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

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

NO. C-06-165-08-CO01

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TODD K. LOVE,
Respondent.

CONSENT ORDER

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Todd K. Love (hereinafter Respondent Love), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent Love have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-06-165-07-SC01 (Statement of Charges), entered September 26, 2007, (copy attached hereto). Pursuant to chapter 19.146, 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. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

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

CONSENT ORDER

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

1 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing
2 before an administrative law judge, and that he has waived his right to a hearing and any and all administrative and
3 judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondent
4 agrees to withdraw his appeal and to inform the Office of Administrative Hearings in writing of his withdrawal.

5 **C. Prohibition from Industry.** It is AGREED that Respondent Love is prohibited from participating in
6 the conduct of the affairs of any mortgage broker licensed by the Department or any mortgage broker exempt from
7 Washington law under RCW 19.146.020(1)(e) or (g) for ten (10) years from the date of entry of this Consent
8 Order in any capacity, including but not limited to: (1) any financial capacity whether active or passive or (2) as an
9 officer, director, principal, designated broker, employee, or loan originator or (3) any management, control,
10 oversight, or maintenance of any trust account(s) in any way related to any residential mortgage transaction or (4)
11 receiving, disbursing, managing, or controlling in any way, consumer trust funds in any way related to any
12 residential mortgage transaction.

13 **D. Application for Mortgage Broker License.** It is AGREED that Respondent Love shall not apply to
14 the Department for any license issued pursuant to chapter 19.146 RCW under any name for a period of ten (10)
15 years from the date of entry of this Consent Order. It is further AGREED that, should Respondent Love apply to
16 the Department for a mortgage broker license at any time later than ten (10) years from the date of entry of this
17 Consent Order, Respondent Love shall be required to meet any and all application requirements in effect at that
18 time.

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

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

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

3 **RESPONDENT:**

4 **Todd K. Love**
By:

5 Todd K. Love
6 Todd K. Love

2/26/08
Date

7
8 **DO NOT WRITE BELOW THIS LINE**

9
10 THIS ORDER ENTERED THIS 5th DAY OF April, 2008.

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

16 Presented by:

17 Steven C. Sherman
18 Steven C. Sherman
19 Financial Legal Examiner



20 Approved by:

21 James R. Brusselback
22 James R. Brusselback
23 Enforcement Chief

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

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

TODD K. LOVE,

Respondent.

NO. C-06-165-07-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO PROHIBIT FROM INDUSTRY,
IMPOSE FINE, AND COLLECT INVESTIGATION
FEE

INTRODUCTION

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (Act)¹. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent Todd K. Love (Love) was employed as branch manager for American Nationwide Mortgage Company and was also employed by Seattle Mortgage Advisors. Both companies were Mortgage Broker licensees at all times relevant to this Statement of Charges.

1.2 Prohibited Acts. On or about August 14, 2006, Respondent Love pleaded guilty under case number CR06-271P in the United States District Court to Conspiracy to Commit Money Laundering, a felony violation of 18 U.S.C. §1956(h). As part of a Plea Agreement in that case, Respondent Love admitted to the following facts:

¹ RCW 19.146 (1994)

1 In September 2003 Robert Kesling purchased a residence in
2 Woodinville, Washington for \$722,869.60. Todd Love was Kesling's
mortgage broker and he assisted Kesling in the following ways:

3 Kesling made a down payment of \$190,000, nearly all of it in United
4 States currency. Love knew that Kesling earned his money by
5 trafficking cocaine to Canada and importing and distributing marijuana
6 in the United States and that Kesling did not want to be associated with
7 the cash. To assist Kesling hide the cash nature of the funds, Love
8 arranged for an escrow agent, Joel Manalang, to accept Kesling's
9 \$176,600 in currency and to deposit it into Manalang's escrow account.
10 This way no currency transaction report or banking document reflected
11 Kesling's name. Manalang neither disclosed Kesling as the source of the
12 currency when he deposited the currency to his escrow trust account nor
13 filed a Form 8300, Report of Cash Payments Over \$10,000 Received in a
14 Trade or Business for this transaction. Manalang did not record a receipt
15 of the currency in the books and records of his escrow business and
16 nothing in the escrow file indicated the cash nature of the down payment.

17 Todd Love fabricated documents to verify legitimate sources for Robert
18 Kesling's down payment and his income. Love fraudulently prepared
19 and submitted to the lending institution a Gift Affidavit saying that Dr.
20 Kesling of Alaska gave his son, Robert Kesling, \$190,000. Dr. Kesling
21 has confirmed that the letter is fictitious, the signature on the letter is a
22 forgery, and that he did not give his son \$190,000. Love also
23 fraudulently prepared and submitted to the lending institution a letter
24 from a local CPA firm which said that Robert Kesling was in the
25 property management business for two years and that the CPA firm had
prepared his taxes for three years. The named signatory of the letter has
confirmed that the letter is a forgery and that his CPA firm has never
represented Kesling. Todd Love created these fraudulent documents to
conceal and disguise the true source of Robert Kesling's funds.

