Under Appeal

ORDER SUMMARY – Case Number: C-10-448

Name(s): Horizon Mortgage and Investment Company
Douglas Alan Huntington

Order Number: C-10-448-12-FO01

Effective Date: October 4, 2012

License Number: DFI: 19680 [NMLS: 71674] - Horizon
Or **NMLS Identifier** [U/L] DFI: 21587 [NMLS: 73906] - Huntington
(Revoked, suspended, stayed, application denied or withdrawn)
If applicable, you must specifically note the ending dates of terms.

License Effect: Denial

Not Apply Until: October 5, 2019

Not Eligible Until:

Prohibition/Ban Until: October 5, 2019

Investigation Costs	$4,164	Due Now	Paid ☐ Y ☒ N	Date
Fine	$27,000	Due Now	Paid ☐ Y ☒ N	Date
Assessment(s)	$	Due	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:

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING Whether there has been a violation of the Mortgage Broker Practices Act of Washington by:	No.: C-10-448-12-FO01
HORIZON MORTGAGE AND INVESTMENT COMPANY, and DOUGLAS ALAN HUNTINGTON, President, Owner, Designated Broker, and Loan Originator, Respondents.	FINAL DECISION & ORDER

COMES NOW Scott Jarvis, the Director ("Director") of the Department of Financial Institutions of the State of Washington ("Department"), and makes the following FINAL DECISION & ORDER, including Findings of Fact and Conclusions of Law as set forth below.

A. PROCEDURAL HISTORY. This matter has come before the Director pursuant to RCW 34.05.440(2). On October 17, 2011, the Director, through his designee, Consumer Services Division Director Deborah Bortner, issued Statement of Charges C-10-448-11-SC01 ("Statement of Charges") against Horizon Mortgage and Investment Company ("Respondent Horizon") and Douglas Alan Huntington ("Respondent Huntington"). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Department served Respondents with the Statement of Charges on or about October 19, 2011, via First-Class mail, and on or about October 20, 2011 via Federal Express overnight delivery. On or about November 11, 2011, Respondents filed Applications for Adjudicative Hearing, and the matter was referred to the Office of Administrative Hearings ("OAH") and assigned to Administrative Law Judge Terry Schuh ("ALJ Schuh").

On February 23, 2012, OAH issued a Notice of Conference for a prehearing conference to be held on March 5, 2012 at 10:00 a.m. On March 8, 2012, and March 28, 2012, ALJ Schuh issued an Order Granting Continuance and Notice of Conference, rescheduling the prehearing conference for March 22, 2012, and April 2, 2012, respectively, at Respondents' request. On April 2, 2012, a prehearing conference was held and attended by Respondents and by Victor M. Minjares ("AAG Minjares"), an Assistant Attorney General for the State of Washington, on behalf of the Department. On April 3, 2012, ALJ Schuh issued a Notice of Hearing and Order Following Prehearing Conference of April 2, 2012: (1) summarizing the case schedule, including the dates, times and location for the hearing; and (2) declaring

> "**IF YOU DO NOT PARTICIPATE IN ANY STAGE OF THE PROCEEDINGS OR IF YOU FAIL TO APPEAR AT YOUR HEARING YOU MAY BE HELD IN DEFAULT AND MAY AUTOMATICALLY LOSE YOUR CASE. RCW 34.04.440.**" (emphasis in original)

On August 3, 2012, AAG Minjares filed a letter motion with ALJ Schuh, moving to vacate all pending dates in the matter and set a status conference in three to four weeks, and stating that the parties were on the verge of a settlement in principle and Respondents agreed with the filing of the motion. On August 3, 2012, ALJ Schuh issued an Order Granting Continuance and Notice of Conference on September 10, 2012: (1) striking the hearing scheduled to begin on September 10, 2012 and all pending dates and deadlines; (2) scheduling a status conference to be held September 10, 2012 at 9:00 a.m.; and (3) declaring

