

ORDER SUMMARY – Case Number: C-17-2226

Name(s): Chad Lee Simmons

Order Number: C-17-2226-17-CO01

Effective Date: September 7, 2017

License Number: NMLS No. 393519

License Effect: Application withdrawn

Not Apply Until: September 7, 2022

Not Eligible Until: September 7, 2022

Prohibition/Ban Until: September 7, 2022

Investigation Costs	\$741.85	\$741.85 Due 09/29/17	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine (past-due for order C-11-0795-13-FO02)	\$1,000.00	\$900 Due 09/29/17 \$100 Due 10/31/17	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> Y <input checked="" 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 checked="" type="checkbox"/> N		
No. of Victims:				

Comments: Prohibited from acting as a mortgage loan originator in Washington for 5 years

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

IN THE MATTER OF INVESTIGATING the
Loan Originator License Application under the
Consumer Loan Act of Washington by:

CHAD LEE SIMMONS,
NMLS #393519,

Respondent.

No.: C-17-2226-17-CO01

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Charles E. Clark, Division Director, Division of Consumer Services, and Chad Lee Simmons (Respondent), 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 31.04 of the 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 Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-17-2226-17-SC01 (Statement of Charges), entered July 26, 2017 (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this 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. The parties intend this Consent Order to fully resolve the Statement of Charges.

Based upon the foregoing:

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

3 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
4 hearing before an administrative law judge, and hereby waives the 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
6 herein. Accordingly, Respondent, by his signature below, withdraws his appeal to the Office of
7 Administrative Hearings.

8 C. **Mortgage Loan Originator License Application Withdrawal.** It is AGREED that
9 Respondent's mortgage loan originator license application is voluntarily withdrawn. Upon entry of
10 this Consent Order, Respondent will take the steps necessary to voluntarily withdraw his application
11 through the Nationwide Mortgage Licensing System and Registry.

12 D. **Prohibition from Industry.** It is AGREED that, for a period of five years from the date
13 of entry of this Consent Order, Respondent is prohibited from participating, in any capacity, in the
14 conduct of the affairs of any mortgage broker and consumer loan company licensed by the
15 Department or subject to licensure or regulation by the Department.

16 E. **Application of the Consumer Loan Act.** It is AGREED that chapter 31.04 RCW, the
17 Consumer Loan Act, does not apply: (1) to any person doing business under, and as permitted by, any
18 law of this state or of the United States relating to banks, savings banks, trust companies, savings and
19 loan or building and loan associations, or credit unions, as stated in RCW 31.04.025(2)(a); or (2) to
20 entities making loans under programs of the United States department of agriculture, department of
21 housing and urban development, or other federal government program that provides funding or
22 access to funding for single-family housing developments or grants to low-income individuals for the
23 purchase or repair of single-family housing, as stated in RCW 31.04.025(2)(i).

1 **F. Application for License.** It is AGREED that, for a period of five years from the date of
2 entry of this Consent Order, Respondent shall not apply to the Department for any license under any
3 name. It is further AGREED that, should Respondent apply to the Department for any license under
4 any name at any time later than five years from the date of entry of this Consent Order, Respondent
5 shall be required to meet any and all application requirements in effect at that time.

6 **G. Past-Due Fine.** It is AGREED that Respondent shall pay the past-due fine from the
7 Director's Final Order No. C-11-0795-13-FO02 to the Department in the amount of \$1,000, in the
8 form of cashier's checks made payable to the "Washington State Treasurer." Respondent shall pay
9 \$900 of the fine on or before September 29, 2017, and shall pay the remaining \$100 on or before
10 October 31, 2017.

11 **H. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
12 investigation fee of \$741.85, in the form of a cashier's check made payable to the "Washington State
13 Treasurer," on or before October 31, 2017. The investigation fee and the fine due on or before
14 October 31, 2017 may be paid together in one \$841.85 cashier's check made payable to the
15 "Washington State Treasurer."

16 **I. 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 **J. 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.

22 **K. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read
23 this Consent Order in its entirety and fully understands and agrees to all of the same.

