been used as
21 templates for paystubs to create false documents for the loan applicants and then emailed back to
22 Respondent Julian's DMRC email for use as the borrowers' documents.
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1 DRMC reviewed the laptop computer assigned to Respondent Julian after it was returned
2 to DRMC by Respondent Julian following his termination from employment. DRMC found
3 several email communications on the laptop computer between Respondent Julian and a woman
4 with the initials R.B. In these communications, Respondent Julian requested her assistance in
5 perpetrating an apparent false verification of employment. These communications also indicate
6 Respondent Julian was continuing to engage in loan originator activity on the R.L. file post
7 termination by DRMC and while his license was inactive.

8
9 The Department reviewed the DRMC file and records for R.L.'s loan. The Department's
10 analysis was consistent with the representations made by DRMC.

11 **1.3 Substantial Injury to the Public.** Respondent Julian's apparent violations of the
12 Act are such that the public is likely to be substantially injured by delay in issuing a Cease and
13 Desist Order.

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

15 **2.1 Altered Documents.** Based on the Factual Allegations set forth in Section I
16 above, Respondent Julian is in apparent violation of RCW 31.04.027(2) and (3) for directly or
17 indirectly engaging in any unfair or deceptive practice toward any person and for directly or
18 indirectly obtaining property by fraud or misrepresentation by altering documents.

19 **2.2 Activity with Inactive License.** Based on the Factual Allegations set forth in
20 Section I above, Respondent Julian is in apparent violation of RCW 31.04.027(2), RCW
21 31.04.035(1), and WAC 208-620-710(11) for engaging in the business of a mortgage loan
22 originator without first obtaining and maintaining a license under this chapter and/or conducting
23

1 the activities of a loan originator or holding himself out as a loan originator while holding an
2 inactive license.

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

4 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW
5 31.04.093(5), the director may issue an order directing the licensee, its employee or loan
6 originator, or other person subject to the Act to cease and desist from conducting business in a
7 manner that is injurious to the public or violates any provision of the Act, and take such
8 affirmative action as is necessary to comply with the Act.
9

10 **3.2 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW
11 31.04.093(8), whenever the Director determines that the public is likely to be substantially
12 injured by delay in issuing a cease and desist order, the director may immediately issue a
13 temporary cease and desist order. The order may direct the licensee to discontinue any violation
14 of the Act, to take such affirmative action as is necessary to comply with the Act, and may
15 include a summary suspension of the licensee's license and may order the licensee to
16 immediately cease the conduct of business under the Act. The order shall become effective at
17 the time specified in the order.
18

19 **IV. ORDER**

20 Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue
21 Temporary Order to Cease and Desist, and pursuant to RCW 31.04.093 and RCW 31.04.165, the
22 Director determines that the public is likely to be substantially harmed by a delay in entering a
23 cease and desist order.

24 Therefore, the Director **ORDERS** that:

25 TEMPORARY ORDER TO CEASE AND DESIST
C-14-1460-14-TD01
MATHIAS KYLE JULIAN

1 THE COMPLETION OF THE ADMINISTRATIVE PROCEEDINGS PURSUANT TO THIS
2 NOTICE.

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4 DATED this 14th day of April, 2014

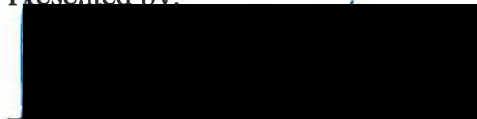


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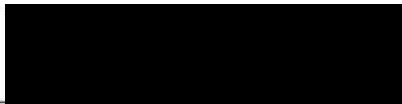
DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



GREGORY H. SANDOZ
Financial Legal Examiner

Approved by:



CHARLES E. CLARK
Enforcement Chief