

Terms Completed

ORDER SUMMARY – Case Number: C-02-197

Name(s): Geoffrey S. Huetten

Order Number: C-02-197-04-CO01

Effective Date: March 14, 2005

License Number: n/a
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: n/a

Not Apply Until: March 14, 2010 (March 14, 2007 with payment of \$3,000 fine)

Not Eligible Until: _____

Prohibition/Ban Until: Prohibited in participating in the conduct of the affairs of any licensed mortgage broker, in the capacity of officer or principal, until 3/14/10 (3/14/07 with payment of \$3000 fine).

Investigation Costs	\$250	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 3/9/05
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?	<input type="checkbox"/> Y <input type="checkbox"/> N			
	No. of Victims:			

Comments: Fine only due if he wants to apply for MB license or be officer or principal of licensed MB between 3/14/07 and 3/14/10

Provide declaration regarding his involvement with MGM and the latest contact information for Randy Maine..

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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:

NO. C-02-197-04-CO01

MGM Financial Services, Inc., and Geoffrey S.
Huetten, Vice President and Owner, and Lois A.
Jackson (fka Lois A. Huetten), Secretary and former
Designated Broker, and Patrick K. McKeehan,
President, and Randall L. Maine, Chairman of the
Board of Directors,
Respondents.

**CONSENT ORDER
GEOFFREY S. HUETTEN**

10 COMES NOW the Director of the Department of Financial Institutions (Director), through her designee Chuck
11 Cross, Division Director, Division of Consumer Services, and Geoffrey S. Huetten (Respondent), and finding that the
12 issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent
13 Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW
14 34.05.060 of the Administrative Procedure Act, based on the following:

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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 Amended Statement of Charges No. C-02-197-04-SC02
(Statement of Charges) entered July 26, 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, 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 and agree that Respondent does not admit to any wrongdoing by its
entry. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent
Order.

CONSENT ORDER
GEOFFREY S. HUETTEN

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

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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 that he has waived 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.

C. **Declaration.** It is AGREED that Respondent shall immediately provide the Department with a Declaration, declaring the dates and nature of his association with MGM Financial Services, Inc., the dates and nature of his association with Randall L. Maine, the nature of Randall L. Maine’s association with MGM Financial Services, Inc., Respondent’s last known contact information for Randall L. Maine, and declaring that Respondent has transacted no business requiring a license from the Department after the date of his resignation from MGM Financial Services, Inc.

D. **Restriction on Participation in the Industry.** It is AGREED that Respondent 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 five (5) years from the entry of this Consent Order. HOWEVER, any time after two (2) years of such prohibition, Respondent may pay to the Department a fine of \$3,000.00 in the form of a cashier’s check made payable to the “Washington State Treasurer” in order to reduce the term of the prohibition.

E. **Application for Mortgage Broker License.** It is AGREED that Respondent shall not apply to the Department for any license under any name for a period of five (5) years from the entry of this Consent Order. HOWEVER, if Respondent chooses to reduce his term of prohibition as described in paragraph D, Respondent may apply to the Department for a license after two (2) years from the entry of this Consent Order.

F. **Fine.** It is AGREED that, consistent with paragraph D, should Respondent so choose, at any time after two (2) years from the date of entry of this Consent Order, Respondent may pay to the Department a fine of \$3,000.00 in the form of a cashier’s check made payable to the “Washington State Treasurer.”

1 **G. Employment in the Industry.** It is AGREED that paragraphs D, E, and F are not intended to restrict
2 Respondent’s ability to work as a loan originator or employee in the Mortgage Broker industry, even in the event that
3 such positions become subject to licensure by the Department in the future.

4 **H. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation fee of
5 \$250.00 in the form of a cashier’s check made payable to the “Washington State Treasurer” upon entry of this order.