> "**You must participate in the conference. If you do not, a default may be entered. This means you lose the opportunity to further challenge the agency action.** RCW 34.05.440." (emphasis in original)

On September 10, 2012, the prehearing conference was convened by ALJ Schuh at 9:00 a.m. Respondents failed to appear and the Department moved for an order of default dismissing the administrative appeal. On September 12, 2012, ALJ Schuh issued an Initial Order of Default Dismissing Respondents' Appeal for Failure to Appear ("Order of Default") and sent the Order of Default to Respondents via First-Class mail. Respondents did not file a written motion with OAH to vacate the Order of Default and did not file a Petition for Review of the Order of Default with the Director.

B. RECORD PRESENTED. The record presented to the Director for his review and for entry of a Final Decision & Order contains the entire administrative record of the OAH, including, without limitation, the Statement of Charges and Order of Default and other afore-mentioned documents.

C. FINDINGS OF FACT. The Director makes the following Findings of Fact based upon the good faith, uncontested allegations of the Department's Division of Consumer Services, as set forth in the Statement of Charges, and based upon the remainder of the OAH record:

1. Respondents did not file a written motion with OAH to vacate the Order of Default.
2. Respondents did not file a Petition for Review of the Order of Default with the Director.
3. More than twenty (20) days have expired since the issuance of the Order of Default.
4. Section I of the Statement of Charges is adopted in its entirety

D. CONCLUSIONS OF LAW. Based upon the Findings of Fact set forth above, the Director makes the following Conclusions of Law:

1. Pursuant to RCW 34.05.440(3), Respondents had seven (7) days from the date of service of the Order of Default to file a written motion with OAH requesting that the Order of Default be vacated, and stating the grounds relied upon.

2. Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from the date of service of the Order of Default to file a Petition for Review of the Order of Default with the Director.

3. Section II and Section III of the Statement of Charges are adopted in their entirety.

E. FINAL DECISION & ORDER.

NOW, THEREFORE, the Director makes the following Final Decision & Order:

1. Respondent Horizon Mortgage and Investment Company's application for renewal of license to conduct the business of a mortgage broker is hereby denied.

2. Respondent Douglas Alan Huntington's application for renewal of license to conduct the business of a loan originator is hereby denied.

3. Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington shall cease and desist engaging in the business of a mortgage broker or loan originator unless and until a valid license is obtained from the Department.

4. Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington are prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of seven (7) years.

5. Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington, jointly and severally, owe and shall pay to the Washington State

Department of Financial Institutions a fine in the sum of twenty-seven thousand dollars ($27,000).

6. Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington, jointly and severally, owe and shall pay to the Washington State Department of Financial Institutions, as and for investigation fees, the sum of four thousand one hundred sixty four dollars ($4,164.00).

7. Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington shall maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent Horizon Mortgage and Investment Company'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.

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

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

G. STAY OF ORDER. The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

H. JUDICIAL REVIEW. Respondents have the right to petition the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

I. NON-COMPLIANCE WITH ORDER. If you do not comply with the terms of this order, the Department may seek its enforcement by the Office of the Attorney General to include the collection of the fines and fees imposed herein. The Department also may assign the amounts owed to a collection agency for collection.

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

DATED this 4th day of October, 2012

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

[redacted]

SCOTT JARVIS
DIRECTOR

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: HORIZON MORTAGE AND INVESTMENT COMPANY, and DOUGLAS ALAN HUNTINGTON, President, Owner, Designated Broker, and Loan Originator, Respondents.	No. C-10-448-11-SC01 STATEMENT OF CHARGES and NOTICE OF INTENTION TO ENTER AN ORDER TO DECLINE TO RENEW LICENSE, ORDER CEASE AND DESIST, PROHIBIT FROM INDUSTRY, IMPOSE FINE, ORDER RESTITUTION, COLLECT INVESTIGATION FEE, AND MAINTAIN RECORDS

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). After having conducted an investigation pursuant to RCW 19.146.210, RCW 19.146.310, and RCW 19.146.235, and based upon the facts available as of 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 Respondents.

