

**ORDER SUMMARY – Case Number: C-20-2948**

**Name(s):** Bryan Kyle Jarrett  
 \_\_\_\_\_  
 \_\_\_\_\_

**Order Number:** C-20-2948-21-FO01  
 \_\_\_\_\_

**Effective Date:** 6/4/2021  
 \_\_\_\_\_

**License Number:** NMLS #1214338  
**Or NMLS Identifier [U/L]**

**License Effect:** Bryan Kyle Jarrett’s license to conduct the business of a mortgage loan originator is revoked.  
 \_\_\_\_\_

**Not Apply Until:** N/A  
 \_\_\_\_\_

**Not Eligible Until:** N/A  
 \_\_\_\_\_

**Prohibition/Ban Until:** Permanent  
 \_\_\_\_\_

<b>Investigation Costs</b>	\$		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$ 5,000	Due July 4, 2021	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Financial Literacy and Education</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Cost of Prosecution</b>	\$ 10,000	Due July 4, 2021	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
	No. of Victims:			

**Comments:**  
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STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

No.: C-20-2948-21-FO01

BRYAN KYLE JARRETT,  
NMLS #1214338,  
Respondent.

FINAL ORDER RE:  
Bryan Kyle Jarrett

I. DIRECTOR’S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (“Director”), pursuant to RCW 34.05.464. On June 24, 2020, the Director, through his designee, Consumer Services Division Director Lucinda Fazio, issued a Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Revoke License, Prohibit from Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (“Statement of Charges”) against Bryan Kyle Jarrett (“Respondent”). On June 30, 2020, the Department of Financial Institutions (“Department”) served Respondent with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of Charges was accompanied by a cover letter dated June 30, 2020, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent.

On July 16, 2020, Respondent filed an Application for Adjudicative Hearing. On September 22, 2020, the Department made a request to the Office of Administrative Hearings (“OAH”) to assign an Administrative Law Judge (“ALJ”) to schedule and conduct a hearing on the Statement of

1 Charges. On October 7, 2020, OAH issued a Notice of Prehearing Conference scheduling a  
2 prehearing conference on October 20, 2020, at 9:00 a.m., and served the Notice on Respondent at the  
3 address provided in the Application for Adjudicative Hearing.

4 On October 20, 2020, a representative for the Department and Respondent's counsel attended  
5 a telephonic prehearing conference. On October 23, 2020, ALJ Terry A. Schuh (ALJ Schuh) issued a  
6 Prehearing Conference Order and Notice of Hearing scheduling a hearing on May 13, 2021, and May  
7 14, 2021, from 9:00 a.m. to 5:00 p.m. each day.

8 On January 22, 2021, the Department filed a Motion for Summary Judgment. On February  
9 19, 2021, Respondent's counsel filed Respondent Bryan Jarrett's Opposition to Plaintiff DFI's  
10 Motion for Summary Judgment. On February 26, 2021, the Department filed Department's Reply in  
11 Support of its Motion for Summary Judgment.

12 On March 5, 2021, a representative for the Department and Respondent's counsel attended the  
13 Summary Judgment Motion Hearing. On April 15, 2021, ALJ Schuh issued an Initial Order Granting  
14 Department's Motion for Summary Judgment ("Initial Order") and caused it to be mailed to  
15 Respondent and his counsel. This Initial Order made findings of fact for the purpose of summary  
16 judgment and conclusions of law, affirmed the Department's Statement of Charges, and granted the  
17 Department's Motion for Summary Judgment.

18 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the  
19 date of service of the Initial Order to file a Petition for Review of the Initial Order. Respondent did  
20 not file a Petition for Review during the statutory period.

21 B. Record Presented. The record presented to the Director for his review and for entry of  
22 a final decision included the following:

- 23 1. Statement of Charges, cover letter dated June 30, 2020, and Notice of Opportunity  
24 to Defend and Opportunity for Hearing, with documentation of service.

2. Application for Adjudicative Hearing for Respondent Bryan Kyle Jarrett.
3. Request to OAH for Assignment of Administrative Law Judge.
4. Notice of Prehearing Conference dated October 7, 2020, with documentation of service.
5. Prehearing Conference Order and Notice of Hearing dated October 23, 2020, with documentation of service.
6. Department's Motion for Summary Judgment dated January 22, 2021, with documentation of service.
7. Respondent Bryan Jarrett's Opposition to Plaintiff DFI's Motion for Summary Judgment dated February 19, 2021.
8. Department's Reply in Support of its Motion for Summary Judgment dated February 26, 2021, with documentation of service.
9. Initial Order Granting Department's Motion for Summary Judgment dated April 15, 2021, with documentation of service.
10. Declaration of Kristina Shenefelt in Support of Department's Recovery of Fees and Costs dated May 25, 2021.

