ORDER SUMMARY – Case Number: C-16-2111

Name(s): Christopher Bryan Arco

Order Number: C-16-2111-17-CO01

Effective Date: 5/2/2017

License Number: NMLS #32844
Or **NMLS Identifier** [U/L]

License Effect: Surrendered – Effective 5/2/2017

Not Apply Until: 5/2/2024

Not Eligible Until: 5/2/2024

Prohibition/Ban Until: 5/2/2024

Investigation Costs	$207.03	Due – Installment Payments	Paid ☐ Y ☒ N	Date
Fine	$6,000	Due - Installment Payments	Paid ☐ Y ☒ N	Date
Costs of Prosecution	$772.91	Due - Installment Payments	Paid ☐ Y ☒ N	Date
Restitution	$	Due	Paid ☐ Y ☐ N	Date
Judgment	$	Due	Paid ☐ Y ☐ N	Date
Satisfaction of Judgment Filed?		☐ Y ☐ N		
No. of Victims:				

Comments:

Respondent has agreed to pay the total of all costs above ($6,979.94) in monthly payments of $500 per month; the first payment will be due on or before May 31, 2017. All other payments must be received by the Department by the last day of each month. The final payment is due on May 31, 2018, in the amount of $479.94.

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: CHRISTOPHER BRYAN ARCO, NMLS #32844, Respondent.	No.: C-16-2111-17-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 Christopher Bryan Arco (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:

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-16-2111-17-SC01 (Statement of Charges), entered March 6, 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. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

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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 below, withdraws his appeal to the Office of Administrative Hearings.

C. **No Admission of Liability**. The parties intend this Consent Order to fully resolve the Statement of Charges and agree that Respondent does not admit to any wrongdoing by its entry.

D. **Mortgage Loan Originator License Surrender**. It is AGREED that Respondent's Mortgage Loan Originator license is surrendered.

E. **Prohibition from Industry**. It is AGREED that, for a period of 7 years from the date of entry of this Consent Order, Respondent is prohibited from participating, in any capacity, in the conduct of the affairs of any consumer loan company or mortgage broker licensed by the Department or subject to licensure or regulation by the Department. This prohibition applies only to participation involving Washington loans and does not apply to participation in the conduct of the affairs of a consumer loan company or mortgage broker involving loans to borrowers or secured by real property located in other states.

F. **Application for License.** It is AGREED that, for a period of 7 years from the date of entry of this Consent Order, Respondent shall not apply to the Department for any license under any name. It is further AGREED that, should Respondent apply to the Department for any license under

any name at any time later than 7 years from the date of entry of this Consent Order, such applying Respondent shall be required to meet any and all application requirements in effect at that time.

G. **Fine**. It is AGREED that Respondent shall pay a fine to the Department in the amount of $6,000.

H. **Costs of Prosecution**. It is AGREED that Respondent shall pay to the Department the costs of prosecution of $772.91.

I. **Investigation Fee**. It is AGREED that Respondent shall pay to the Department an investigation fee of $207.03.

J. **Declaration of Financial Condition.** It is AGREED that Respondent has provided the Department with a Declaration comprehensively describing his current financial condition and representing his current inability to pay the fine, costs of prosecution, and investigation fee obligations agreed to in Paragraphs G, H, and I of this Consent Order.

K. **Payment of Fine, Costs of Prosecution, and Investigation Fee.** It is AGREED that Respondent shall pay the total sum owed to the Department of $6,979.94 by paying $500.00 on a monthly basis until the sum has been completely paid, with the first payment of $500 to be received by the Department no later than May 31, 2017. Thereafter, each subsequent monthly payment of $500 must be received by the Department on or before the last day of each month until April 30, 2018. The final payment, due on May 31, 2018, will be $479.94. Each payment shall be in the form of a cashier's check made payable to the "Washington State Treasurer" and mailed to the Department at P.O. Box 41200, Olympia, Washington 98504. The payments shall be applied first to the investigation fee, second to the costs of prosecution, and finally to the fine. Respondent may, at any time, pay the entire remaining balance of the sum owed to the Department. If Respondent's payments are not made as agreed, the Department may immediately refer amounts owed to a collection agency

without further notice to Respondent. Respondent understands that, if the Department refers amounts owed to a collection agency, the collection agency may require payment of additional costs related to collection efforts. It is further AGREED that Respondent shall pay any additional costs related to any collection efforts.

L. **Change of Address.** It is AGREED that for the duration of the period this Consent Order is in effect, unless otherwise agreed to in writing by the Department, Respondent shall provide the Department with a mailing address and telephone number at which Respondent can be contacted and Respondent shall notify the Department in writing of any changes to his mailing address or telephone number within fifteen days of any such change.

M. **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.

N. **Voluntarily Entered**. It is AGREED that Respondent has voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

O. **Completely Read, Understood, and Agreed**. It is AGREED that Respondent has read this Consent Order in its entirety and fully understand and agree to all of the same.

P. **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.

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RESPONDENT:

Christopher Bryan Arco

By:

__/s/_____ _4/27/17_____
Christopher Bryan Arco Date
Mortgage Loan Originator

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 2nd DAY OF May, 2017.