L. Counterparts. This Consent Order may be executed by the Respondent in any number of counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Consent Order.

RESPONDENT:

Chad Lee Simmons

By:

/s/

Chad Lee Simmons
Individually

08/29/2017
Date

Approved for Entry:

/s/
Inge A. Fordham, WSBA No. 38256
Dickson Law Group PS
Attorney for Respondent

09/01/2017
Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 7th DAY OF September, 2017.

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

Presented by:

Approved by:

/s/
DREW STILLMAN
Financial Legal Examiner

/s/
STEVEN C. SHERMAN
Enforcement Chief

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

IN THE MATTER OF INVESTIGATING the
Loan Originator License Application under the
Consumer Loan Act of Washington by:

CHAD LEE SIMMONS,
NMLS #393519,

Respondent.

No.: C-17-2226-17-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO DENY LICENSE
APPLICATION, PROHIBIT FROM
INDUSTRY, COLLECT INVESTIGATION
FEE, and RECOVER COSTS AND
EXPENSES

INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.247, and based upon the facts available as of the date of this Statement of Charges, the Director, through her designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Chad Lee Simmons (Respondent) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a mortgage loan originator license. The license application was initially received by the Department, through the Nationwide Mortgage Licensing System and Registry, on or about April 18, 2017.

1.2 Prior Violation of the Act and Failure to Comply with Order. Respondent previously violated the Act by originating loans without a license, as described in the Director's Final Order No. C-11-0795-13-FO02. The Director issued the Final Order on or about March 21, 2013. The Final Order prohibited Respondent from acting as a mortgage loan originator with any company subject to licensure under the Act for a period of one year and required Respondent to pay a \$1,000 fine. To

1 date, Respondent is not in compliance with the Final Order because Respondent has not paid the fine.

2 **1.3 Prior Guilty Plea.** On or about September 1, 2005, in the Montana District Court,

3 Respondent pled guilty to one misdemeanor count of issuing a bad check.

4 **1.4 False Statements on License Application.** When Respondent first applied for a mortgage

5 loan originator license, he responded “no” to the questions:

6 Has any State or federal regulatory agency or foreign financial regulatory
7 authority or self-regulatory organization (SRO) ever: ... (4) entered an
8 order against you in connection with a financial services-related activity?
9 ... (6) denied or suspended your registration or license application for
10 licensure, disciplined you, or otherwise by order, prevented you from
11 associating with a financial services-related business or restricted your
12 activities?

13 These responses were false, as Respondent was the subject of Final Order No. C-11-0795-13-FO02.

14 Respondent later changed his responses to “yes” and explained that he initially answered “no”

15 because he “believed the action was a violation against the company” who employed him at the time.

16 In contrast to Respondent’s stated belief, the Final Order against Respondent made no mention of the

17 company and Respondent attempted to negotiate an individual consent agreement with the

18 Department for several months after the Director issued the Final Order.

19 Additionally, Respondent initially responded “no” in his license application to the question:

20 Have you ever been convicted of or pled guilty or nolo contendere (“no
21 contest”) in a domestic, foreign, or military court to committing or
22 conspiring to commit a misdemeanor involving: (i) financial services or a
23 financial services-related business, (ii) fraud, (iii) false statements or
24 omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi)
perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion?

25 This response was also false, as Respondent previously pled guilty to a misdemeanor count of issuing

26 a bad check. Respondent later changed his response to “yes.”

27 **1.5 Financial Responsibility, Character, and General Fitness.** The Director has not found that

28 Respondent has demonstrated financial responsibility, character, and general fitness such as to

1 command the confidence of the community and to warrant a determination that the mortgage loan
2 originator will operate honestly, fairly, and efficiently within the purposes of the Act. Instead,
3 Respondent has shown disregard in the management of his financial condition by failing to pay a fine
4 issued by the Director in Final Order No. C-11-0795-13-FO02. Additionally, Respondent has failed
5 to demonstrate sufficient character and general fitness to be eligible to receive a loan originator
6 license, as Respondent has engaged unlicensed mortgage loan origination, failed to comply with an
7 order from the Director, and made false statements in a license application without good cause or
8 reason.