C. Factual Findings, Conclusions of Law, and Grounds for Order. Pursuant to RCW 34.05.461, the Director hereby adopts and incorporates the Initial Order Granting Department's Motion for Summary Judgment, which is attached hereto and incorporated herein by this reference. The Director adopts and incorporates all Findings of Fact and Conclusions of law, subject to the modification of Conclusion of Law No. 5.29, and sections 6.6 and 6.7, as set forth below. The Director additionally hereby adopts the updated fees and costs within the Declaration of Kristina Shenefelt in Support of Department's Recovery of Fees and Costs, which is attached hereto and incorporated herein by this reference.

D. Mitigating Factors Regarding Fines, Fees, and Costs:

The Director has thoroughly reviewed the record including mitigating factors set forth in Respondent's declaration, dated February 19, 2021. Counsel for the Division and ALJ Schuh

1 correctly recognized that the application of mitigating factors was not before the ALJ, who was  
2 limited to determining whether sanctions and penalties were within the Department's authority.  
3 *Department's Reply in Support of its Motion for Summary Judgment*, February 26, 2021; *Initial*  
4 *Order Granting Department's Motion for Summary Judgment*, Conclusion of Law No. 5.35, April  
5 15, 2021. After thorough consideration, the Director determines that it is appropriate to take into  
6 account the mitigating factors, and hereby reduces the fine from \$24,000 to \$5,000, and reduces the  
7 Department's costs, expenses and attorney fees, from \$13,771.49 to \$10,000. While the requested  
8 sanctions are within the Department's authority and were reasonable and appropriate upon initiation  
9 of this case, the Director finds that the interests of justice are best served with the sanctions as set  
10 forth herein.

11 E. Modification of Conclusion of Law No. 5.29.

12 To clarify the penalty range, the Director modifies the Initial Order's Conclusion of Law No.  
13 5.29 as follows:

14 Here, Mr. Jarrett has been in violation every day since August 14, 2013, through  
15 January 1, 2016, and March 28, 2019 through December 24, 2020—just over four  
16 years in total. A fine of \$100.00 a day for four years would exceed \$146,000.00.  
Accordingly, a fine for \$24,000.00 is within the Department's statutory authority.

17 F. Modification of Section No. 6.6.

18 Based on the reasoning in this Final Order, the Director modifies Initial Order Section No. 6.6  
19 as follows:

20 Bryan Kyle Jarrett shall pay a fine of \$5,000.00.

21 G. Modification of Section No. 6.7.

22 Based on the reasoning in this Final Order, the Director modifies Initial Order Section No. 6.6  
23 as follows:

1 Bryan Kyle Jarrett shall pay an investigation fee and the Department of Financial  
2 Institutions' costs and expenses for prosecuting violations of the Consumer Loan Act  
– together totaling \$10,000.00.

3 II. FINAL ORDER

4 Based upon the foregoing, and the Director having considered the record and being otherwise  
5 fully advised, NOW, THEREFORE:

6 A. IT IS HEREBY ORDERED, That:

- 7 1. Respondent Bryan Kyle Jarrett shall cease and desist all mortgage loan originator  
8 activity.
- 9 2. Respondent Bryan Kyle Jarrett's license to conduct the business of a mortgage  
loan originator is revoked.
- 10 3. Respondent Bryan Kyle Jarrett is prohibited from participation in the conduct of  
11 the affairs of any consumer loan company or mortgage broker company subject to  
licensure by the Department.
- 12 4. Respondent Bryan Kyle Jarrett shall pay to the Department, within thirty (30) days  
of receipt of this order, a fine of Five Thousand Dollars (\$5,000.00).
- 13 5. Respondent Bryan Kyle Jarrett shall pay to the Department, within thirty (30) days  
14 of receipt of this order, an investigation fee and the Department's costs and  
15 expenses for prosecuting violations of the Consumer Loan Act, totaling Ten  
Thousand Dollars (\$10,000.00).