Love also fraudulently prepared a Uniform Residential Loan Application
dated 08/26/2005 stating that Bernard Casey was employed as "VP of
Field Sales" at Seattle Video Conference Center, that Casey had worked
there for three years, and that he made a monthly salary of \$9,247. Love
knew that Casey did not work there, but Love knew his own relative who
was an employee at Seattle Video Conference Center would fraudulently
verify Casey's employment. With these actions, Todd Love assisted
Bernard R. Casey in concealing and disguising the nature, location,
source, ownership and control of his proceeds from the distribution of
marijuana, and assisted Casey in avoiding a transaction reporting
requirement under Federal Law.

1.2 **On-Going Investigation.** The Department's investigation into the alleged violations of the Act by

Respondent continues to date.

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

2 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-010(29),
3 “Mortgage Broker” means any person who, for compensation or gain, or in the expectation of compensation or
4 gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential
5 mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
6 person in obtaining or applying to obtain a residential mortgage loan.

7 **2.2 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent Love is in
8 apparent violation of RCW 19.146.0201(1) and (2) for directly or indirectly employing a scheme, device or
9 artifice to defraud or mislead borrowers or lenders or any person, and for engaging in an unfair or deceptive
10 practice toward any person.

11 **III. AUTHORITY TO IMPOSE SANCTIONS**

12 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c)(i) and WAC 208-660-165, the Director
13 may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act
14 for any violations of RCW 19.146.0201(1) and (2).

15 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(2)(e)(i), the Director may
16 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
17 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
18 or any person subject to licensing under the Act for any violations of RCW 19.146.0201(1) and (2).

19 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-060(4), and
20 WAC 208-660-061, upon completion of any investigation of any person subject to the Act, the Department may
21 collect the cost of the investigation. The investigation charge will be calculated at the rate of forty-seven dollars
22 and seventy-eight cents (\$47.78) per hour that each staff person devoted to the investigation.

23 **IV. NOTICE OF INTENTION TO ENTER ORDER**

24 Respondent’s violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
25 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis

1 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and RCW 19.146.223. Therefore, it is the
2 Director's intention to ORDER that:

3 **4.1** Respondent Todd K. Love be prohibited from participation in the conduct of the affairs of any mortgage
4 broker subject to licensure by the Director, in any manner, for a period of ten (10) years;;

5 **4.2** Respondent Todd K. Love pay a fine of \$6,000;

6 **4.3** Respondent Todd K. Love pay an investigation fee in the amount of \$430.02, calculated at \$47.78 per hour
7 for the nine (9) staff hours devoted to the investigation.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry, Impose Fine, and Collect Investigation Fee (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). Respondent 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 26th day of September, 2007.

[Handwritten Signature]

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[Handwritten Signature]

STEVEN C. SHERMAN
Financial Legal Examiner



Approved by:

[Handwritten Signature]

JAMES R. BRUSSELBACK
Enforcement Chief

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

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

TODD K. LOVE,
Respondent.

C-06-165-07-SC01

NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR HEARING

THE STATE OF WASHINGTON TO: TODD K. LOVE

YOU ARE HEREBY NOTIFIED that a STATEMENT OF CHARGES has been filed by the Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the Washington State Department of Financial Institutions on the Statement of Charges. Service of this notice is deemed complete upon deposit in the United States mail. YOUR APPLICATION MUST BE RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU RECEIVED THIS NOTICE. If you demand a hearing, you will be notified of the time and place for the hearing at least seven (7) days in advance of the hearing date.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the Statement of Charges is concerned. Technical rules of evidence will not be binding at the hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-examine those witnesses presented in support of the Statement of Charges. You may require the attendance of witnesses by subpoena. If you are limited English-speaking or hearing impaired, you have the right to have an interpreter appointed at no cost to you, as discussed below.

INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for

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NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR HEARING

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

1 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate
2 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN
3 INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the witness. You may request
4 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative
5 Hearing form.

6 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the
7 Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice, this will
8 constitute a waiver of your right to a hearing and the Director will find that you do not contest the allegations of the
9 Statement of Charges. Upon such a finding by the Director a final order will be immediately entered disposing of
10 this matter as described in the Statement of Charges. If you desire a hearing in this matter, please return the
11 attached Application for Adjudicative Hearing to:

12 Department of Financial Institutions
13 Division of Consumer Services
14 Attn: Fatima Batie
15 PO Box 41200
16 Olympia, Washington 98504-1200

17 Dated this 26th day of September, 2007.



18 *Deborah Bortner*

19 DEBORAH BORTNER
20 Director
21 Division of Consumer Services
22 Department of Financial Institutions

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