6 **I. Complete Cooperation with the Department (statements).** It is AGREED that Respondent shall
7 provide the Department truthful and complete sworn statements outlining his activities with respect to MGM Financial
8 Services, Inc. and any and all persons involved or in any way associated with MGM Financial Services, Inc., including
9 but not limited to the named Respondents, employees, businesses and persons with whom MGM Financial Services,
10 Inc. dealt, communicated, or otherwise related. The “sworn statements” may take the form of affidavits, declarations, or
11 deposition testimony, at the Department’s discretion.

12 **J. Complete Cooperation with the Department.** It is AGREED that Respondent shall cooperate fully,
13 truthfully and completely with the Department and provide any and all information known to him relating in any manner
14 to MGM Financial Services, Inc. and any and all persons involved or in any way associated with MGM Financial
15 Services, Inc., including but not limited to the named Respondents, employees, businesses and persons with whom
16 MGM Financial Services, Inc. dealt, communicated, or otherwise related. It is further AGREED that Respondent shall
17 provide any and all documents, writings or materials, or objects or things of any kind in his possession or under his care,
18 custody, or control relating directly or indirectly to all areas of inquiry and investigation. A failure to cooperate fully,
19 truthfully and completely is a breach of this Consent Order. It is further AGREED that Respondent shall testify fully,
20 truthfully and completely at any proceeding related to the Department’s investigation and enforcement actions related to
21 this matter, including, but not limited to MGM Financial Services, Inc. and the named Respondents.

22 **K. Compliance with the Law.** It is AGREED that Respondent shall comply with the Mortgage Broker
23 Practices Act and the rules adopted thereunder

24 **L. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to abide by
25 the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of

1 such legal action, Respondent may be responsible to reimburse the Director for the cost incurred in pursuing such
2 action, including but not limited to, attorney fees.

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

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

7 **RESPONDENT:**

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10 _____
GEOFFREY S. HUETTEN

_____ Date

11
12 **DO NOT WRITE BELOW THIS LINE**

13 THIS ORDER ENTERED THIS 15th DAY OF March, 2005.

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15 /s/ _____

16 CHUCK CROSS
17 Director and Enforcement Chief
18 Division of Consumer Services
19 Department of Financial Institutions
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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:

NO. C-02-197-04-SC02

MGM Financial Services, Inc., and Geoffrey S.
Huetten, Vice President and Owner, and Lois A.
Jackson (fka Lois A. Huetten), Secretary and
former Designated Broker, and Patrick K.
McKeehan, President, and Randall L. Maine,
Chairman of the Board of Directors,

**AMENDED STATEMENT OF CHARGES
and NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSES,
COLLECT ANNUAL ASSESSMENTS,
IMPOSE FINE, PROHIBIT FROM INDUSTRY,
AND COLLECT INVESTIGATION FEE**

Respondents.

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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). 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 February 6, 2004, the Director issued Statement of Charges and Notice of Intent to Revoke Licenses, Impose Fines, and Prohibit from Participation in the Mortgage Broker Industry C-02-197-04-SC01, hereinafter referred to as Statement of Charges SC01, on March 2, 2004. Respondents Geoffrey S. Huetten and Lois A. Jackson (fka Lois A. Huetten) were served with Statement of Charges SC01 on March 4, 2004. After the issuance of Statement of Charges SC01, certain information came to the attention of the Director that requires the amendment of Statement of Charges SC01. Based upon the facts available as of July 26, 2004, the Director now proceeds to amend Statement of Charges SC01 by issuing Amended Statement of Charges and Notice of Intention to Enter an Order to Revoke Licenses, Collect Annual Assessments, Impose Fine, Prohibit from Industry, and Collect Investigation Fee C-02-197-04-SC02, which includes the following modifications: modifying the title of Respondent Geoffrey S.

