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STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

ENFORCEMENT UNIT
DIVISION OF CONSUMER SERVICES
DEPT OF FINANCIAL INSTITUTIONS

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

NO. C-08-087-09-CO01

INTEGRITY LENDING LLC, and BRANDON
LEE BARNUM, President, Designated Broker,
Owner, MARLO M. H. BARNUM, Vice President,
Owner, COREY JACOSHENK, Owner, DANIEL
LEE TERRY, Loan Originator, CHRISTOPHER
MOORE, Loan Originator, JAMES FOLK, Loan
Originator,

CONSENT ORDER FOR
INTEGRITY LENDING LLC, BRANDON LEE
BARNUM, MARLO M.H. BARNUM, COREY
JACOSHENK, DANIEL LEE TERRY, AND JAMES
FOLK.

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Integrity Lending LLC, (Respondent Integrity), Brandon Lee Barnum, President, Designated Broker, and Owner (Respondent B. Barnum), Marlo M. H. Barnum, Vice President and Owner (Respondent M. Barnum), Corey Jacoshenk, Owner (Respondent Jacoshenk), Daniel Lee Terry, Loan Originator (Respondent Terry), and James Folk, Loan Originator (Respondent Folk) (hereinafter collectively referred to as Respondents), 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 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-087-09-SC01 (Statement of Charges), entered January 26, 2009, (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, Respondents

CONSENT ORDER
C-08-087-09-CO01
INTEGRITY LENDING LLC, BRANDON LEE
BARNUM, MARLO M. H. BARNUM, COREY
JACOSHENK, DANIEL LEE TERRY, and JAMES
FOLK

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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 hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-
2 captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend
3 this Consent Order to fully resolve the Statement of Charges.

4 Based upon the foregoing:

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

7 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing
8 before an administrative law judge, and that they hereby waive their right to a hearing and any and all
9 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

10 Accordingly, Respondents agree to withdraw their appeal and to inform the Office of Administrative Hearings in
11 writing of their withdrawal.

12 C. **Stipulations.** It is AGREED that Respondent Terry and Respondent Folk violated RCW
13 19.146.200(1), and WAC 208-660-350(3) by engaging in the business of a loan originator without first
14 obtaining and maintaining a license under the Act. It is further AGREED that, pursuant to RCW 19.146.245
15 and WAC 208-660-155(3), a licensed mortgage broker is liable for any conduct violating the Act by the
16 designated broker or loan originator employed or engaged by the licensed mortgage broker.

17 D. **Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$2,240, in the form of a
18 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

19 E. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee
20 of \$816, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this
21 Consent Order.

22 F. **Examination Fee.** It is AGREED that Respondents shall pay to the Department examination travel
23 expenses in the amount of \$857.35, in the form of a cashier's check made payable to the "Washington State
24

25 CONSENT ORDER
C-08-087-09-CO01
INTEGRITY LENDING LLC, BRANDON LEE
BARNUM, MARLO M. H. BARNUM, COREY
JACOSHENK, DANIEL LEE TERRY, and JAMES
FOLK

1 Treasurer," upon entry of this Consent Order. The fine, investigation fee, and examination fee may all be paid in
2 one cashier's check.

3 **G. Declaration of Financial Condition and Confession of Judgment.** It is AGREED that Respondent
4 Brandon Barnum has provided the Department with a Declaration comprehensively describing his and Respondent
5 Integrity's current financial condition and representing their current inability to pay the fine, investigation, and
6 examination fees and obligations agreed to in Paragraphs D, E, and F of this Consent Order. It is further
7 AGREED that, based on this Declaration, the Department has accepted a Confession of Judgment from
8 Respondent Brandon Barnum and Respondent Integrity for the obligations agreed to in Paragraph D, E, and F of
9 this Consent Order. A copy of this Confession of Judgment is attached and incorporated into this Consent Order
10 by this reference. Consistent with Chapter 4.60 of the Revised Code of Washington, the Department may
11 immediately seek entry of the judgment. Respondent Brandon Barnum and Respondent Integrity shall, upon the
12 Department's request, fully and promptly cooperate with the Department in its efforts to get the judgment entered
13 by the superior court.

14 **H. Confession of Judgment.** It is AGREED that Respondent has entered into a Confession of Judgment
15 for a fine of \$2,240 (paragraph D above), an investigation fee of \$816 (paragraph E above), and examination travel
16 expenses in the amount of \$857.35 (paragraph F above).

