ORDER SUMMARY – Case Number: C-17-2339

Name(s):	Jeff Harold Beh	nrman		
Order Number:	C-17-2339-18-0	CO01		
Effective Date :	6/8/18			
License Number : Or NMLS Identifier [U/L]	118186			
License Effect:	Surrendered			
Not Apply Until:	N/A			
Not Eligible Until:	N/A			
Prohibition/Ban Until:	Permanent			
Investigation Costs	\$2,520	Due	Paid ⊠ Y □ N	Date 6/11/18
Fine	\$10,000 (of \$60,000 total)	Due	Paid N N	Date 6/11/18
Assessment(s)	\$	Due	Paid N N	Date
Restitution	\$	Due	Paid Y N	Date
Judgment	\$	Due	Paid N	Date
Satisfaction of Judgment F		☐ Y ☐ N	Т	
No. of Victims:				
Comments: \$50,000 of the \$60,000	fine is stayed pending	ng completion of all terr	ns of CO.	

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:

No.: C-17-2339-18-CO01

JEFF HAROLD BEHRMAN,

CONSENT ORDER

Mortgage Loan Originator, NMLS #118186

Respondent.

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COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Charles E. Clark, Division Director, Division of Consumer Services, and Jeff Harold Behrman (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 chapter 31.04 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

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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-17-2339-18-SC01 (Statement of Charges), entered March 1, 2018, (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. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

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CONSENT ORDER C-17-2339-18-CO01 Jeff Harold Behrman DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services PO Box 41200 Olympia, WA 98504-1200 (360) 902-8703 2

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Based upon the foregoing:

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

- B. Waiver of Hearing. It is AGREED that Respondent has been informed of the right to a hearing before an administrative law judge, and hereby waives his right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondent, by his signature and the signature of his representative below, withdraws his appeal to the Office of Administrative Hearings.
- C. **Liability**. The parties intend this Consent Order to fully resolve the Statement of Charges and agree that Respondent neither admits nor denies any wrongdoing by its entry.
- D. **Mortgage Loan Originator License Surrender**. It is AGREED that Respondent will surrender his Washington State Mortgage Loan Originator license within seven (7) days of entry of this Consent Order.
- E. **Prohibition from Industry**. It is AGREED that, Respondent is permanently prohibited from participating, in any capacity, in the conduct of the affairs of any mortgage broker or consumer loan company licensed by the Department or subject to licensure or regulation by the Department. This prohibition will only apply to business activities within Washington State.
- F. **Update NMLS Disclosures.** It is AGREED that Respondent shall update his NMLS record and appropriately respond to all state disclosure questions and explanations as necessary to be in compliance with state disclosure requirements. It is further AGREED that Respondent shall update this information within seven (7) days of entry of this Consent Order.
- G. **Fine and Stayed Amount**. It is AGREED that Respondent shall pay a fine to the Department in the amount of \$60,000. It is further AGREED that the Department shall stay \$50,000 of the fine, which may be lifted in accordance with the terms stated in Paragraph H. It is further

1	AGREED that respondent shall pay to the Department the remaining amount of \$10,000, upon entry
2	of this Consent Order, in the form described in Paragraph I.
3	H. Lifting the Stay and Imposing Stayed Fine. It is AGREED that:
4	1. If the Department determines that Respondent has not complied with the terms of this
5	Consent Order to a degree sufficient to warrant imposition of a Stayed Fine, and the Department accordingly seeks to lift the stay and impose the Stayed Fine set forth in Paragraph G above, the Department will first notify Respondent in writing of its
6	determination.
7	2. The Department's notification will include:
8	a) A description of the alleged noncompliance;
9	b) A statement that because of the noncompliance, the Department seeks to lift the stay and impose the Stayed Fine;
10	c) The opportunity for Respondent to contest the Department's determination of
11	noncompliance in an administrative hearing before an Administrative Law Judge (ALJ) of the Office of Administrative Hearings (OAH); and
12	d) A copy of this Consent Order. The notification and hearing process provided in
13	this Consent Order applies only to this Consent Order. It is solely provided in the event Respondent chooses to contest the Department's determination of noncompliance.
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15	3. Respondent will be afforded twenty (20) business days from the date of receipt of the Department's notification to submit a written request to the Department for an administrative hearing to be held before an ALJ from the OAH.
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17	4. Respondent, in addition to his request for hearing, may provide a written response to include any information pertaining to the alleged noncompliance.
18	5. The scope and issues of the hearing are limited solely to whether or not Respondent is in violation of the terms of this Consent Order to a degree sufficient to warrant
19	imposition of the Stayed Fine.
20	6. At the conclusion of the hearing, the ALJ will issue an initial decision. Either party may file a Petition for Review with the Director of the Department.
21	7. If Respondent does not request the hearing within the stated time, the Department will
22	impose the Stayed Fine and pursue whatever action it deems necessary to enforce the Stayed Fine.
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	CONSENT ORDER 3 DEPARTMENT OF FINANCIAL INSTITUTIONS