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AMENDED STATEMENT OF CHARGES
C-02-197-04-SC02
MGM Financial Services, Inc., Geoffrey S. Huetten,
Lois A. Jackson (fka Lois A. Huetten),
Patrick K. McKeehan and Randall L. Maine

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8795

1 Huetten in Paragraph 1.1 B below; modifying the name and title of Respondent Lois A. Jackson (fka Lois A.
2 Huetten) in Paragraph 1.1 C below; adding Respondent Patrick K. McKeehan in Paragraph 1.1 D below; adding
3 Respondent Randall L. Maine in Paragraph 1.1 E below; modifying Main Office and Branch Office Annual
4 Assessments due in Paragraph 1.4 and Paragraph 1.5, respectively, below; and adding Factual Allegations in
5 Paragraph 1.10 below.

6 I. FACTUAL ALLEGATIONS

7 1.1 Respondents:

8 A. **MGM Financial Services, Inc. (Respondent MGM)** is known to have conducted the business
9 of a mortgage broker at the following location:

10 802 39th Avenue SW
11 Puyallup, WA 98373

12 B. **Geoffrey S. Huetten (Respondent Huetten)** is known to be Vice President and Owner of
13 Respondent MGM.

14 C. **Lois A. Jackson (fka Lois A. Huetten) (Respondent Jackson)** is known to be Secretary of
15 Respondent MGM. Respondent Jackson was named Designated Broker for Respondent MGM on March 22,
16 1999. By letter dated March 30, 2001, Respondent Jackson submitted her resignation as Designated Broker for
17 Respondent MGM.

18 D. **Patrick K. McKeehan (Respondent McKeehan)** is known to be President of Respondent
19 MGM.

20 E. **Randall L. Maine (Respondent Maine)** is known to be Chairman of the Board of Directors of
21 Respondent MGM.

22 1.2 Licenses:

23 A. **Main Office:** Respondent MGM's main office, at 802 39th Avenue SW, Puyallup Washington
24 98373, was licensed by the Department of Financial Institutions of the State of Washington

1 (Department) to conduct business as a mortgage broker on March 22, 1999, and has continued
2 to be licensed to date.

3 B. **Branch Office:** Respondent MGM's Lacey branch office, at 4305 Lacey Boulevard SE, Lacey
4 Washington 98503, was licensed by the Department to conduct business as a mortgage broker
5 on March 22, 1999, and has continued to be licensed to date.

6 **1.3 Operation Without a Designated Broker:** Respondent Jackson resigned as Designated Broker for
7 Respondent MGM effective March 30, 2001. To date, Respondent MGM has not appointed a replacement
8 Designated Broker.

9 **1.4 Failure to Pay Main Office Annual Assessments:** Payment of the main office annual assessment is
10 due to the Department no later than the last business day of March. To date, the Department has not received
11 the following annual assessments due from Respondents for its main office, totaling \$2,575.67:

- 12 A. Payment of the annual assessment of \$500.00 for the years 1999-2000 and 2000-2001 was due
13 to the Department no later than the last business day of March of each year.
- 14 B. Payment of the annual assessment of \$513.95 for the year 2001-2002 was due to the
15 Department no later than the last business day of March 2002.
- 16 C. Payment of the annual assessment of \$530.86 for the years 2002-2003 and 2003-2004 was due
17 to the Department no later than the last business day of March of each year.
- 18 D. Payment of the annual assessment of \$530.86 for the year 2004-2005 will be due to the
19 Department no later than the last business day of March 2005.

20 **1.5 Lacey Branch Annual Assessments:** Payment of the branch annual assessment is due to the
21 Department no later than the last business day of March. To date, the Department has not received the
22 following annual assessments due from Respondents for the Lacey branch, totaling \$2,075.67:

- 23 A. Payment of the branch annual assessment of \$500.00 for the year 2000-2001 was due to the
24 Department no later than the last business day of March 2001.
- 25 B. Payment of the branch annual assessment of \$513.95 for the year 2001-2002 was due to the
Department no later than the last business day of March 2002.
- C. Payment of the branch annual assessment of \$530.86 for the years 2002-2003 and 2003-2004
was due to the Department no later than the last business day of March of each year.

