

Terms Completed

ORDER SUMMARY – Case Number: C-07-148

Name(s): Steven Sean McKanna

Order Number: C-07-148-08-CO01

Effective Date: July 14, 2008

License Number: DFI: 35298 & 57024 [NMLS: MLO-349091]

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)

License Effect: Denial

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until: December 13, 2009

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
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:

JUN 24 2008

FOSTER PEPPER PLLC

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

IN THE MATTER OF INVESTIGATING
the Loan Originator License Application under
the Mortgage Broker Practices Act of
Washington by:

NO. C-07-148-08-CO01

CONSENT ORDER

STEVEN SEAN MCKANNA,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Steven Sean McKanna (hereinafter Respondent McKanna), 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 has agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-07-148-07-SC01 (Statement of Charges), entered October 23, 2007, (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.

CONSENT ORDER
C-07-148-08-CO01
STEVEN SEAN MCKANNA

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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 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondent McKanna has been informed of the
5 right to a hearing before an administrative law judge, and that he hereby waives his right to a hearing and
6 any and all administrative and judicial review of the issues raised in this matter, or of the resolution
7 reached herein. Accordingly, Respondent McKanna agrees to withdraw his appeal and to inform the
8 Office of Administrative Hearings in writing of his withdrawal.
9

10 C. **Loan Originator License Application Denial.** It is AGREED that Respondent McKanna's
11 application for a loan originator license is denied. It is further AGREED that, should Respondent
12 McKanna apply to the Department for a mortgage broker or loan originator license on December 13,
13 2009, or at any time thereafter, Respondent McKanna shall be required to meet any and all application
14 requirements in effect at the time of such application.

15 D. **Declaration of Inactivity.** It is AGREED that Respondent McKanna will sign the attached
16 Declaration of No Unlicensed Activity.

17 E. **Prohibition from Industry.** It is AGREED that Respondent McKanna is prohibited from
18 participating in the conduct of the affairs of any mortgage broker licensed by the Department or any
19 mortgage broker exempt from Washington law under RCW 19.146.020(1)(e) or (g) until December 13,
20 2009, in any capacity, including but not limited to: (1) any financial capacity whether active or passive or
21 (2) as an officer, director, principal, designated broker, employee, or loan originator or (3) any
22 management, control, oversight or maintenance of any trust account(s) in any way related to any
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24
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1 residential mortgage transaction or (4) receiving, disbursing, managing or controlling in any way,
2 consumer trust funds in any way related to any residential mortgage transaction.

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

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

7 **RESPONDENT:**

8 By: St Mck
9 STEVEN SEAN MCKANNA
10 Respondent

6/24/08
Date

11 [Signature]
12 Douglas Davies, WSBA No. 16750
Attorney for Respondent

6/24/08
Date

13 **DO NOT WRITE BELOW THIS LINE**

14 THIS ORDER ENTERED THIS 14th DAY OF July, 2008.

15 [Signature]

16 DEBORAH BORTNER
17 Director, Division of Consumer Services
18 Department of Financial Institutions

19 Presented by:

20 Wilma Nepsund
21 WILMA NEPSUND
22 Financial Examiner

23 Approved by:

24 James R. Brusselback
25 JAMES R. BRUSSELBACK
Enforcement Chief



CONSENT ORDER
C-07-148-08-CO01
STEVEN SEAN MCKANNA

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

IN THE MATTER OF INVESTIGATING
the Loan Originator License Application under the
Mortgage Broker Practices Act of Washington by:

STEVEN SEAN MCKANNA,

Respondent.

NO. C-07-148-07-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO DENY LICENSE APPLICATION
AND PROHIBIT FROM INDUSTRY

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 19.146.310, 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 Steven Sean McKanna (Respondent McKanna) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Abacus Mortgage Inc., a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 13, 2006.

A. Prior Criminal Acts. On or about January 11, 2000, Respondent McKanna was charged with a felony for Theft in the Second Degree pursuant to RCW 9A.56.040(1)(a) and 9A.56.020(1)(b), in the Superior Court of King County, Case No. 00-1-03328-8SEA. On May 25, 2000, Respondent McKanna entered a plea of guilty for Attempted Theft in the Second Degree, a misdemeanor pursuant to RCW 9A.56.040 and 9A.28.020. As an

¹ RCW 19.146 (Amended 2006; Effective January 1, 2007)

1 additional condition of his probation, Respondent McKanna was to have no contact with the Bon Marche, his
2 employer and victim in this case.

3 **1.2 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator license
4 application consists of eight questions, and includes the following instruction:

5 "If the answer to any of the following is "YES", provide complete details of all events or proceedings"

6 Respondent McKanna answered "no" to the following question on the "Criminal Disclosure" section of his loan
7 originator license application:

- 8 • 2 – Have you ever been charged with a felony?

9 If Yes, when and where?

10 The "Termination Disclosure" section of the loan originator license application consists of two
11 questions, and includes the following instruction:

12 "If answer to any of the following is "YES", provide complete details of all events or proceedings"

13 Respondent McKanna answered "no" to the following questions on the "Termination Disclosure" section of his
14 loan originator license application:

- 15 • Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were
16 made that accused you of:
- 17 1. Violating statute(s), regulation(s), or rule(s), or industry standards of conduct?
 - 18 2. Fraud, dishonesty, theft, or the wrongful taking of property?

19 Respondent McKanna was obligated by statute to answer questions on the loan originator license application
20 truthfully and to provide the Department with complete details of all events or proceedings.

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

22 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent
23 McKanna is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently
24 making any false statement or willfully making any omission of material fact in connection with any application
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1 or any information filed by a licensee in connection with any application, examination or investigation
2 conducted by the Department.

3 **2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set
4 forth in Section I above, Respondent McKanna fails to meet the requirements of RCW 19.146.300(1) and (2)
5 and RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form
6 prescribed by the Director.

7 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set
8 forth in Section I above, Respondent McKanna fails to meet the requirements of RCW 19.146.310(1)(g) and
9 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the
10 confidence of the community and to warrant a belief that the business will be operated honestly and fairly
11 within the purposes of the Act.

12 **III. AUTHORITY TO IMPOSE SANCTIONS**

13 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the
14 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the
15 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by
16 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application
17 of the denial.

18 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
19 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
20 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
21 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

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

23 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
24 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
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1 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.310.

2 Therefore, it is the Director's intention to ORDER that:

3 **4.1** Respondent Steven Sean McKanna's application for a loan originator license be denied.

4 **4.2** Respondent Steven Sean McKanna be prohibited from participation in the conduct of the affairs of any
5 mortgage broker subject to licensure by the Director, in any manner, through December 13, 2013.

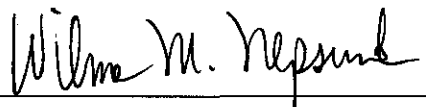
6 **V. AUTHORITY AND PROCEDURE**

7 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and
8 Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,
9 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05
10 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in
11 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
12 Statement of Charges.

13 Dated this 23rd day of October, 2007.

14 
15 DEBORAH BORTNER
16 Director
17 Division of Consumer Services
18 Department of Financial Institutions

19 Presented by:

20 
21 WILMA M. NEPSUND
22 Financial Examiner

23 Approved by:

24 
25 FATIMA BATIE
Financial Legal Examiner Supervisor