A. **Respondent Horizon Mortgage and Investment Company (Respondent Horizon)** is located at 15 Oregon Ave, Tacoma, Washington, and was issued a license by the Washington State Department of Financial Institutions (Department) to engage in the business of a mortgage broker on or about June 8, 1994. The mortgage broker license must be renewed annually. On or around December 16, 2010, the Department received Respondent Horizon's request to renew its mortgage broker license for 2011. The Department was unable to approve Respondent Horizon's renewal request due to certain facts which are set forth in paragraphs 1.3 through 1.6 of this Statement of

Charges. As a result, Respondent Horizon's mortgage broker license expired on December 31, 2010. To date, the Department has not issued Respondent Horizon a license to engage in the business of a mortgage broker in 2011.

B. **Respondent Douglas A. Huntington (Respondent Huntington)** is President, co-owner (60%), Designated Broker, and Loan Originator of Respondent Horizon. Respondent Huntington was issued a license to engage in the business of a loan originator on or about January 1, 2007, and continued to be licensed until December 31, 2010, when his loan originator license expired. On or about December 20, 2010, Respondent Huntington applied to renew his loan originator's license. On or about January 2, 2011, the Department emailed Respondent Huntington, notifying him that neither his nor Respondent Horizon's license had been renewed yet. To date, the Department has not issued a license to Respondent Huntington to engage in the business of a loan originator for 2011.

1.2 Unlicensed Activity.

A. Unauthorized Advertisements: Signage. Between at least January 2, 2011, and June 2, 2011, Respondents advertised or held themselves out as a mortgage broker or loan originator by maintaining signage consisting of at least three (3) signs using the name "Horizon Mortgage" or "Horizon Mortgage and Investments" at Respondent Horizon's 15 Oregon Ave., Tacoma, Washington, location.

B. Unauthorized Advertisements: Internet. Between at least January 2, 2011, and the date of this Statement of Charges, Respondents advertised or held themselves out as a mortgage

broker or loan originator or as able to assist a borrower in applying to obtain or obtaining a residential mortgage loan by maintaining their website of www.nwlender.com.[1]

C. Unauthorized Loan Origination Activity. Between at least January 2, 2011, and June 2, 2011, Respondents held themselves out as able to assist at least eight (8) borrowers in applying to obtain or in obtaining a residential mortgage loan. To date, the Department has not issued a mortgage broker or loan originator license to either Respondent for 2011.

D. Unauthorized Transfer of Applications.

1. On or about June 2, 2011, Respondents reported to Department representatives that they transferred at least three loan applications to another mortgage broker company in 2011. Respondents received at least $19,344.78 in two separate checks, dated April 11, 2011, and May 4, 2011, respectively, from the other mortgage broker company for at least three borrowers' loans that closed in 2011 under the name of the other mortgage broker company. Respondents also reported to Department representatives that they did not maintain any records related to the applications that were transferred to the other mortgage broker company.

2. In the alternative, Respondents received at least $19,344.78, in two separate checks (dated April 11, 2011, and May 4, 2011, respectively) from another mortgage broker company for at least three referrals of borrowers' application information obtained by Respondents, which resulted in closed loans under the other mortgage broker company's name. Respondents stated to Department representatives on or about June 2, 2011, that no additional services were provided related to these three borrowers other than the referral of the loan application. These fees are excessive for the amount of services provided by Respondents.

[1] Respondents' website included statements advertising Respondents' ability to provide Veteran's Administration (VA) loan products. VA loan products are only allowed for the purchase of a home for personal occupancy by a veteran.

3. Respondents did not provide or did not maintain records to substantiate that Affiliated Business Arrangement disclosures were provided to any of the borrowers.

4. Respondents did not obtain or did not maintain sufficient evidence to substantiate that they obtained written authorization from the borrowers to transfer any of the requests for a residential mortgage loan to another mortgage broker company.