1 D. Payment of the branch annual assessment of \$530.86 for the year 2004-2005 will be due to the
2 Department no later than the last business day of March 2005.

3 **1.6 Failure to Maintain Bond:** On March 15, 2002, the Department received notice from Near North
4 Insurance Brokerage, Inc. that Respondent MGM's surety bond was cancelled effective January 4, 2001.
5 Respondent MGM failed to notify the Department that its surety bond had been cancelled, nor did Respondents
6 replace Respondent MGM's surety bond.

7 **1.7 Failure to Submit Continuing Education Certificates:** A certificate of satisfactory completion of an
8 approved continuing education course was due to the Department no later than March 31, 2000, and March 31,
9 2001. To date, the Department has not received the required certificates due from Respondent Jackson.

10 **1.8 Failure to Respond to Directive Requirement:** On September 23, 2003, the Department issued a
11 directive to Respondents requiring payment of the main office and Lacey branch annual assessments,
12 replacement of Respondent MGM's bond, and submittal of certificates of completion of continuing education.
13 (The Directive stated that the annual assessment for the main office is due on May 31. The actual due date is
14 March 31, and the May 31 date occurred as a result of a clerical error.) To date, the Department has not
15 received a response to its directive.

16 On May 30, 2001, the Department received a Complaint against Respondent MGM. The Department
17 sent Respondent requests for information and records regarding the complaint on June 13, 2001, July 11, 2001,
18 and August 14, 2001. (The Department also made several other attempts to contact Respondent regarding this
19 complaint, however those requests were returned as undeliverable.) To date, the Department has not received
20 any response to its requests for information and records.

21 **1.9 Failure to Notify DFI of Significant Developments:**

22 A. As stated in 1.6 above, to date, Respondents have not notified the Department of the
23 cancellation of Respondent MGM's surety bond.

24 B. Respondent MGM's corporate license, maintained with the office of the Secretary of State,
25 expired on July 31, 2001. To date, Respondents have not notified the Department of this

1 change in Respondent MGM's status with the Secretary of State, nor has Respondent MGM
2 renewed its corporate license.

3 C. Respondent MGM's Master Business License account with the Washington State Department
4 of Licensing was dissolved on October 22, 2001. To date, Respondents have not notified the
5 Department of this change in Respondent MGM's Master Business License.

6 **1.10 Omission of Material Information in Respondent MGM's License Application:** On February 3,
7 1999, the Department received initial Mortgage Broker license application documents for Respondent MGM,
8 signed by Geoff Huetten as Vice President and dated December 30, 1998. Addendum A to the application
9 form, received by the Department February 3, 1999, identifies Geoff Huetten as the 100% owner of Respondent
10 MGM and states that "OFFICER AND OWNER" control Respondent MGM. On March 4, 1999 the
11 Department received a letter, signed by Lois Huetten as Branch Manager and dated March 1, 1999, in response
12 to the Department's request for additional information regarding Respondent MGM's Mortgage Broker license
13 application. This letter states, in part, "OWNERSHIP (ADDENDUM A(4): THE OFFICERS WHO
14 CONTROL THE COMPANY ARE: PATRICK K. MCKEEHAN—PRESIDENT GEOFFREY S.
15 HUETTEN—VICE-PRESIDENT." Respondent Maine is not listed in any of Respondent MGM's Mortgage
16 Broker license application documents.

17 Respondent MGM's Corporation Renewal and Annual Report filed with State of Washington
18 Department of Licensing Master License Service, signed by Lois Huetten as Secretary and dated September 14,
19 2000, lists Respondent Maine as the Chairman of the Board of Directors of Respondent MGM. Further,
20 Respondent Huetten and Respondent Jackson allege that Respondent Maine controlled almost every aspect of
21 Respondent MGM's operations from its inception.

