**Terms Completed**

**ORDER SUMMARY – Case Number: C-04-067**

<table>
<thead>
<tr>
<th>Name(s):</th>
<th>Jona LLC dba Jona Funding; Jona Funding Group; Jona Financial; The Jona Funding Group; Jona Mortgage; Jona Lending; Jona Home Loans; JonaFunding.com; Joseph Patrick Naab</th>
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<tr>
<td>Order Number:</td>
<td>C-04-067-04-CO01</td>
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<tr>
<td>Effective Date:</td>
<td>January 5, 2005</td>
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<tr>
<td>License Number:</td>
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<tr>
<td>Or NMLS Identifier [U/L]</td>
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<td>January 5, 2007</td>
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<td>Not Eligible Until:</td>
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<td>Prohibition/Ban Until:</td>
<td>May serve as a loan officer</td>
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<th>No. of Victims:</th>
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STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION  

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

Jona LLC dba Jona Funding, Jona Funding Group,  
Jona Financial, The Jona Funding Group, Jona  
Mortgage, Jona Lending, Jona Home Loans, and  
Jona Funding.com and Joseph Patrick Naab, Owner  
and Designated Broker  

Respondents  

COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Chuck Cross, Division Director, Division of Consumer Services, and Jona LLC and Joseph Patrick Naab (hereinafter collectively as Respondents), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of 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 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-04-067-04-SC01 (Statement of Charges), entered August 16, 2004, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department’s entry of this Consent Order and further agree 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, entered August 16, 2004.

Based upon the foregoing:

CONSENT ORDER
JONA LLC AND JOSEPH P. NAAB
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 Respondents have been informed of the right to a hearing before an administrative law judge, and that they have waived their 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.

C. **Mortgage Broker License.** It is AGREED that Respondents shall immediately surrender their mortgage broker license. It is further AGREED that Respondents shall immediately provide the Department with a fully completed “Mortgage Broker Office Closure/License Surrender Form.”

D. **Declaration of Non-Activity.** It is AGREED that Respondents shall immediately provide the Department with a Declaration of Non-Activity, declaring the date Respondents ceased operation as a Mortgage Broker, and declaring that Respondents transacted no further business requiring a license from the Department after that date.

E. **Restriction on Participation in the Industry.** It is AGREED that Respondents shall be prohibited from participating in the conduct of the affairs of any licensed mortgage broker, in the capacity of an officer or principal, for a period of two (2) years from the entry of this Consent Order.

F. **Employment in the Industry.** It is AGREED that paragraph E is not intended to restrict Respondents’ ability to work as a loan originator or employee in the Mortgage Broker industry, even in the event that such positions become subject to licensure by the Department in the future.

G. **Compliance with the Law.** It is AGREED that Respondents shall comply with the Mortgage Broker Practices Act and the rules adopted thereunder, particularly, the provisions relating to maintenance of records.

H. **Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.
I. Authority to Execute Order. It is AGREED that the undersigned have represented and warranted that they have the full power and right to execute this Consent Order on behalf of the parties represented.

J. Voluntarily Entered. It is AGREED that the undersigned Respondents have voluntarily entered into this Consent Order, which is effective when signed by the Director’s designee.

K. Completely Read, Understood, and Agreed. It is AGREED that Respondents have read this Consent Order in its entirety and fully understand and agree to all of the same.

RESPONDENTS:

JONA LLC

By:

______________________________

JOSEPH P. NAAB
Owner and Designated Broker

______________________________

JOSEPH P. NAAB, Individually

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 5th DAY OF January, 2005.

/s/

CHUCK CROSS
Director and Enforcement Chief
Division of Consumer Services
Department of Financial Institutions
STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION

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

Jona LLC dba Jona Funding, Jona Funding
Group, Jona Financial, The Jona Funding Group,
Jona Mortgage, Jona Lending, Jona Home Loans,
and Jona Funding.com

and Joseph Patrick Naab, Owner and Designated
Broker

Respondents.

