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

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

NO. C-07-486-08-CO01

MICHAEL BRYANT CARPENTER,
Loan Originator,

CONSENT ORDER

Respondent.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Michael Bryant Carpenter, Loan Originator (hereinafter Respondent), 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:

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AGREEMENT AND ORDER

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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-07-486-08-SC01 (Statement of Charges), entered September 5, 2008, (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, 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.

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Based upon the foregoing:

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

CONSENT ORDER
C-07-486-08-CO01
MICHAEL BRYANT CARPENTER

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing
2 before an administrative law judge, and that he hereby waives his right to a hearing and any and all administrative
3 and judicial review of the issues raised in this matter, or of the resolution reached here.

4 **C. License Suspension.** It is AGREED that Respondent's license to conduct the business of a Loan
5 Originator will be suspended for a period of ninety (90) days from the date of entry of this Consent Order.

6 **D. License Revocation (Stayed).** It is AGREED that Respondent is subject to a revocation of his Loan
7 Originator License by the Department upon entry of this Consent Order. HOWEVER, it is further AGREED that
8 the revocation of Respondent's Loan Originator license shall be stayed for a period of twenty-four (24) months
9 from the end of the ninety (90) day suspension period imposed in Paragraph C, above, subject to the Department's
10 authority to lift the stay and revoke Respondent's Loan Originator license discussed in Paragraph G of this
11 Consent Order. It is further AGREED that if, upon expiration of said twenty-four (24) month period, the stay has
12 not been previously lifted, and Respondent's license has not been previously revoked, and if a notification to lift
13 the stay or a proceeding to lift the stay is not then pending by the Director to revoke Respondent's Loan Originator
14 license, then, in such events, the Department shall consider this paragraph of this Consent Order fully performed
15 and Respondent's Loan Originator license shall not be revoked in connection with this Consent Order.

16 HOWEVER, if on the expiration of said twenty-four (24) month period a notification to lift the stay or a
17 proceeding to lift the stay is pending by the Director to revoke Respondent's Loan Originator license, then those
18 proceedings shall continue according to the terms of this Consent Order, as discussed in Paragraph G below.

19 **E. Prohibition from Industry (Stayed).** It is AGREED that Respondent is subject to a prohibition
20 from participating in the conduct of the affairs of any mortgage broker licensed by the Department or any person
21 subject to licensure or regulation by the Department or any mortgage broker exempt from Washington law under
22 RCW 19.146.020(1)(e) or (g) for five (5) years upon entry of this Consent Order in any capacity, including but not
23 limited to: (1) any financial capacity whether active or passive or (2) as an officer, director, principal, designated
24 broker, employee, or loan originator or (3) any management, control, oversight or maintenance of any trust

1 account(s) in any way related to any residential mortgage transaction or (4) receiving, disbursing, managing or
2 controlling in any way, consumer trust funds in any way related to any residential mortgage transaction.
3 HOWEVER, it is further AGREED that this five (5) year prohibition shall be stayed for a period of twenty-four
4 (24) months from the end of the ninety (90) day suspension period imposed in Paragraph C, above, subject to the
5 Department's authority to lift the stay and impose the five (5) year prohibition discussed in Paragraph G of this
6 Consent Order. It is further AGREED that if, upon expiration of said twenty-four (24) month period, the stay has
7 not been previously lifted, and the five (5) year prohibition has not been previously imposed, and if a notification
8 to lift the stay or a proceeding to lift the stay is not then pending by the Director to impose the five (5) year
9 prohibition, then, in such events, the Department shall consider this paragraph of this Consent Order fully
10 performed and the stayed five (5) year prohibition shall not be imposed. HOWEVER, if on the expiration of said
11 twenty-four (24) month period a notification to lift the stay or a proceeding to lift the stay is pending by the
12 Director to impose the five (5) year prohibition, then those proceedings shall continue according to the terms of
13 this Consent Order, as discussed in Paragraph G below.

14 **F. Compliance Examinations.** It is AGREED that Respondent is subject to compliance examinations
15 during the twenty-four (24) month period of suspended (stayed) revocation and prohibition. The Department will
16 conduct the examinations at the Department's discretion (not to exceed one compliance examination per calendar
17 year), at Respondent's expense (not to exceed \$750 per compliance examination). Respondent further AGREES
18 to promptly respond and address any and all issues, if any, identified in the compliance examinations to the
19 satisfaction of the Department.

20 **G. Lifting of Stay and Imposing Revocation and Prohibition.** It is AGREED that:

- 21 1. If the Department determines that Respondent is in violation of RCW 19.146.0201(1) or
22 (2), or any of the terms and conditions of this Consent Order and the Department
23 accordingly seeks to lift the stay and impose the license revocation and the five (5) year
24 prohibition, the Department first will notify Respondent in writing of its determination.