22 II. GROUNDS FOR ENTRY OF ORDER

23 **2.1 Requirement to Pay Annual Assessments:** Based on the Factual Allegations set forth in Section I
24 above, Respondents are in apparent violation of RCW 19.146.228(1), WAC 208-660-060(3) and WAC 208-

1 660-061 for failing to pay to the Director an annual assessment fee no later than the last business day of the
2 month in which the anniversary date of the issuance of the mortgage broker's license occurs.

3 **2.2 Requirement to Maintain Surety Bond:** Based on the Factual Allegations set forth in Section I
4 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-080(1) for failing to
5 file and maintain a surety bond or approved alternative with the Department.

6 **2.3 Requirement to Submit Certificate of Completion of Continuing Education:** Based on the Factual
7 Allegations set forth in Section I above, Respondent Jackson is in apparent violation of RCW 19.146.215 and
8 WAC 208-660-042 for failing to complete the annual continuing education requirement and file a certificate of
9 satisfactory completion no later than the last business day of the month in which the anniversary date of the
10 issuance of the licensee's license occurs.

11 **2.4 Requirement to Notify Department of Significant Developments:** Based on the Factual Allegations
12 set forth in Section I above, Respondents are in apparent violation of WAC 208-660-150(1)(e), WAC 208-660-
13 150(2), and WAC 208-660-150(3)(b), (e) and (f) for failing to notify the Director in writing within thirty days
14 after receipt of notification of cancellation of the licensee's surety bond, failing to notify the Director in writing
15 ten days prior to a change of the location of the licensee's principal place of business or any of its branch
16 offices, and failing to notify the Director in writing within five days after a change in mailing address or
17 telephone number or State master business license or standing with the state of Washington Secretary of State.

18 **2.5 Prohibited Acts:** Based on the Factual Allegations set forth in Section I above, Respondents are in
19 apparent violation of RCW 19.146.0201(8) for knowingly and willfully omitting material information in
20 connection with Respondent MGM's application for a Mortgage Broker license from the Department.

21 **2.6 Requirement to Provide Information on License Application:** Based on the Factual Allegations set
22 forth in Section I above, Respondents are in apparent violation of RCW 19.146.205(1) and WAC 208-660-
23 030(1) for omitting material information about an officer, director, registered agent or principal stockholder for
24 Respondent MGM on the application for a Mortgage Broker license from the Department.

1 **2.7 Authority to Revoke License:** Pursuant to RCW 19.146.220(2)(b)(i), (ii), (iii) and (iv), and WAC
2 208-660-160(1), (2), (6), (8) and (13), the Director may revoke a license if a licensee omits material facts in
3 obtaining a license which, if known, would have allowed the Director to deny the application for the license,
4 fails to pay a fee required by the Director, fails to maintain the required bond, commits any violation of RCW
5 19.146.0201(1)-(9) or fails to comply with any directive or order of the Director.

6 **2.8 Authority to Impose Fine:** Pursuant to RCW 19.146.220(2)(c)(i) and (ii) and WAC 208-660-165, the
7 Director may impose fines on a licensee that fails to maintain the required bond, commits any violation of RCW
8 19.146.0201(1)-(9) or fails to comply with any directive or order of the Director.

9 **2.9 Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e)(i), (ii) and (iv), the
10 Director may prohibit from participation in the conduct of the affairs of a licensed mortgage broker, any officer,
11 principal, employee, or loan originator of any licensed mortgage broker or any person subject to licensing under
12 the Act that fails to maintain the required bond, commits any violation of RCW 19.146.0201(1)-(9), omits
13 material facts in obtaining a license which, if known, would have allowed the Director to deny the application
14 for the license, or fails to comply with any directive or order of the Director.