1.3 False Statements to the Department.

A. Mortgage Loan Originator Declaration of Activity. As part of the mortgage loan originator license renewal process, Respondent Huntington was required to provide a "Mortgage Broker Loan Originator (MLO) 2011 Declaration of Activity" form (Declaration of Activity) to the Department. On or about May 27, 2011, Respondent Huntington provided his Declaration of Activity to the Department. In the Declaration of Activity, Respondent Huntington reported under penalty of perjury that he had not performed any activity that would require licensure under chapter 19.146 RCW, and that he had not received any compensation that would require licensure under chapter 19.146 RCW. Respondent Huntington also stated under penalty of perjury that he would refrain from conducting any activity that would require licensure under chapter 19.146 RCW until the Department issued him a valid loan originator's license for 2011. Included in the conduct described in paragraph 1.2 above, Respondents held themselves out as able to assist at least two borrowers in applying to obtain or in obtaining residential mortgage loans on or about June 1, 2011.

B. Failure to Disclose Bankruptcy in Application to Renew Mortgage Loan Originator License. On or around October 28, 2010, Respondent Huntington filed a voluntary petition for bankruptcy protection under Title 11, chapter 11 of the United States Code (11 U.S.C. §1101 *et. seq.*), in United States Bankruptcy Court in the Western District of Washington. On or around November 2, 2010, on his application to renew his loan originator license, Respondent Huntington

answered "no" to the following question on the "Financial Disclosure" section of the loan originator license renewal application:

"Within the past 10 years, have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition?"

Respondent Huntington attested to the truthfulness of his answer to all disclosure questions on his loan originator license application, under penalty of perjury.

1.4 Federal Tax Liens in excess of $100,000. For the purposes of obtaining and maintaining a mortgage loan originator license, Respondent Huntington was required to demonstrate, among other things, financial responsibility. An assessment of financial responsibility includes review of current outstanding tax liens or judgments or other government liens or filings. Specifically, Respondent Huntington was ineligible to be a designated broker if he had one hundred thousand dollars or more in tax liens against him. On or around September 2, 2009, the Internal Revenue Service (IRS) recorded with the Pierce County Auditor's Office a lien against Respondent Huntington in the amount of $399,021.62 for non-payment of federal taxes. On or around September 27, 2010, the IRS recorded with the Pierce County Auditor's Office two additional liens against Respondent Huntington, in the amounts of $30,994.11 and $96,506.74, for non-payment of federal taxes. To date, Respondent Huntington has not provided evidence, nor has the Department located such evidence, to show that any of these tax liens have been paid, in full or part, such that the balance of the liens together totals less than $100,000.

1.5 Failure to Obtain and Maintain Bond. On or about December 14, 2010, the Department received notice from Western Surety Company that Respondent Horizon's bond had cancelled effective November 1, 2010. To date, Respondents have not notified the Department of the

cancellation of the surety bond, and have not provided the required surety bond or an approved alternative.

1.6 Failure to Notify Department of Significant Developments. As stated in paragraph 1.5, to date, Respondents have not notified the Department of the cancellation of Respondent Horizon's surety bond.

1.7 On-Going Investigation. The Department's investigation into the alleged violations of the Act by Respondents continues to date.

II. GROUNDS FOR ENTRY OF ORDER

2.1 Responsibility for Conduct of Loan Originators. Pursuant to RCW 19.146.245, a licensed mortgage broker is liable for any conduct violating the Act by the designated broker or a loan originator while employed or engaged by the licensed mortgage broker.

2.2 Responsibility of Designated Broker. Pursuant to RCW 19.146.200(4), every licensed mortgage broker must at all times have a designated broker responsible for all activities of the mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or owner who has supervisory authority over a mortgage broker is responsible for a licensee's, employee's, or independent contractor's violations of the Act if: the designated broker, principal, or owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows the conduct; or the designated broker, principal, or owner who has supervisory authority over the licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known of the conduct, at a time when its consequences can be avoided or mitigated and fails to take reasonable remedial action.