No. C-04-067-04-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE,
AND PROHIBIT FROM PARTICIPATION
IN THE MORTGAGE BROKER INDUSTRY

INTRODUCTION

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial
Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the
Mortgage Broker Practices Act (Act). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent
part. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as
of August 4, 2004, the Director institutes this proceeding and finds as follows:

I. Tentative Findings of Fact

1.1 Respondents:

A. JONA LLC (Respondent JONA) is known to have conducted the business of a mortgage
broker at the following locations:

    1420 Fifth Avenue, Ste 2200
    Seattle, WA 98101

    1201 Third Avenue, Ste 5450
    Seattle, WA 98101
B. **Joseph P. Naab (Respondent Naab)** is known to be the Owner and Designated Broker of Respondent JONA. Respondent Naab was named Designated Broker on November 24, 1997, and has continued as Designated Broker to date.

1.2 **Licenses:** Respondent JONA’s main office, at 1420 Fifth Ave, Ste 2200 Seattle, WA, 98101, was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on November 24, 1997. Respondent JONA has been continuously licensed since that time.

1.3 **Failure to Pay Annual Assessments:** An annual assessment fee for each license is due to the Department no later than the last business day of November for the year then ended. To date, the Department has not received the following annual assessments due from Respondents, totaling $2075.67:

   A. Payment of the annual assessment of $500.00 for the year ended November 2000 was due to the Department no later than November 30, 2000.
   B. Payment of the annual assessment of $513.95 for the year ended November 2001 was due to the Department no later than November 30, 2001.
   C. Payment of the annual assessment of $530.86 for the year ended November 2002 was due to the Department no later than November 30, 2002.
   D. Payment of the annual assessment of $530.86 for the year ended November 2003 was due to the Department no later than November 30, 2003.

   In addition, payment of the annual assessment of $530.86 for the year ended November 2004 will be due to the Department no later than November 30, 2004.

1.4 **Failure to Maintain Bond:** On March 28, 2000, the Department received notice from The Ohio Casualty Insurance Company that Respondent JONA’s surety bond would be cancelled, effective April 28, 2000. To date, Respondents have failed to notify the Department of the cancellation of the surety bond, and have failed to provide the required surety bond or an approved alternative.

1.5 **Failure to Submit Continuing Education Certificates:** A certificate of satisfactory completion of an approved continuing education course by a licensee’s Designated Broker is due to the Department no later than the last business day of November of each year. To date, the Department has not received the required certificates from Respondent Naab for the years ended November 30, 2000; November 30, 2001; November 30, 2002; and November 30, 2003; respectively.
1.6 Failure to Respond to Directives: On March 30, 2000, the Department sent Respondents a Directive to their official office address to replace the soon to be cancelled surety bond within ten days. The Respondents failed to do so. On April 17, 2000, the Department sent another Directive to Respondents by certified mail warning them of the consequences of a failure to replace the surety bond before its cancellation date. The certified letter was returned stamped “return to writer, addressee unknown.”

1.7 Failure to Notify Department of Significant Developments:

A. As stated in section 1.4 above, to date, Respondents have not notified the Department of the cancellation of Respondent JONA’s surety bond.

B. As noted in section 1.6 above, mail from the Department addressed to Respondent JONA’s licensed location was returned by the United States Postal Service marked “return to writer, addressee unknown.” To date, Respondents have not notified the Department of a change in location of Respondent JONA’s principal place of business.

C. Respondent JONA’s Master Business License account, maintained with the Washington State Department of Licensing, was dissolved on January 22, 2002. To date, Respondents have not notified the Department of this change in Respondent JONA’s State Master Business License.

II. Tentative Conclusions of Law

2.1 Requirement to Pay Annual Assessments: Based on the Tentative Findings of Fact set forth in Section I above, Respondents are in apparent violation of RCW 19.146.228(1), WAC 208-660-060(3) and WAC 208-660-061 for failing to pay to the Director an annual assessment fee no later than the last business day of the month in which the anniversary date of the issuance of the mortgage broker’s license occurs.