15 **2.10 Authority to Charge Investigation Fee:** Pursuant to RCW 19.146.228(2), WAC 208-660-060(4) and
16 WAC 208-660-061, upon completion of any investigation of the books and records of a licensee, the Department
17 will furnish to the licensee a billing to cover the cost of the investigation. The investigation charge will be
18 calculated at the rate of forty-seven dollars and seventy-eight cents (\$47.78) per hour that each staff person devoted
19 to the investigation.
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1 **III. NOTICE OF INTENTION TO ENTER ORDER**

2 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
3 in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under
4 RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the Director's intention to ORDER
5 that:

- 6 3.1 Respondent MGM Financial Service, Inc.'s license to conduct the business of a Mortgage Broker be
7 revoked; and
- 8 3.2 Respondent MGM Financial Service, Inc.'s branch office license for the branch at 4305 Lacey
9 Boulevard SE, Lacey Washington 98503, be revoked; and
- 10 3.3 Respondents jointly and severally pay the cumulative delinquent main office Annual Assessments due
11 through March 31, 2004 totaling \$2,575.67, as calculated in Paragraph 1.4 above. Additionally,
12 Respondents jointly and severally pay the \$530.86 main office Annual Assessment for the year ending
13 March 31, 2005 no later than the last business day of March, 2005; and
- 14 3.4 Respondents jointly and severally pay the cumulative delinquent Lacey Washington branch office
15 Annual Assessments due through March 31, 2004 totaling \$2,075.67, as calculated in Paragraph 1.5
16 above. Additionally, Respondents jointly and severally pay the \$530.86 branch office Annual
17 Assessment for the year ending March 31, 2005 no later than the last business day of March, 2005; and
- 18 3.5 Respondents jointly and severally pay a fine of \$9,000.00 for
19 a. Failure to maintain the required bond, calculated at \$100.00 per day for 30 days; and
20 b. Violation of RCW 19.146.0201(8), calculated at \$100.00 per day for 30 days; and
21 c. Failure to comply with a directive, calculated at \$100.00 per day for 30 days; and
- 22 3.6 Respondent Geoffrey S. Huetten be prohibited from participation in the conduct of the affairs of any
23 licensed mortgage broker, in any manner, for a period of five (5) years; and
- 24 3.7 Respondent Lois A. Jackson (fka Lois A. Huetten) be prohibited from participation in the conduct of
25 the affairs of any licensed mortgage broker, in any manner, for a period of five (5) years; and
- 3.8 Respondent Patrick K. McKeehan 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
- 3.9 Respondent Randall L. Maine 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
- 3.10 Respondents jointly and severally pay an investigation fee in the amount of \$955.60 calculated at
\$47.78 per hour for twenty (20) staff hours devoted to the investigation.

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IV. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Revoke Licenses, Collect Annual Assessments, Impose Fine, Prohibit from Industry, and Collect Investigation Fee 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 and Notice of Intention to Enter an Order to Revoke Licenses, Collect Annual Assessments, Impose Fine, Prohibit from Industry, and Collect Investigation Fee.

Dated this 26th day of July, 2004.



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

Presented by:



Mark T. Olson
Financial Examiner



1 **1.2 Licenses:**

2 A. **Main Office:** Respondent MGM’s main office, at 802 39th Avenue SW, Puyallup Washington
3 98373, was licensed by the Department of Financial Institutions (“Department”) to conduct
4 business as a mortgage broker on March 22, 1999, and has continued to be so licensed to date.

5 B. **Lacey Branch Office:** Respondent MGM’s Lacey branch office, at 4305 Lacey Boulevard SE,
6 Lacey Washington, was licensed by the Department to conduct business as a mortgage broker on
7 March 22, 1999, and has continued to be so licensed to date.

8 **1.3 Operation Without a Designated Broker:** Respondent L. Huetten resigned as designated broker for
9 MGM effective March 30, 2001. To date, MGM has not appointed a replacement designated broker.