16 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
17 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
18 must be filed in the Office of the Director of the Department of Financial Institutions by courier at  
19 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
20 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The  
21 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
22 Reconsideration a prerequisite for seeking judicial review in this matter.  
23

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

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

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

10 E. Non-compliance with Order. If you do not comply with the terms of this order,  
11 including payment of any amounts owed within thirty (30) days of receipt of this order, the  
12 Department may seek its enforcement by the Office of the Attorney General to include the collection  
13 of the fines and fees imposed herein. The Department also may assign the amounts owed to a  
14 collection agency for collection.

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

18 DATED this 4<sup>th</sup> day of June, 2021.

19  
20 STATE OF WASHINGTON  
21 DEPARTMENT OF FINANCIAL INSTITUTIONS

22 /s/  
23 CHARLES E. CLARK  
24 Director

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 BRYAN KYLE JARRETT,  
8 NMLS #1214338,

Respondent.

No. C-20-2948-20-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO CEASE AND DESIST, REVOKE  
LICENSE, PROHIBIT FROM INDUSTRY,  
IMPOSE FINE, COLLECT INVESTIGATION  
FEE, and RECOVER COSTS AND  
EXPENSES

9 **INTRODUCTION**

10 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial  
11 Institutions of the State of Washington (Director) is responsible for the administration of chapter  
12 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to  
13 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the  
14 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this  
15 proceeding and finds as follows:

16 **I. FACTUAL ALLEGATIONS**

17 **1.1 Respondent Bryan Kyle Jarrett (Respondent)** was licensed by the Department of Financial  
18 Institutions of the State of Washington (Department) as a mortgage loan originator on or about  
19 August 25, 2014, and continued to be licensed until January 1, 2016, when Respondent's license  
20 status was updated to "Terminated – Expired." Respondent was licensed again as a mortgage loan  
21 originator on or about April 8, 2019, and continues to be licensed to date.

22 **1.2 Failure to Disclose Prior Regulatory Action.** On or about September 6, 2013, the State of  
23 Washington Office of the Insurance Commissioner issued an Order revoking Respondent's insurance  
24 producer license. On August 13, 2014, Respondent submitted a mortgage loan originator license  
application through the Nationwide Multistate Licensing System and Registry (NMLS). The



1 mortgage loan originator license application required the submission of a Multistate Uniform  
2 Individual Licensure Form (MU4 Form), which contains a series of disclosure questions. The  
3 following question was included in the MU4 Form:

4           Regulatory Action

5                   Has any State or federal regulatory agency or foreign financial regulatory authority or  
6                   self-regulatory organization (SRO) ever entered an order concerning you in  
7                   connection with any license or registration?

8 Respondent answered “no” to this question. Respondent was obligated by statute to answer questions  
9 on the MU4 Form truthfully and to provide the Department with complete details of all events or  
10 proceedings for all events relevant to the above stated question.

11           On or about August 26, 2014, the revocation of Respondent’s insurance producer license was  
12 affirmed following Respondent’s appeal. Respondent, however, did not update his MU4 Form to  
13 disclose the affirmed revocation.

14           On January 1, 2016, Respondent’s mortgage loan originator license expired. On March 28,  
15 2019, Respondent submitted a mortgage loan originator license application through the NMLS. At  
16 the time Respondent submitted the mortgage loan originator license application, the following  
17 questions were included in the MU4 Form:

18           Regulatory Action

19                   Has any State or federal regulatory agency or foreign financial regulatory authority or  
20                   self-regulatory organization (SRO) ever entered an order concerning you in  
21                   connection with any license or registration?  
22                   Has any State or federal regulatory agency or foreign financial regulatory authority or  
23                   self-regulatory organization (SRO) ever revoked your registration or license?

24 Respondent answered “no” to these questions. Respondent was obligated by statute to answer  
25 questions on the MU4 Form truthfully and to provide the Department with complete details of all  
26 events or proceedings for all events relevant to the above stated questions. Respondent did not  
27 provide details, documents, or other statements in his MU4 Form regarding the State of Washington

28 Office of the Insurance Commissioner’s Order Revoking License entered September 6, 2013, and the

1 State of Washington Office of the Insurance Commissioner’s Findings of Fact, Conclusions of Law,  
2 and Final Order entered August 26, 2014.