17 **I. Complete Cooperation with the Department and the Office of the Attorney General.** It is
18 AGREED that Respondents shall cooperate fully, truthfully and completely with the Department and the Office
19 of Attorney General and provide any and all information known to them relating in any manner to Christopher
20 Moore conducting or engaging in the business of a loan originator while working at Integrity Lending LLC. It is
21 further AGREED that Respondents shall provide any and all documents, writings, materials, objects or evidence
22 of any kind in their possession or under their care, custody, or control that they are authorized to possess, obtain,
23 or distribute relating directly or indirectly to all areas of inquiry and investigation. A failure to cooperate fully,
24

1 truthfully and completely is a breach of this Consent Order. It is further AGREED that Respondents shall testify
2 fully, truthfully and completely at any proceeding related to the Department's investigation and enforcement
3 actions related to this matter, including, but not limited to Christopher Moore.

4 J. **Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented
5 and warranted that they have the full power and right to execute this Consent Order on behalf of the parties
6 represented.

7 K. **Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide
8 by the terms and conditions of this Consent Order may result in further legal action by the Director. In the
9 event of such legal action, Respondents may be responsible to reimburse the Director for the cost incurred in
10 pursuing such action, including but not limited to, attorney fees.

11 L. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered
12 into this Consent Order, which is effective when signed by the Director's designee.

13 M. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this
14 Consent Order in its entirety and fully understand and agree to all of the same.

15 **RESPONDENTS:**

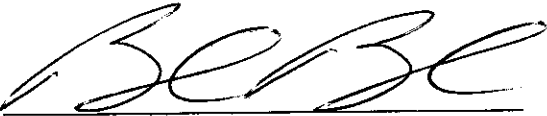
16 **Integrity Lending LLC**

17 By:

18 

19 BRANDON LEE BARNUM
President, Designated Broker, Owner

7-30-09
Date

20 

21 BRANDON LEE BARNUM
Individually

7-30-09
Date

Marlo M.H. Barnum

MARLO M.H. BARNUM
Vice President, Owner, Individually

Date

Corey Jacoshenk

COREY JACOSHENK
Owner, Individually

Date

Daniel Lee Terry

DANIEL LEE TERRY
Individually

8/12/09
Date

James Folk

JAMES FOLK
Individually

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 11th DAY OF September, 2009.

Deborah Bortner

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Marnie Sheeran

MARNIE SHEERAN
Financial Legal Examiner

Approved by:

James R. Brusselback

JAMES R. BRUSSELBACK
Enforcement Chief



CONSENT ORDER
C-08-087-09-CO01
INTEGRITY LENDING LLC, BRANDON LEE
BARNUM, MARLO M. H. BARNUM, COREY
JACOSHENK, DANIEL LEE TERRY, and JAMES
FOLK

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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-08-087-09-SC02

INTEGRITY LENDING LLC. and BRANDON
LEE BARNUM, President, Designated Broker,
Owner, MARLO M. H. BARNUM, Vice
President, Owner, COREY JACOSHENK,
Owner, DANIEL LEE TERRY, Loan Originator,
CHRISTOPHER MOORE, Loan Originator,
JAMES FOLK, Loan Originator,

STATEMENT OF CHARGES and NOTICE OF
INTENTION TO IMPOSE FINE, ORDER
RESTITUTION, AND COLLECT INVESTIGATION
FEE

Respondents.

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 19.146.210 and 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 Respondents.

A. Integrity Lending LLC (Respondent Integrity) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about May 2, 2003, and continues to be licensed to date. Respondent Integrity is licensed to conduct the business of a

¹ RCW 19.146 (2007)

1 mortgage broker at 5075 SW Griffith Dr., Beaverton, Oregon (main office) and 18662 SW Boones Ferry Road,
2 Tualatin, Oregon (branch office).

3 B. Brandon Lee Barnum (Respondent B. Barnum) is the President, Designated Broker, and an
4 Owner of Respondent Integrity.

5 C. Marlo Marie Barnum (Respondent M. Barnum) is the Vice President and an Owner of
6 Respondent Integrity.

7 D. Corey Jacoshenk (Respondent Jacoshenk) is an Owner of Respondent Integrity.

8 E. Daniel Lee Terry (Respondent Terry) acted as a loan originator for Respondent Integrity
9 between at least January 2007 and December 2007.

