

Terms Completed

ORDER SUMMARY – Case Number: C-07-400

Name(s): Neal Phillip Schroeder

Order Number: C-07-400-07-CO01

Effective Date: January 2, 2008

License Number: DFI: 44623 [NMLS: 74936]

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)

License Effect: Denial
If applicable, you must specifically note the ending dates of terms.

Not Apply Until: January 3, 2008

Not Eligible Until: _____

Prohibition/Ban Until: _____

Investigation Costs	\$240	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 12.27.07
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: _____

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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:

NO. C-07-400-07-CO01

CONSENT ORDER

NEAL PHILIP SCHROEDER,
Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Neal Philip Schroeder, loan originator (hereinafter Respondent Schroeder) 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 have agreed upon a basis for resolution of the matters alleged in Statement of

1 Charges No. C-07-400-07-CO01 (Statement of Charges), entered October 29, 2007, (copy
2 attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act)
3 and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the
4 Department's entry of this Consent Order and further agrees that the issues raised in the above
5 captioned matter may be economically and efficiently settled by entry of this Consent Order.
6 The parties intend this Consent Order to fully resolve the Statement of Charges.

7 Based upon the foregoing:

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

10 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right
11 to a hearing before an administrative law judge, and that he has waived his right to a hearing and
12 any and all administrative and judicial review of the issues raised in this matter, or of the
13 resolution reached herein.

14 C. **License Denied.** It is AGREED that Respondent's license application is denied
15 upon entry of this Consent Order. In addition, the Respondent AGREES that he will stop
16 operating as a loan originator, requiring a license, upon entry of this Consent Order. Further,
17 Respondent UNDERSTANDS and AGREES:
18

- 19 1. Any loans originated after the entry date of this Consent Order by
20 Respondent, within the State of Washington, will be in violation of the
21 Mortgage Brokers Practices Act, RCW 19.146, unless Respondent is
22 otherwise exempt.
- 23 2. Respondent must obtain the required license from the Department,
24 unless otherwise exempt, before he can operate as a loan originator in
25 the future.

1 3. Respondent will not be eligible to be issued a loan originator license
2 until January 1, 2008.
3

4 **D. Prohibition from Industry.** It is AGREED that Respondent is prohibited from
5 participating in the conduct of the affairs of any mortgage broker licensed by the Department or
6 any mortgage broker exempt from Washington law under RCW 19.146.020(1)(d) or (f) until
7 December 31, 2007, in any capacity, including but not limited to: (1) any financial capacity
8 whether active or passive or (2) as an officer, director, principal, designated broker, employee,
9 or loan originator or (3) any management, control, oversight or maintenance of any trust
10 account(s) in any way related to any residential mortgage transaction or (4) receiving,
11 disbursing, managing or controlling in any way, consumer trust funds in any way related to any
12 residential mortgage transaction.

13 **E. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
14 investigation fee of \$240, in the form of a cashier's check made payable to the "Washington
15 State Treasurer," upon entry of this Consent Order.
16

17 **F. Authority to Execute Order.** It is AGREED that the undersigned Respondent has
18 represented and warranted that they have the full power and right to execute this Consent Order
19 on behalf of the parties represented.

20 **G. Non-Compliance with Order.** It is AGREED that Respondent understands that
21 failure to abide by the terms and conditions of this Consent Order may result in further legal
22 action by the Director. In the event of such legal action, Respondent may be responsible to
23 reimburse the Director for the cost incurred in pursuing such action, including but not limited
24 to, attorney fees.
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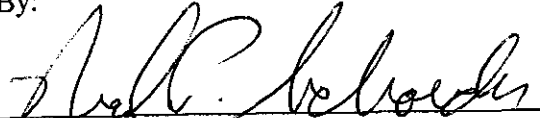
1 H. **Voluntarily Entered.** It is AGREED that the undersigned Respondent has
2 voluntarily entered into this Consent Order, which is effective when signed by the Director's
3 designee.