1	RESPONDENT: Jeff Harold Behrman			
2	By:			
3	_/s/_	6/6/18		
4	Jeff Harold Behrman Mortgage Loan Originator	Date		
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6	Approved for Entry:			
7	Jeff Smyth, WSBA No. <u>6291</u>			
8	Attorney at Law Law Offices of Smyth & Mason, PLLC			
9	Attorney for Respondent			
10	DO	NOT WRITE BELOW THIS LINE		
11	THIS ORDER ENTERED THIS 8 th DAY OF June, 2018.			
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13		<u>/s/</u>		
14		CHARLES E. CLARK Director		
15		Division of Consumer Services Department of Financial Institutions		
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17	Presented by:			
18	<u>/s/</u>			
19	BRETT CARNAHAN Financial Legal Examiner			
20	Approved by:			
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22	STEVEN C. SHERMAN			
23	Enforcement Chief			
24	CONSENT ORDER C-17-2339-18-CO01	5 DEPARTMENT OF FINANCIAL I Division of Co	INSTITUTIONS onsumer Services	

Jeff Harold Behrman

STATE OF WASHINGTON 1 DEPARTMENT OF FINANCIAL INSTITUTIONS **DIVISION OF CONSUMER SERVICES** 2 IN THE MATTER OF DETERMINING No. C-17-2339-18-SC01 3 Whether there has been a violation of the Consumer Loan Act of Washington by: STATEMENT OF CHARGES and NOTICE OF INTENT TO ENTER AN ORDER TO REVOKE LICENSE, CEASE 5 JEFF HAROLD BEHRMAN, AND DESIST, PROHIBIT FROM Mortgage Loan Originator, NMLS #118186, INDUSTRY, IMPOSE FINE, COLLECT 6 INVESTIGATION FEE and RECOVER Respondent. COSTS AND EXPENSES 7 8 INTRODUCTION 9 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial 10 Institutions of the State of Washington (Director) is responsible for the administration of chapter 11 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to 12 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the 13 Director, through her designee, Division of Consumer Services Director Charles E. Clark, institutes 14 this proceeding and finds as follows: 15 I. FACTUAL ALLEGATIONS 16 1.1 Respondent. 17 A. **Jeff Harold Behrman (Respondent)** was licensed by the Department of Financial 18 Institutions of the State of Washington (Department) to conduct business as a Mortgage Loan 19 Originator on or about March 28, 2007, and continues to be licensed to date. Respondent was 20 employed (and sponsored) by licensee Eagle Home Mortgage, LLC (Eagle Home Mortgage) from 21 about December 11, 2009, to June 9, 2017. 22 1.2 **Unfair or Deceptive Acts or Practices**. On or about December 5, 2017, Eagle Home 23 Mortgage reported to the Department that at least 206 of Respondent's originated residential

mortgage loan files each contained multiple initial loan documents with borrower signatures which DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services PO Box 41200 Olympia, WA 98504-1200 (360) 902-8703

