

TERMS COMPLETE

ORDER SUMMARY – Case Number: C-14-1541

Name: Bay Equity, LLC

Order Number: C-14-1541-15-CO01

Effective Date: April 15, 2015

License Number: DFI: 52086 NMLS ID: 76988

Or NMLS Identifier [U/L]

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$27,534.99	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 4/15/2015
Fine	\$50,000.00	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 4/15/2015
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: Order to refrain from allowing employees to engage in the business of a mortgage loan originator without an active license under the Act. Bay Equity will update policies and procedures for SAFE Act and audit at least annually.

Bay Equity will submit to a compliance examination within two years at its expense.

**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:

BAY EQUITY, LLC,
NMLS # 76988,

Respondent.

No.: C-14-1541-15-CO01

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Charles E. Clark, Division Director, Division of Consumer Services, and Bay Equity, LLC (Respondent), 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 Revised Code of Washington (RCW) 31.04, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

FINDINGS OF FACT

1.1 Respondent is a consumer loan company licensed under the Act by the Department of Financial Institutions of the State of Washington (Department).

1.2 Respondent maintains multiple branch offices in Washington where it conducts some of its consumer loan business.

1.3 The Department initiated an investigation into Respondent based on allegations that an unlicensed employee at one of these branch offices was engaging in the business of a mortgage loan originator in Washington. The Department's investigation determined that one of Respondent's employees at this branch office conducted business as a mortgage loan originator with at least eleven

1 borrowers between at least January 16, 2013, and August 11, 2014. Respondent terminated this
2 individual's employment upon learning of the unlicensed activity.

3 **1.4** The Department's investigation determined that the violations of the Act set forth below were
4 primarily committed by this one unlicensed individual.

5 **CONCLUSIONS OF LAW**

6 **2.1** Based on the above Findings of Fact, and pursuant to WAC 208-620-372, Respondent
7 violated RCW 31.04.027(2) and (3) by failing to take sufficient precautions to prevent its employee
8 from engaging in the business of a mortgage loan originator in violation of RCW 31.04.221.

9 **AGREEMENT AND ORDER**

10 The Department and Respondent have agreed upon a basis for resolution of the Findings of
11 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 31.04.093 and
12 RCW 34.05.060, Respondent and the Department agree to entry of this Consent Order and further
13 agree that the matters alleged herein may be economically and efficiently settled by the entry of this
14 Consent Order. Respondent hereby admits the Findings of Fact and Conclusions of Law identified in
15 this Consent Order.

16 Based upon the foregoing:

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

19 **B. Waiver of Hearing.** It is AGREED that Respondent hereby waives any right it has to a hearing
20 and any and all administrative and judicial review of the issues raised in this matter or the resolution
21 reached herein.

1 **C. Unlicensed Mortgage Loan Originators.** It is AGREED and ORDERED that Respondent
2 shall refrain from allowing employees to engage in the business of a mortgage loan originator in
3 Washington without first obtaining and maintaining an active license under the Act.

4 **D. Policies and Procedures.** It is AGREED that Respondent will review and update its policies
5 for compliance with the federal SAFE Act and provide updated training on those policies to
6 Respondent's staff. It is also AGREED that Respondent will audit its compliance with the federal
7 SAFE Act at least annually.

8 **E. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
9 \$50,000, upon entry of this Consent Order.

10 **F. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the
11 Department in the amount of \$27,534.99, upon entry of this Consent Order. It is further AGREED
12 that the Fine and Investigation Fee shall be paid together in one cashier's check in the amount of
13 \$77,534.99 made payable to the "Washington State Treasurer."

14 **G. Examination.** It is AGREED that Respondent will submit to examination by the Department
15 at any time within two years of the date of entry of this Consent Order at Respondent's expense.


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

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

1 **J. Completely Read, Understood, and Agreed.** It is AGREED that Respondent's
2 representative has read this Consent Order in its entirety and fully understands and agrees to all of the
3 same.

4 **K. Authority to Execute Order.** It is AGREED that the undersigned authorized representative
5 has represented and warranted that he has the full power and right to execute this Consent Order on
6 behalf of Respondent.

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8 **RESPONDENT:**
9 **Bay Equity, LLC**
10 By:

11 
12 BRETT MCGOVERN
13 Chief Executive Officer

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Date

4-14-15

DO NOT WRITE BELOW THIS LINE

1 THIS ORDER ENTERED THIS 15th DAY OF April, 2015.



5 [REDACTED]

6 CHARLES E. CLARK
Director
Division of Consumer Services
Department of Financial Institutions

7 Presented by:

8 [REDACTED]

9 [REDACTED]

10 ROBERT E. JONES
Financial Legal Examiner

11 Approved by:

12 [REDACTED]

13 STEVEN C. SHERMAN
Enforcement Chief