9 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the
10 Act by Respondent continues to date.

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

12 **2.1 Requirement of Compliance the Act.** Based on the Factual Allegations set forth in Section I
13 above, Respondent fails to meet the requirements of RCW 31.04.247(1)(i) and WAC 208-620-
14 710(4)(b) by having been found to be in violation of the Act.

15 **2.2 Requirement of Compliance with Order.** Based on the Factual Allegations set forth in
16 Section I above, Respondent is in apparent violation of the Director's Final Order No. C-11-0795-13-
17 FO02 by failing to pay the required fine when due. This is grounds for the Director to deny
18 Respondent's license application under RCW 31.04.093(2)(b).

19 **2.3 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,
20 Respondent is in apparent violation of RCW 31.04.027(8) for negligently making any false statement
21 or knowingly and willfully making any omission of material fact in connection with any reports filed
22 with the Department or in connection with any investigation conducted by the Department.

23 **2.4 Requirement to Demonstrate Financial Responsibility, Character, and General**
24 **Fitness.** Based on the Factual Allegations set forth in Section I above, Respondent fails to meet the

requirements of RCW 31.04.247(1)(e) and WAC 208-620-710 by failing to demonstrate financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of the Act. Pursuant to WAC 208-620-710(3)(b), an applicant has not demonstrated financial responsibility when the applicant shows disregard in the management of his or her financial condition. A determination that an individual has shown disregard in the management of his or her financial condition may include, but is not limited to, an assessment of current outstanding government liens and filings.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Deny Application for Mortgage Loan Originator License. Pursuant to RCW 31.04.093(2), the Director may deny applications for licenses. Pursuant to RCW 31.04.247(2), the Director shall not issue a mortgage loan originator license if the director finds the conditions of RCW 31.04.247 have not been met.

3.2 Authority to Prohibit from the Industry. Pursuant to RCW 31.04.093(6)(a), the Director may issue an order prohibiting from participation in the affairs of any licensee, any officer, principal, employee, or any other person subject to the Act for making false statements or omitting material information from an application for a license that, if known, would have allowed the director to deny the original application for a license; for failing to comply with any order or subpoena issued under this chapter; or for committing a violation of RCW 31.04.027.

3.3 Authority to Collect Investigation Fee. Pursuant to RCW 31.04.145(3) and WAC 208-620-610(7), the Director may charge and collect an investigation fee calculated at \$69.01 per hour.

3.4 Authority to Recover Costs and Expenses. Pursuant to RCW 31.04.205(2), the Director may recover the state's costs and expenses for prosecuting violations of the Act.

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

2 Respondent's 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, RCW
5 31.04.205, and RCW 31.04.247. Therefore, it is the Director's intent to ORDER that:

- 6 4.1 Respondent Chad Lee Simmons' application for a mortgage loan originator license be
7 denied.
- 8 4.2 Respondent Chad Lee Simmons be prohibited from participation in the conduct of the
9 affairs of any consumer loan company or mortgage broker company subject to
10 licensure by the Director, in any manner, for a period of 5 years.
- 11 4.3 Respondent Chad Lee Simmons pay an investigation fee. As of the date of this
12 Statement of Charges, the investigation fee totals \$741.85.
- 13 4.4 Respondent Chad Lee Simmons pay the Department's costs and expenses for
14 prosecuting violations of the Act in an amount to be determined at hearing or by
15 declaration with supporting documentation in event of default by Respondent.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Deny License
3 Application, Prohibit from Industry, Collect Investigation Fee, and Recover Costs and Expenses
4 (Statement of Charges) is issued pursuant to the provisions of RCW 31.04.093, RCW 31.04.165,
5 RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW, the
6 Administrative Procedure Act. Respondent may make a written request for a hearing as set forth in
7 the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND
8 accompanying this Statement of Charges.

9 Dated this 26th day of July, 2017.

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11 /s/
12 CHARLES E. CLARK
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17 /s/
18 DREW STILLMAN
19 Financial Legal Examiner

20 Approved by:

21 /s/
22 STEVEN C. SHERMAN
23 Enforcement Chief