3 **1.3 False Attestation.** Since August 13, 2014, Respondent has attested at least 28 times, under  
4 penalty of perjury, that the information and statements contained within the MU4 Form are “current,  
5 true, accurate, and complete[.]” To date, Respondent’s MU4 Form has not been updated to disclose  
6 the prior regulatory action nor the license revocation.

7 **1.4 Character and General Fitness.** On August 26, 2014, the State of Washington Office of the  
8 Insurance Commissioner entered a Findings of Fact, Conclusions of Law, and Final Order finding  
9 that Respondent: 1) dishonestly wrote many insurance policies without the knowledge or consent of  
10 the putative policyholders; 2) forged putative policyholders’ signatures on insurance applications; 3)  
11 was credited with commissions on dishonestly written policies (later reversed by Farmers Insurance  
12 Group and its affiliates); and 4) failed to be fully responsive to investigations of his misconduct by  
13 Farmers Insurance Group and by the State of Washington Office of the Insurance Commissioner.

14 **1.5 On-Going Investigation.** The Department’s investigation into the alleged violations of the  
15 Act by Respondent continues to date.

## 16 **II. GROUNDS FOR ENTRY OF ORDER**

17 **2.1 False Statements and Omissions of Material Facts.** Based on the Factual Allegations set  
18 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(h) and WAC 208-  
19 620-550(6) by negligently making false statements or willfully making omissions of material facts in  
20 connection with any investigation conducted by the Department or in connection with any  
21 application.

22 **2.2 Requirement to Report Changes in NMLS Disclosure Questions.** Based on the Factual  
23 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(b)  
24 and WAC 208-620-710(27) by failing to notify the director through amendment to the NMLS and

1 upload supporting documents within ten business days to a change to a response to a disclosure  
2 question within NMLS.

3 **2.3 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,  
4 Respondent is in apparent violation of RCW 31.04.027(1)(b) for directly or indirectly engaging in  
5 any unfair or deceptive practice toward any person.

6 **2.4 Requirement to Demonstrate Character and General Fitness.** Based on the Factual  
7 Allegations set forth in Section I above, Respondent fails to meet the requirements of RCW  
8 31.04.247(1)(e) and WAC 208-620-710 by failing to demonstrate character and general fitness such  
9 as to command the confidence of the community and to warrant a determination that the mortgage  
10 loan originator will operate honestly, fairly, and efficiently within the purposes of the Act.

### 11 **III. AUTHORITY TO IMPOSE SANCTIONS**

12 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the  
13 Director may issue orders directing a licensee, its employee, loan originator, or other person subject  
14 to the Act to cease and desist from conducting business in a manner that is injurious to the public or  
15 violates any provision of the Act.

16 **3.2 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(b), the Director may revoke a  
17 license issued under the Act if the director finds that a licensee, either knowingly or without the  
18 exercise of due care, has violated any provision of Act or any rule adopted under the Act. Pursuant to  
19 RCW 31.04.093(3)(c), the Director may revoke a license issued under the Act based upon any fact or  
20 condition exists that, if it had existed at the time of the original application for the license, clearly  
21 would have allowed the director to deny the application for the original license.

22 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may  
23 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,  
24 employee, mortgage loan originator, or any other person subject to the Act for making false

1 statements or omission of material information from an application for a license that, if known, would  
2 have allowed the director to deny the original application for a license, or for a violation of RCW  
3 31.04.027.

4 **3.4 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of  
5 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or  
6 any other person subject to the Act for any violation of the Act.

7 **3.5 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-  
8 590, WAC 208-620-610(7), every licensee investigated by the Director or the Director's designee  
9 shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour devoted to the  
10 investigation.

11 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director  
12 may recover the state's costs and expenses for prosecuting violations of the Act.

#### 13 **IV. NOTICE OF INTENT TO ENTER ORDER**

14 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,  
15 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
16 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW  
17 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 18 **4.1** Respondent Bryan Kyle Jarrett cease and desist all mortgage loan originator activity.
- 19 **4.2** Respondent Bryan Kyle Jarrett's license to conduct the business of a mortgage loan  
20 originator be revoked.
- 21 **4.3** Respondent Bryan Kyle Jarrett be prohibited from participation in the conduct of the  
22 affairs of any consumer loan company or mortgage broker company subject to  
23 licensure by the Director, in any manner.
- 24 **4.4** Respondent Bryan Kyle Jarrett pay a fine. As of the date of this Statement of Charges,  
the fine totals \$24,000.00.

