

# TERMS COMPLETED

## ORDER SUMMARY – Case Number: C-15-1643

**Name(s):** American Equity Mortgage, Inc.  
 \_\_\_\_\_  
 \_\_\_\_\_

**Order Number:** C-15-1643-15-CO01  
 \_\_\_\_\_

**Effective Date:** September 14, 2015  
 \_\_\_\_\_

**License Number:** DFI: 23998 NMLS ID: #1899  
**Or NMLS Identifier [U/L]** \_\_\_\_\_

**License Effect:** None  
 \_\_\_\_\_  
 \_\_\_\_\_

**Not Apply Until:** n/a  
 \_\_\_\_\_

**Not Eligible Until:** n/a  
 \_\_\_\_\_

**Prohibition/Ban Until:** n/a  
 \_\_\_\_\_

<b>Investigation Costs</b>	\$724.61	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 09/03/15
<b>Fine</b>	\$20,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 09/03/15
<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>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

**Comments:** \_\_\_\_\_  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF INVESTIGATING  
WHETHER THERE HAS BEEN A VIOLATION  
OF THE CONSUMER LOAN ACT OF  
WASHINGTON BY:

No. C-15-1643-15-CO01

CONSENT ORDER

AMERICAN EQUITY MORTGAGE, INC.  
NMLS# 1899,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Charles E. Clark, Division Director, Division of Consumer Services, and American Equity Mortgage, Inc. (Respondent), and finding that the issued raised herein 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), the Consumer Loan Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**FINDINGS OF FACT**

1.1 Respondent is and has been licensed as a Consumer Loan Company under the Act with the

Department of Financial Institutions of the State of Washington (Department) at all times since February 3, 2003.

1.2 Commencing January 1, 2014, managers employed by a licensed Consumer Loan Company,

including branch managers, must be licensed individually as mortgage loan originators if they, among other things, supervise loan processors, underwriting employees, or licensed mortgage loan originators.

1.3 Commencing in February 2014, Preston Keith Carter (Carter) was assigned by Respondent to fill

the role of manager of Respondent's Bellevue, Washington branch. As branch manager for the

1 Bellevue, Washington office, Carter was responsible for managing all mortgage loan production  
2 activities of the branch and the mortgage consultants. Specifically, Carter was responsible for  
3 hiring, training, licensing, coaching, terminating, and performing reviews of mortgage loan  
4 originators working in the branch. His responsibilities included advising and supervising  
5 mortgage loan originators as to the mortgage loan sales process, problem resolution, customer  
6 service, and licensing. At no time since February 2014 to the present has Preston Keith Carter  
7 been licensed as a mortgage loan originator in the State of Washington. On June 1, 2015,  
8 Respondent removed Carter from his position as branch manager of its Bellevue, Washington  
9 office.

#### 10 CONCLUSIONS OF LAW

11 Based on the above Findings of Fact, Respondent violated RCW 31.04.027(2) and WAC 208-  
12 620-301 by failing to ensure that its branch manager was licensed as a mortgage loan originator.

#### 13 AGREEMENT AND ORDER

14 The Department and Respondent have agreed upon a basis for resolution of the violation of  
15 the Act identified in the foregoing Findings of Fact and Conclusions of Law. Pursuant to chapters  
16 31.04 RCW and 34.05.060, Respondent and the Department agree to entry of this Consent Order and  
17 further agree that the matters alleged herein may be economically and efficiently settled by the entry  
18 of this Consent Order.

19 Based upon the foregoing:

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

22 B. **Waiver of Hearing.** It is AGREED that Respondent waives any right it may have to a  
23 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all

1 administrative and judicial review of the issues raised in this matter, or of the resolution reached  
2 herein.

3 C. **Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of  
4 \$20,000 in the form of a cashier's check made payable to the "Washington State Treasurer" upon  
5 entry of this Consent Order.

6 D. **Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the  
7 Department in the amount of \$724.61 in the form of a cashier's check made payable to the  
8 "Washington State Treasurer" upon entry of this Consent Order. The Fine and Investigation Fee may  
9 be paid together in one \$20,724.61 cashier's check made payable to the "Washington State  
10 Treasurer."

11 E. **Unlicensed Managers.** It is AGREED that Respondent shall not at any time allow  
12 unlicensed individuals to conduct any of the following activities on its behalf: take residential  
13 mortgage loan applications, negotiate the terms or conditions of residential mortgage loans, hold  
14 themselves out as being able to conduct such activities, supervise loan processing or underwriting  
15 employees, or supervise licensed mortgage loan originators.

16 F. **Policies and Procedures.** It is AGREED that Respondent shall update its policies and  
17 procedures to require that all managers that conduct any of the activities described in E above first  
18 obtain and maintain a Washington mortgage loan originator license before performing any such  
19 activities.

20 G. **Authority to Execute Order.** It is AGREED that the undersigned has represented and  
21 warranted that he/she has the full power and right to execute this Consent Order on behalf of the  
22 Respondent.

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


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

7 J. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read  
8 this Consent Order in its entirety and fully understands and agrees to all of the same.

9 **RESPONDENT:**

10 **American Equity Mortgage, Inc.**

11 By

12   
DEANNA DAUGHNEY  
13 President and Chief Executive Officer


Date

8/17/2015

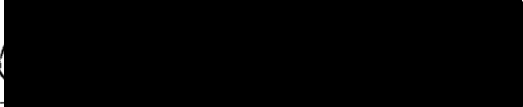
14 DO NOT WRITE BELOW THIS LINE

15 THIS ORDER ENTERED THIS 14<sup>th</sup> DAY OF September, 2015.



21   
22 CHARLES E. CLARK  
23 Director  
24 Division of Consumer Services  
Department of Financial Institutions

21 Presented by:

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23 JANET MILAM RUMER  
24 Financial Legal Examiner Supervisor

CONSENT ORDER  
C-0X-XXX-0X-C00X  
Respondent

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Approved by:



STEVEN C. SHERMAN  
Enforcement Chief