10 **1.4 Failure to Pay Main Office Annual Assessment:** Payment of the main office annual assessment is due
11 to the Department no later than the last business day of March. To date, the Department has not received the
12 following annual assessments due from Respondents for its main office:

- 13 A. Payment of the annual assessment of \$500.00 for the years 1999-2000 and 2000-2001 was due
14 to the Department no later than the last business day of March of each year.
- 15 B. Payment of the annual assessment of \$513.95 for the year 2001-2002 was due to the Department
16 no later than the last business day of March 2002.
- 17 C. Payment of the annual assessment of \$530.86 for the year 2002-2003 was due to the Department
18 no later than the last business day of March 2003.
- 19 D. Payment of the annual assessment of \$530.86 for the year 2003-2004 will be due to the
20 Department no later than the last business day of March 2004.

21 **1.5 Lacey Branch Annual Assessment:** Payment of the branch annual assessment is due to the Department
22 no later than the last business day of March. To date, the Department has not received the following annual
23 assessments due from Respondents for the Lacey branch:

- 24 A. Payment of the branch annual assessment of \$513.95 for the year 2001-2002 was due to the
25 Department no later than the last business day of March 2002.
- B. Payment of the branch annual assessment of \$530.86 for the year 2002-2003 was due to the
Department no later than the last business day of March 2003.

1 C. Payment of the branch annual assessment of \$530.86 for the year 2003-2004 will be due to the
2 Department no later than the last business day of March 2004.

3 **1.6 Failure to Maintain Bond:** On March 15, 2002, the Department received notice from Near North
4 Insurance Brokerage, Inc. that Respondent MGM's surety bond was cancelled effective January 4, 2001.
5 Respondent MGM failed to notify the Department that its surety bond had been cancelled, nor did Respondents
6 replace MGM's surety bond.

7 **1.7 Failure to Submit Continuing Education Certificate:** A certificate of satisfactory completion of an
8 approved continuing education course was due to the Department no later than March 31, 2000, and March 31,
9 2001. To date, the Department has not received the required certificates due from Respondent L. Huetten.

10 **1.8 Failure to Respond to Directive Requirement:** On September 23, 2003, the Department issued a
11 directive to Respondents requiring payment of the main office and Lacey branch annual assessments, replacement
12 of MGM's bond, and submittal of certificates of completion for continuing education. (The Directive stated that
13 the annual assessment for the main office is due on May 31. The actual due date is March 31, and the May 31
14 date occurred as a result of a clerical error.) To date, the Department has not received a response to its directive.

15 On May 30, 2001, the Department received a Complaint against Respondent MGM. The Department
16 sent Respondent requests for information and records regarding the complaint on June 13, 2001, July 11, 2001,
17 and August 14, 2001. (The Department also made several other attempts to contact Respondent regarding this
18 complaint, however those requests were returned as undeliverable.) To date, the Department has not received any
19 response to its requests for information and records.

20 **1.9 Failure to Notify DFI of Significant Developments:**

21 **A.** As stated in 1.6 above, to date, Respondents have not notified the Department of the cancellation
22 of MGM's surety bond.

23 **B.** MGM's corporate license, maintained with the office of the Secretary of State, expired on July
24 31, 2001. To date, Respondents have not notified the Department of this change in MGM's
25 status with the Secretary of State, nor has MGM renewed its corporate license.

1 C. MGM's Master Business License account with the Washington State Department of Licensing
2 was dissolved on October 22, 2001. To date, Respondents have not notified the Department of
3 this change in MGM's Master Business License.

4 II. GROUNDS FOR ENTRY OF ORDER

5 **2.1 Requirement to Pay Annual Assessments:** Pursuant to RCW 19.146.228 and WAC 208-660-060(3),
6 the mortgage broker shall pay an annual assessment for each office and branch office no later than the last
7 business day of the month in which the anniversary date of the issuance of the licensee's license occurs.

8 **2.2 Requirement to Maintain Bond:** Pursuant to RCW 19.146.205(4), each licensee shall file and maintain
9 a surety bond.