2.3 Definition of Mortgage Broker. Pursuant to RCW 19.146.010(14) and WAC 208-660-006, "Mortgage broker" means any person who, for compensation or gain, or in the expectation of

compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to obtain a residential mortgage loan.

2.4 Definition of Loan Originator. Pursuant to RCW 19.146.010(11) and WAC 208-660-006, "Loan originator" means a natural person who for direct or indirect compensation or gain, or in the expectation of direct or indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker; offers or negotiates terms of a mortgage loan; performs residential mortgage loan modification services; or holds themselves out to the public as able to perform any of these activities.

2.5 Definition of Borrower. Pursuant to RCW 19.146.010(3) and WAC 208-660-006, "Borrower" means any person who consults with or retains a mortgage broker or loan originator in an effort to obtain or seek advice or information on obtaining or applying to obtain a residential mortgage loan for himself, herself, or persons including himself or herself, regardless of whether the person actually obtains such a loan.

2.6 Definition of Application. Pursuant to WAC 208-660-006, "Application" means the submission of a borrower's financial information in anticipation of a credit decision relating to a residential mortgage loan, which includes the borrower's name, monthly income, Social Security number to obtain a credit report, the property address, an estimate of the value of the property, and the mortgage loan amount sought. An application may be in writing or electronically submitted, including a written record of an oral application. If the submission does not state or identify a specific property, the submission is an application for a prequalification and not an application for a residential mortgage loan under this part. The subsequent addition of an identified property to the submission converts the submission to an application for a residential mortgage loan.

2.7 Requirements for Licensure. Based on Factual Allegations set forth in Section I above, Respondents have failed to meet the requirements of RCW 19.146.220(2)(b) and (e) and RCW 19.146.210(1)(g) for false statements or omission of material information on an application or any violation of this chapter. Based on Factual Allegations set forth in Section I above, Respondent Huntington has failed to meet the requirements of RCW 19.146.220(2)(b) and (e), RCW 19.146.310(1)(f) and (g), and WAC 208-660-350(2)(a) for false statements or omission of material information on an application or any violation of this chapter and failure to demonstrate financial responsibility, 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 this chapter.

2.8 Requirement to Obtain and Maintain Mortgage Broker License. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1), WAC 208-660-155, and WAC 208-660-163(11) and (17), for engaging in the business of a mortgage broker without first obtaining and maintaining a license under the Act.

2.9 Requirement to Obtain and Maintain Loan Originator License. Based on the Factual Allegations set forth in Section I above, Respondent Huntington is in apparent violation of RCW 19.146.200(1) and WAC 208-660-155 for engaging in the business of a loan originator without first obtaining and maintaining a license under the Act.

2.10 Advertising or Holding Out as Able to do Business While Unlicensed. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-163(10) for advertising or holding oneself out as a mortgage broker or loan originator without a valid mortgage broker or loan originator license.

2.11 Prohibited Acts. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(1), (2), (3), (6), and (8) for directly or indirectly employing a scheme, device or artifice to defraud or mislead borrowers or lenders or any person, engaging in an unfair or deceptive practice toward any person, obtaining property by fraud or misrepresentation, failing to make disclosures to loan applicants and noninstitutional investors as required by RCW 19.146.030 any other applicable state or federal law, or negligently making a false statement or knowingly and willfully making an omission of material fact in connection with any reports filed by a mortgage broker or in connection with an investigation conducted by the Department.

2.12 Prohibited Fees and Affiliated Business Disclosure. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(6) and (11) and Regulation X, 24 C.F.R. Section 3500.14 and Section 3500.15(1996) for receipt of unearned referral fees or providing an other thing of value for a loan referral or failure to provide an Affiliated Business Disclosure.

2.13 Prohibition on Transfer of Loan Without Written Request by Borrower. Based on Factual Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-300(5) for transferring a loan to another mortgage broker without a written request from the borrower.

