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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:

NO. C-07-482-08-CO01

KRISTIAN AASGAARDEN,

CONSENT ORDER

Respondent.

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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 Kristian Aasgaarden (hereinafter Respondent Aasgaarden), 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:

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**AGREEMENT AND ORDER**

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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 Charges No. C-07-482-08-SC01 (Statement of Charges), entered December 4, 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 agree 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.

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Based upon the foregoing:

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

CONSENT ORDER  
C-07-482-08-CO01  
KRISTIAN AASGAARDEN

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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 hereby waives 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. Application Denial.** It is AGREED that the Respondent's application to become a licensed loan  
6 originator is denied. The denial is based upon the Respondent negligently making a false statement in connection  
7 with his loan originator application when he failed to disclose a 2002 felony criminal charge (later amended to a  
8 gross misdemeanor offense) from King County District Court.

9           **D. Prohibition from Industry.** It is AGREED that Respondent is prohibited from participating in the  
10 conduct of the affairs of any mortgage broker licensed by the Department until December 21, 2013, in any  
11 capacity, including but not limited to: (1) any financial capacity whether active or passive or (2) as an officer,  
12 director, principal, designated broker, employee, or loan originator or (3) any management, control, oversight or  
13 maintenance of any trust account(s) in any way related to any residential mortgage transaction or (4) receiving,  
14 disbursing, managing or controlling in any way, consumer trust funds in any way related to any residential  
15 mortgage transaction.

16           **E. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation fee  
17 of \$384, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this  
18 Consent Order.

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

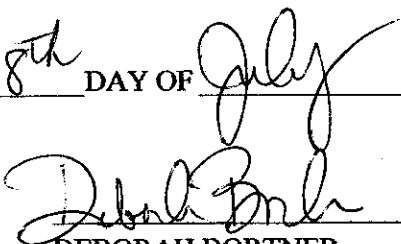
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4 **RESPONDENT:**

5   
6 Kristian Aasgaarden

6/22/08  
Date

7 DO NOT WRITE BELOW THIS LINE

8 THIS ORDER ENTERED THIS 8<sup>th</sup> DAY OF July, 2008.

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

13 Presented by:

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15   
16 WILLIAM HALSTEAD  
17 Financial Legal Examiner

18 Approved by:

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20 JAMES R. BRUSSELBACK  
21 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:

KRISTIAN AASGAARDEN,  
  
Respondent.

NO. C-07-482-07-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)<sup>1</sup>. 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 Kristian Aasgaarden (Respondent Aasgaarden)** 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 21, 2006.

**1.2 Prior Criminal Charges.** On December 25, 2002, Respondent Aasgaarden was charged with the felony offense of Unlawful Possession of Cocaine pursuant to RCW 69.50.401(d) in the King County District Court Seattle Division. On June 23, 2003, Respondent Aasgaarden pleaded guilty to the amended charge of Attempted Possession of a Controlled Substance, a gross misdemeanor, pursuant to RCW 69.50.401(d) and RCW 9A.28.020.

<sup>1</sup> 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 Aasgaarden answered “no” to the following question on the “Criminal Disclosure” section of his  
5 loan originator license application:

- 6 • 2- Have you ever been charged with any felony?

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

9  
10 **II. GROUNDS FOR ENTRY OF ORDER**

11 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent  
12 Aasgaarden is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently  
13 making any false statement or willfully making any omission of material fact in connection with any application  
14 or any information filed by a licensee in connection with any application, examination or investigation  
15 conducted by the Department.

16 **2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set  
17 forth in Section I above, Respondent Aasgaarden fails to meet the requirements of RCW 19.146.300(1) and (2)  
18 and RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form  
19 prescribed by the Director.

20 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set  
21 forth in Section I above, Respondent Aasgaarden fails to meet the requirements of RCW 19.146.310(1)(g) and  
22 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the  
23 confidence of the community and to warrant a belief that the business will be operated honestly and fairly  
24 within the purposes of the Act.

25

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

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

7 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue  
8 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
9 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
10 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

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

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

16 **4.1** Respondent Kristian Aasgaarden's application for a loan originator license be denied.

17 **4.2** Respondent Kristian Aasgaarden be prohibited from participation in the conduct of the affairs of any  
18 mortgage broker subject to licensure by the Director, in any manner, through December 21, 2013.

19 **V. AUTHORITY AND PROCEDURE**

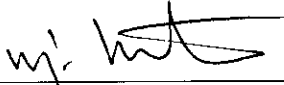
20 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and  
21 Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,  
22 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of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

1 Dated this 1<sup>th</sup> day of December, 2007.

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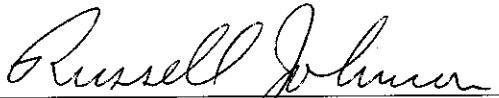
4 DEBORAH BORTNER  
5 Director  
6 Division of Consumer Services  
7 Department of Financial Institutions

8 Presented by:

9 

10 WILLIAM HALSTEAD  
11 Financial Legal Examiner

12 Approved by:

13 

14 RUSSELL JOHNSON  
15 Financial Legal Examiner Supervisor