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

Presented by:

_/s/_____
BRETT CARNAHAN
Financial Legal Examiner

Approved by:

_/s/_____
STEVEN C. SHERMAN
Enforcement Chief

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: CHRISTOPHER BRYAN ARCO, Mortgage Loan Originator, NMLS #32844, Respondent.	No. C-16-2111-17-SC01 STATEMENT OF CHARGES and NOTICE OF INTENT TO ENTER AN ORDER TO REVOKE LICENSE, PROHIBIT FROM INDUSTRY, IMPOSE FINE, COLLECT INVESTIGATION FEE and RECOVER COSTS AND EXPENSES

INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Acting 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 31.04.145, 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 Christopher Bryan Arco (Respondent) was issued a license by the Washington State Department of Financial Institutions (Department) to conduct business as a mortgage loan originator on or about March 23, 2016; Respondent continues to be licensed in Washington as of the date of this Statement of Charges. During all times relevant to this Statement of Charges, Respondent has been sponsored by 1st Nationwide Mortgage Corporation, a consumer loan company licensed under the Act.

1.2 [redacted]

1.3 Prior Regulatory Actions. On or about March 15, 2004, the California Department of Real Estate entered an order in connection with Respondent's California real estate license. On or about October 3, 2006, the California Department of Real Estate entered an order in connection with Respondent's California real estate license. On or about April 26, 2011, the California Department of Real Estate entered an order in connection with Respondent's California real estate license.

1.4 Misstatements to the Department. Respondent's MLO application required the submission of a Uniform Individual Mortgage License/Registration & Consent form (Form MU4), which consists of a series of questions. The following questions are included in the Form MU4 under the Disclosure section:

(F)(1) [redacted]

(K)(9) Has any state or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever entered an order concerning you in connection with any license or registration?

Respondent answered 'No' to both of these questions. Respondent was obligated by statute to answer questions on Form MU4 truthfully and to provide the Department with complete details of all relevant events or proceedings. On or about November 18, 2016, the Department contacted Respondent to inform Respondent of his apparent failures to properly answer the above questions and provide explanations on Respondent's NMLS record, and to request that Respondent amend his answers to the questions. On or about December 22, 2016, Respondent contacted the Department and stated that he did not intend to answer these questions in the affirmative or provide explanations, but that he intended to surrender his license in Washington. As of the date of this Statement of Charges, Respondent has neither amended his answers to the above questions nor has he surrendered his license with the Department.

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1.5 Character and General Fitness. Respondent has not demonstrated character and general fitness such as to command the confidence of the community, as evidenced by Respondent's failure to answer questions on Form MU4 truthfully.

1.6 On-Going Investigation. The Department's investigation into the factual allegations continues to date.

II. GROUNDS FOR ENTRY OF ORDER

[redacted]

2.2 False Statements and Omissions of Material Facts. Based on the Factual Allegations set forth in Section I above, Respondent is in violation of RCW 31.04.027(8) and WAC 208-620-550(6) for negligently making any false statement or knowingly and willfully making any omission of material fact in connection with any report filed with the Department by a licensee or in connection with any investigation conducted by the Department.

2.3 Requirement to Demonstrate Character and General Fitness. Based on the Factual Allegations set forth in Section I, Respondent fails to meet the requirements of RCW 31.04.247(i)(e) by failing to demonstrate character and general fitness such as to command the confidence of the community and to warrant a belief that the business will be operated honestly, fairly, and efficiently within the purposes of the Act.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Revoke License. Pursuant to RCW 31.04.093(3)(b) and (c), the Director may revoke a license when: (1) a licensee either knowingly or without the exercise of due care, has violated any provision of the Act or any rule adopted under this statute; or (2) a fact or condition

exists that, if it had existed at the time of the original application for the license, clearly would have allowed the Department to deny the application for the original license.

3.2 Authority to Prohibit from the Industry. Pursuant to RCW 31.04.093(6)(a) and (e), the Director may issue an order prohibiting from participation in the affairs of any licensee, any officer, principal, employee, mortgage loan originator, or any other person subject to the Act for: (1) false statements or omission of material information from an application for a license that, if known, would have allowed the Department to deny the original application for a license; and (2) a violation of RCW 31.04.027.

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

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

3.5 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.

IV. NOTICE OF INTENT TO ENTER ORDER

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

4.1 Respondent Christopher Bryan Arco's license to conduct the business of a mortgage loan originator be revoked.

4.2 Respondent Christopher Bryan Arco be prohibited from participation in the conduct of the affairs of any mortgage loan originator subject to licensure by the

Director, in any manner, for a period of seven years.

4.3 Respondent Christopher Bryan Arco pay a fine. As of the date of this Statement of Charges, the fine totals $12,000.

4.4 Respondent Christopher Bryan Arco pay an investigation fee. As of the date of this Statement of Charges, the investigation fee totals $207.03.

4.5 Respondent Christopher Bryan Arco pay the Department's costs and expenses for prosecuting violations of the Act in an amount to be determined at hearing or by declaration with supporting documentation in event of default by Respondent.

V. AUTHORITY AND PROCEDURE

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

Dated this 6th day of March, 2017.

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

Presented by:

/s/_____
BRETT CARNAHAN
Financial Legal Examiner

Approved by:

/s/_____
STEVEN C. SHERMAN
Enforcement Chief