2.14 Requirement to Maintain Surety Bond. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.205(6)(a) and WAC 208-660-175 for failing to file and maintain a surety bond or approved alternative with the Department.

2.15 Requirement to Notify Department of Significant Developments. Based on the factual allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-

400(7)(b)(vi) for failure to notify the director in writing within ten days after receipt of notification of cancellation of Respondent Horizon's surety bond.

2.16 Requirement to Maintain Accurate and Current Books and Records. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.060 and WAC 208-660-450 for failing to keep all books and records in a location that is on file with and readily available to the Department until at least twenty-five months have elapsed following the effective period to which the books and records relate.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Decline to Renew License. Pursuant to RCW 19.146.210(2), the Director shall not issue a license to an applicant if the conditions of RCW 19.146.210(1) have not been met by the applicant. Pursuant to RCW 19.146.220(1), and RCW 19.146.220(2) (b) and (e), the Director may deny applications for licenses for false statements or omission of material information on an application or any violation of this chapter.

3.2 Authority to Issue an Order to Cease and Desist. Pursuant to RCW 19.146.220(4), the Director may issue orders directing a licensee, its employee, loan originator, independent contractor, agent, or other person subject to the Act to cease and desist from conducting business.

3.3 Authority to Prohibit from Industry. Pursuant to RCW 19.146.220(5), the Director may issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker or any person subject to licensing under the Act for: any violation of RCW 19.146.0201(1) through (9) or (13), RCW 19.146.200, or RCW 19.146.205(4), or false statements or omission of material information on the application.

3.4 Authority to Impose Fine. Pursuant to RCW 19.146.220(2), the Director may impose fines against a licensee or other persons subject to the Act for false statements or omission of material information on the application that, if known, would have allowed the Director to deny the application for the original license, or any violation of the Act. Pursuant to RCW 19.146.220(3), the Director may impose fines on an employee, loan originator, independent contractor, or agent of the licensee, or other person subject to the Act, for any violations of RCW 19.146.0201(1) through (9) or (13), or RCW 19.146.200.

3.5 Authority to Order Restitution. Pursuant to RCW 19.146.220(2), the Director may order restitution against licensees or other persons subject to the Act for any violation of the Act.

3.6 Authority to Collect Investigation Fee. Pursuant to RCW 19.146.228(2), and WAC 208-660-520(9) & (11), the Department will charge forty-eight dollars per hour for an examiner's time devoted to an investigation of a licensee or other person subject to the Act.

IV. 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 Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and RCW 19.146.223, RCW 19.146.210, and RCW 19.146.310. Therefore, it is the Director's intention to ORDER that:

4.1 Respondent Horizon Mortgage and Investment Company's application for renewal of license to conduct the business of a mortgage broker be denied.

4.2 Respondent Douglas Alan Huntington's application for renewal of license to conduct the business of a loan originator be denied.

4.3 Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington cease and desist engaging in the business of a mortgage broker or loan originator unless and until a valid license is obtained from the Department.

4.4 Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington be prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of seven (7) years.

4.5 Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington jointly and severally pay a fine, which as of the date of this Statement of Charges totals $27,000.

4.6 Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington jointly and severally pay restitution totaling at least $19,344.78 to at least the borrowers identified in paragraphs 1.2 through 1.5 of this Statement of Charges, and to any other similarly-situated Washington borrowers.

4.7 Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington jointly and severally pay an investigation fee, which as of the date of this Statement of Charges, totals $4,164 calculated at $48 per hour for the eighty-six and three-fourths (86.75) staff hours related to the investigation.

4.8 Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent Horizon Mortgage and Investment Company'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.

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V. AUTHORITY AND PROCEDURE

This 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 17th day of October, 2011

[redacted]

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[redacted]

MARISA E. BROGGEL
Financial Legal Examiner

Approved by:

[redacted]

JAMES R. BRUSSELBACK
Enforcement Chief