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1	did not appear to be authentic signatures from those borrowers. Respondent, as mortgage loan
2	originator for these loans, had forwarded the documents containing these apparently false signatures
3	to Eagle Home Mortgage as part of the closing process when Respondent knew or should have
4	known that the purportedly false signatures were not authentic signatures of the borrowers. Eagle
5	Home Mortgage further reported that Respondent admitted to having signed at least one borrower
6	signature for one of the loan files. Respondent received a payment in the form of a commission for
7	originating each of these loans.
8	1.3 On-Going Investigation. The Department's investigation into the alleged violations of the
9	Act by Respondent continues to date.
10	II. GROUNDS FOR ENTRY OF ORDER
11	2.1 Directly or Indirectly Employ a Scheme to Defraud or Mislead a Lender. Based on the
12	Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW
13	31.04.027(1) for directly or indirectly employing a scheme to defraud or mislead a lender.
14	2.2 Directly or Indirectly Engage in Any Unfair or Deceptive Act or Practice. Based on the
15	Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW
16	31.04.027(2) for directly or indirectly engaging in a deceptive practice toward a person.
17	2.3 Directly or Indirectly Obtained Property by Fraud or Misrepresentation. Based on the
18	Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW
19	31.04.027(3) for directly or indirectly obtaining property by fraud or misrepresentation.
20	III. AUTHORITY TO IMPOSE SANCTIONS
21	3.1 Authority to Revoke License. Pursuant to RCW 31.04.093(3)(b), the Director may revoke a
22	license when a licensee, either knowingly or without the exercise of due care, has violated any
23	provision of the Act or any rule adopted thereunder.

1	3.2 Authority to Issue an Order to Cease and Desist. Pursuant to RCW 31.04.093(5)(a), the
2	Director may issue orders directing a licensee, its employee, loan originator, or other person subject
3	to the Act to cease and desist from conducting business in a manner that is injurious to the public or
4	violates any provision of the Act.
5	3.3 Authority to Prohibit from the Industry. Pursuant to RCW 31.04.093(6), the Director may
6	issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
7	employee, mortgage loan originator, or any other person subject to the Act for a violation of RCW
8	31.04.027.
9	3.4 Authority to Impose Fine. Pursuant to RCW 31.04.093(4), the Director may impose fines of
10	up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, o
11	any other person subject to the Act for any violation of the Act.
12	3.5 Authority to Collect Investigation Fee. Pursuant to RCW 31.04.145(3) and WAC 208-620-
13	590, WAC 208-620-610(7), every licensee investigated by the Director or the Director's designee
14	shall pay for the cost of the examination or investigation, calculated at the rate of \$69.01 per staff
15	hour devoted to the examination or investigation, and shall pay travel costs if the licensee maintains
16	its records outside the state.
17	3.6 Authority to Recover Costs and Expenses. Pursuant to RCW 31.04.205(2), the Director
18	may recover the state's costs and expenses for prosecuting violations of the Act.
19	IV. NOTICE OF INTENT TO ENTER ORDER
20	Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
21	as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
22	Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
23	34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:
24	4.1 Respondent Jeff Harold Behrman's license to conduct the business of a

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1		mortgage loan originator be revoked.
2	4.2	Respondent Jeff Harold Behrman immediately cease and desist from originating residential mortgage loans for real property located in Washington State.
3 4	4.3	Respondent Jeff Harold Behrman be prohibited from participation in the conduct of the affairs of any consumer loan company subject to licensure by the Director, in any manner.
56	4.4	Respondent Jeff Harold Behrman pay a fine. As of the date of this Statement of Charges, the fine totals \$60,000.
7	4.5	Respondent Jeff Harold Behrman pay an investigation fee. As of the date of this Statement of Charges, the investigation fee totals \$2,520.
89	4.6	Respondent Jeff Harold Behrman pay the Department's costs and expenses for prosecuting violations of the Act in an amount to be determined at hearing or by
10	//	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 Revoke License, Prohibit 3 from Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (Statement 4 of Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 5 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 1st day of March, 2018. 10 CHARLES E. CLARK 11 Director **Division of Consumer Services** 12 Department of Financial Institutions 13 Presented by: 14 15 BRETT CARNAHAN Financial Legal Examiner 16 Approved by: 17 18 STEVEN C. SHERMAN **Enforcement Chief** 19 20 21 22 23

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