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- b) A statement that because of noncompliance, the Department seeks to lift the stay and revoke Respondent's Loan Originator license and impose the five (5) year prohibition;
- c) The opportunity for Respondent to contest the Department's determination of noncompliance in an administrative hearing before an ALJ or OAH; and
- d) A copy of this Consent Order. The notification and hearing process provided in 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.

H. Investigation Fee. It is AGREED that Respondent shall pay to the Department an investigation fee of \$914.40, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

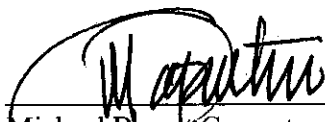
I. Non-Compliance with Order. It is AGREED that Respondent understands that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of such legal action, Respondent may be responsible to reimburse the Director for the cost incurred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

J. Voluntarily Entered. It is AGREED that the undersigned Respondent has 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 Respondent has read this Consent Order in its entirety and fully understands and agrees to all of the same.

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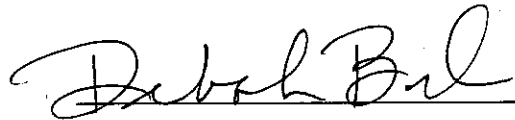
1 **RESPONDENT:**

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4 Michael Bryant Carpenter
Loan Originator and Individually

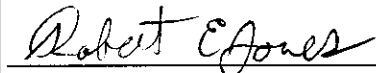
10/26/08
Date

5 DO NOT WRITE BELOW THIS LINE

6 THIS ORDER ENTERED THIS 26th DAY OF November, 2008.

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8 _____
9 DEBORAH BORTNER
10 Director
11 Division of Consumer Services
12 Department of Financial Institutions

11 Presented by:

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13 _____
14 ROBERT E. JONES
15 Financial Legal Examiner



16 Approved by:

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18 _____
19 JAMES R. BRUSSELBACK
20 Enforcement Chief

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

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

MICHAEL BRYANT CARPENTER,
Loan Originator,

Respondent.

NO. C-07-486-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE OR SUSPEND LICENSE,
PROHIBIT FROM INDUSTRY, AND COLLECT
INVESTIGATION FEE

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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)¹. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent. Michael Bryant Carpenter (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a loan originator on February 21, 2007, and has continued to be licensed to date. Respondent was licensed to conduct the business of a loan originator for Mortgage Broker Associates, Inc., a licensed mortgage broker. Respondent's loan originator license is inactive as of the date of this Statement of Charges.

1.2 Prohibited Acts. On or about March 19, 2007, Respondent took a residential mortgage loan application from Borrower X. One of the conditions of the loan was a letter from the Borrower's accountant stating that the Borrower's income would likely continue for at least the next three years. Borrower X's

¹ RCW 19.146 (2006)

1 accountant refused to write such a letter. Instead, on or about April 2, 2007, Borrower X's accountant wrote a
2 letter stating that Borrower X's income would likely continue in to the foreseeable future. Respondent altered
3 this letter to match the lender's requirement and submitted it to the lender as if it had been written by Borrower
4 X's accountant.

5 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
6 Respondent continues to date.

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

8 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is in
9 apparent violation of RCW 19.146.0201(1) and (2) for directly or indirectly employing a scheme, device or
10 artifice to defraud or mislead borrowers or lenders or any person, and engaging in an unfair or deceptive
11 practice toward any person.

12 **III. AUTHORITY TO IMPOSE SANCTIONS**

13 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(e), the Director may revoke a license
14 for any violation of the Act.

15 **3.2 Authority to Suspend License.** Pursuant to RCW 19.146.220(2)(e), the Director may suspend a
16 license for any violation of the Act.

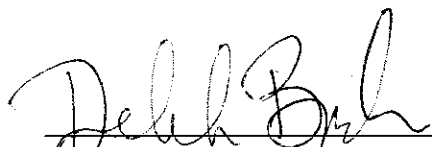
17 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
18 orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker, any loan
19 originator of any licensed mortgage broker for any violation of RCW 19.146.0201(1) through (9).

20 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-550(5), the
21 Director may collect the costs of an investigation. The investigation charge will be calculated at the rate of \$48 per
22 hour that each staff person devoted to the investigation.

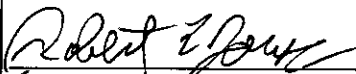
1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke or Suspend License, Prohibit
3 from Industry, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the
4 provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to
5 the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a written
6 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY
7 FOR HEARING accompanying this Statement of Charges.

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9 Dated this 5th day of September, 2008.


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11 
12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

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18 ROBERT E. JONES
19 Financial Legal Examiner



20 Approved by:

21 
22 JAMES R. BRUSSELBACK
23 Enforcement Chief