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

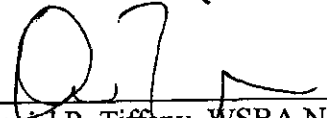
6 **RESPONDENT:**

7 *NEAL PHILIP SCHROEDER.*

8 By:

9 
10 Neal Philip Schroeder, Individually

12-18-07
Date


11
12 
13 Daniel R. Tiffany, WSBA No. 34917
14 Attorney at Law
15 Attorney for Respondent

12/14/07
Date

16 DO NOT WRITE BELOW THIS LINE

17 THIS ORDER ENTERED THIS 2nd DAY OF January, 2007. *8/03*

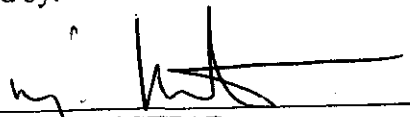



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

1 Presented by:

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WILLIAM J. HALSTEAD
Financial Legal Examiner

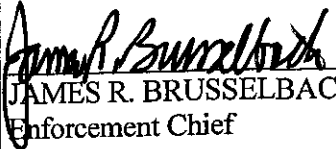
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Approved by:

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JAMES R. BRUSSELBACK
Enforcement Chief

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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:

NEIL PHILIP SCHROEDER,

Respondent.

NO. C-07-400-07-SC01

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

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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)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 Neal Philip Schroeder (Respondent Schroeder) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Carteret Mortgage Corporation, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about June 21, 2007.

1.2 Prior Misdemeanor Charges. On or about November 8, 2002, the Respondent was charged with the gross misdemeanor crime of theft third degree, pursuant to RCW 9A.56.050, in the Thurston County District Court (Case No. C00420787). The Respondent was arraigned on the charge on or about January 31, 2003. The charge was ultimately compromised and dismissed on January 7, 2004.

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

1 **1.3 Responses to Application Questions.** The “Criminal Disclosure” section of the loan originator license
2 application consists of eight questions, and includes the following instruction:

3 “If the answer to any of the following is “YES”, provide complete details of all events or proceedings”

4 Respondent Schroeder answered “no” to the following questions on the “Criminal Disclosure” section of his
5 loan originator license application:

- 6 • 5 - Have you ever been convicted of or plead guilty or nolo contendere)”no contest”) in a
7 domestic, foreign, or military court to misdemeanor involving: financial services or a financial
8 services-related business or any fraud, false statements or omissions, theft or any wrongful
9 taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to
10 commit any of these offenses.
- 11 • 6 – Have you ever been charged with a misdemeanor specified in 5?

12 Respondent Schroeder was obligated by statute to answer questions on the loan originator license application
13 truthfully and to provide the Department with complete details of all events or proceedings. The Respondent
14 answered question 5 truthfully, but answered “no” to question 6 knowing he had been charged with theft third
15 degree, a gross misdemeanor.

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

17 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent
18 Schroeder is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently
19 making any false statement or willfully making any omission of material fact in connection with any application
20 or any information filed by a licensee in connection with any application, examination or investigation
21 conducted by the Department.

22 **2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set
23 forth in Section I above, Respondent Schroeder fails to meet the requirements of RCW 19.146.300(1) and (2)
24 and RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form
25 prescribed by the Director.

2.3 Requirement to Demonstrate Character and General Fitness. Based on the Factual Allegations set
forth in Section I above, Respondent Schroeder fails to meet the requirements of RCW 19.146.310(1)(g) and

1 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the
2 confidence of the community and to warrant a belief that the business will be operated honestly and fairly
3 within the purposes of the Act.

4 III. AUTHORITY TO IMPOSE SANCTIONS

5 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the
6 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the
7 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by
8 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application
9 of the denial.

10 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
11 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
12 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
13 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

14 IV. NOTICE OF INTENTION TO ENTER ORDER

15 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
16 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
17 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.310.
18 Therefore, it is the Director's intention to ORDER that:

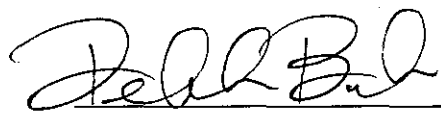
- 19 **4.1** Respondent Neal Philips Schroeder's application for a loan originator license be denied.
20 **4.2** Respondent Neal Philips Schroeder be prohibited from participation in the conduct of the affairs of any
21 mortgage broker subject to licensure by the Director, in any manner, through June 21, 2012.

22 V. AUTHORITY AND PROCEDURE

23 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and
24 Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,
25 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

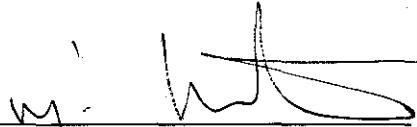
1 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
2 Statement of Charges.

3 Dated this 29th day of October, 2007.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

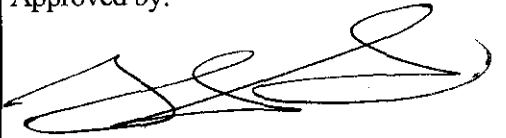
8 Presented by:



WILLIAM J. HALSTEAD
Financial Legal Examiner



12 Approved by:



FATIMA BATIE
Financial Legal Examiner Supervisor