10 **2.3 Requirement to Submit Certificate of Completion of Continuing Education:** Pursuant to RCW
11 19.146.215, the designated broker of every licensee shall complete an annual continuing education requirement.
12 Pursuant to WAC 208-660-042, each licensee must file annually a certificate of satisfactory completion of an
13 approved continuing education course.

14 **2.4 Requirement to Notify of Significant Developments:** Pursuant to WAC 208-660-150(1)(e), every
15 licensee must notify the Director within thirty days after receiving notification of the cancellation of the licensee's
16 surety bond. Pursuant to WAC 208-660-150(3)(e) and (f), every licensee must notify the Director within five
17 days after a change in the licensee's state master business licensee or standing with the state of Washington
18 Secretary of State.

19 **2.5 Authority to Revoke License:** Pursuant to RCW 19.146.220(2)(b)(ii) and (iii), and WAC 208-660-
20 160(1), (2), (8), and (13), the Director may revoke a license for failure to pay a required annual assessment, for
21 failure to maintain the required surety bond, and for failure to comply with any directive or order of the Director.

22 **2.6 Authority to Charge Examination Fee:** Pursuant to RCW 19.146.228(2), and WAC 208-660-060(2), upon
23 completion of any examination of the books and records of a licensee, the Department will furnish to the licensee a
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1 billing to cover the cost of the examination. The examination charge will be calculated at the rate of forty-seven dollars
2 and seventy-eight cents (\$47.78) per hour that each staff person devoted to the examination.

3 **2.7 Authority to Impose Fine:** Pursuant to RCW 19.146.220(2)(c)(i) and (ii) and WAC 208-660-165, the
4 Director may impose fines on the licensee for failure maintain the required surety bond and for failure to comply
5 with any directive or order of the Director.

6 **2.8 Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e)(i) and (iv), the Director
7 may prohibit a covered individual from participation in the conduct of the affairs of a licensed mortgage broker for
8 failure to maintain the required surety bond and for failure to comply with any directive or order of the Director.

9 III. NOTICE OF INTENT TO ENTER ORDER

10 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in
11 the above Facts and Grounds for Entry of Order, constitute a basis for the entry of an Order under RCW 19.146.220.
12 Therefore, it is the Director's intention to ORDER that:

- 13 3.1 The mortgage broker license held by Respondent MGM Financial Services Inc. be revoked; and
14 3.2 The mortgage broker branch office license for the branch at 4305 Lacey Boulevard SE, Lacey Washington, be
15 revoked;
16 3.3 Respondents Geoffrey S. Huetten and Lois A. Huetten be prohibited from participation in the conduct of the
17 affairs of any licensed mortgage broker for a period of five (5) years; and
18 3.4 Respondents, jointly and severally, pay the main office annual assessment due in the amount of \$2575.76, as
19 calculated in 1.4 above; and
20 3.5 Respondents, jointly and severally, pay the branch office annual assessment due in the amount of \$1575.76, as
21 calculated in 1.5 above; and
22 3.6 Respondents, jointly and severally, pay an examination fee in the amount of \$286.68, calculated at \$47.78 per
23 hour for each staff hour devoted to the investigation (6 hours); and
24 3.7 Respondents, jointly and severally, pay a fine of \$6000.00 for:
25 a) Failure to maintain the required bond, calculated at \$100.00 per day for 30 days; and
b) Failure to comply with a directive, calculated at \$100.00 per day for 30 days; and

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IV. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221 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 and Notice of Intent to Revoke Licenses, Impose Fines and Prohibit from Participation in the Mortgage Broker Industry.

Dated this 2nd day of March, 2004.

/S/

CHUCK CROSS, ACTING DIRECTOR
DIVISION OF CONSUMER SERVICES
DEPARTMENT OF FINANCIAL INSTITUTIONS

Presented by:

/S/

Victoria W. Sheldon, Financial Legal Examiner