2.2 Requirement to Maintain Surety Bond: Based on the Tentative Findings of Fact set forth in Section I above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-080(1) for failing to file and maintain a surety bond or approved alternative with the Department.

2.3 Requirement to Submit Certificate of Completion of Continuing Education: Based on the Tentative Findings of Fact set forth in Section I above, Respondent Naab is in apparent violation of RCW
19.146.215 and WAC 208-660-042 for failing to complete the annual continuing education requirement and file a certificate of satisfactory completion no later than the last business day of the month in which the anniversary date of the issuance of the licensee’s license occurs.

2.4 **Requirement to Notify Department of Significant Developments:** Based on the Tentative Findings of Fact set forth in Section I above, Respondents are in apparent violation of WAC 208-660-150(1)(e), WAC 208-660-150(2), and WAC 208-660-150(3)(b) and (e) for failing to notify the Director in writing within thirty days after receipt of notification of cancellation of the licensee’s surety bond, failing to notify the Director in writing ten days prior to a change of the location of the licensee’s principal place of business, and failing to notify the Director in writing within five days after a change in mailing address or telephone number or State master business license.

2.5 **Requirement to Maintain Accurate and Current Books and Records:** Based on the Tentative Findings of Fact set forth in Section I above, Respondents are in apparent violation of RCW 19.146.060 and WAC 208-660-140 for failing to make accurate and current books and records readily available to the Department until at least twenty-five months have elapsed following the effective period to which the books and records relate.

2.6 **Authority to Revoke License:** Pursuant to RCW 19.146.220(2)(b)(ii), (iii) and (iv), and WAC 208-660-160(1), (2), (8) and (13), the Director may revoke a license if a licensee fails to pay a fee required by the Director, fails to maintain the required bond, or fails to comply with any directive or order of the Director.

2.7 **Authority to Impose Fine:** Pursuant to RCW 19.146.220(2)(c) and WAC 208-660-165, the Director may impose fines on a licensee that fails to maintain the required bond or fails to comply with any directive or order of the Director.

2.8 **Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e)(i) and (iv), the Director may prohibit from participation in the conduct of the affairs of a licensed mortgage broker, any officer, principal, employee, or loan originator of any licensed mortgage broker or any person subject to licensing under the Act that fails to maintain the required bond or fails to comply with any directive or order of the Director.
2.9 **Authority to Charge Investigation Fee:** Pursuant to RCW 19.146.228(2), WAC 208-660-060(4) and WAC 208-660-061, upon completion of any investigation of the books and records of a licensee, the Department will furnish to the licensee a billing to cover the cost of the investigation. The investigation charge will be calculated at the rate of forty-seven dollars and seventy-eight cents ($47.78) per hour that each staff person devoted to the investigation.

**III. NOTICE OF INTENTION TO ENTER ORDER**

Respondents’ violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in the above Tentative Findings of Fact and Tentative Conclusions of Law, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the Director’s intention to ORDER that:

3.1 Respondent JONA’s license to conduct the business of a Mortgage Broker be revoked; and

3.2 Respondent Joseph P. Naab be prohibited from participation in the conduct of the affairs of any licensed mortgage broker, in any manner, for a period of five (5) years; and

3.3 Respondents maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent JONA’s mortgage broker business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

**IV. AUTHORITY AND PROCEDURE**

This Statement of Charges and Notice of Intention to Enter an Order to Revoke License and Prohibit from Participation in the Mortgage Broker Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.
Dated this 16th day of August, 2004.

/s/
CHUCK CROSS
Director and Enforcement Chief
Division of Consumer Services
Department of Financial Institutions

Presented by:
Deborah Bortner
Financial Legal Examiner

STATEMENT OF CHARGES
C-04-067-04-SC01
JONA LLC and JOSEPH P. NAAB