10 F. Christopher Moore (Respondent Moore) acted as a loan originator for Respondent Integrity
11 between at least January 2007 and December 2007.

12 G. James Folk (Respondent Folk) acted as a loan originator for Respondent Integrity between at least
13 January 2007 and December 2007.

14 **1.2 Unlicensed Activity.** Between January 2007 and December 2007, Respondent Terry assisted at least
15 three (3) borrowers in applying to obtain or obtaining residential mortgage loans on property located in the State
16 of Washington from Respondent Integrity's branch office¹. To date, the Department has not issued a license to
17 Respondent Terry to conduct the business of a loan originator from any location.

18 **1.3** Between August 2007 and November 2007, Respondent Moore assisted at least one (1) borrower in
19 applying to obtain or obtaining a residential mortgage loan on property located in the State of Washington from
20 Respondent Integrity's branch office. To date, the Department has not issued a license to Respondent Moore to
21 conduct the business of a loan originator from any location.

22 **1.4** Between February 2007 and May 2007, Respondent Folk assisted at least one (1) borrower in applying
23 to obtain or obtaining residential mortgage loans on property located in the State of Washington from
24

25 ¹ As noted above, Respondent Integrity's current branch office location is 18266 SW Boones Ferry Road, Tualatin, Oregon. The previous address of this branch office was 4650 SW Macadam Ave, Portland, Oregon. At least one of the loans originated by Respondent Terry, was originated at the previous branch office location.

1 Respondent Integrity's main office. To date, the Department has not issued a license to Respondent Folk to
2 conduct the business of a loan originator from any location.

3 **1.5 Failure to Pay Examination Fees.** On or about November 30, 2007, the Department conducted an
4 examination of Respondent Integrity's business. Beginning February 26, 2008, the Department issued monthly
5 invoices for out-of-state travel costs, with interest accruing monthly, to Respondent Integrity. To date, the
6 Department has not received payment for the outstanding travel costs, which as of the date of this Statement of
7 Charges is \$857.35.

8 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
9 Respondents continues to date.

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

11 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
12 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of compensation or
13 gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential
14 mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
15 person in obtaining or applying to obtain a residential mortgage loan.

16 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10) and WAC 208-660-006, "Loan
17 Originator" means a natural person who (a) takes a residential mortgage loan application for a mortgage broker,
18 or (b) offers or negotiates terms of a mortgage loan, for direct or indirect compensation or gain, or in
19 expectation of direct or indirect compensation or gain. "Loan Originator" also includes a person who holds
20 themselves out to the public as able to perform any of these activities.

21 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(2), a "Borrower" is defined as any person who
22 consults with or retains a mortgage broker or loan originator in an effort to obtain or seek advice or information
23 on obtaining or applying to obtain a residential mortgage loan for himself, herself, or persons including himself
24 or herself, regardless of whether the person actually obtains such a loan.

25

1 **2.4 Requirement to Obtain or Maintain Loan Originator License.** Based on the Factual Allegations set
2 forth in Section I above, Respondent Terry, Respondent Moore and Respondent Folk are in apparent violation
3 of RCW 19.146.0201(2) and (3), RCW 19.146.200(1), and WAC 208-660-350(3) for engaging in the business
4 of a loan originator without first obtaining and maintaining a license under the Act.

5 **2.5 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245 and WAC 208-660-
6 155(3), a licensed mortgage broker is liable for any conduct violating the Act by the designated broker or loan
7 originator employed or engaged by the licensed mortgage broker. Pursuant to RCW 19.146.200(4)(a) and (b), a
8 designated broker or principal of a licensed mortgage broker is liable for an employee's violations of the act if
9 the designated broker or principal directs or instructs the conduct or with knowledge of the specific conduct
10 approves or allows the conduct, or knows or by the exercise of reasonable care and inquiry should have known
11 of the conduct at the time when its consequences can be avoided or mitigated and fails to take reasonable
12 remedial action.

13 **2.6 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in
14 apparent violation of RCW 19.146.0201(1) and (2) for directly or indirectly employing a scheme, device or
15 artifice to defraud or mislead borrowers or lenders or any person or engaging in an unfair or deceptive practice
16 toward any person.

17 III. AUTHORITY TO IMPOSE SANCTIONS

18 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(b),(d) and (e) and RCW 19.146.220(3) (a)
19 and (b), the Director may impose fines on a licensee, employee or loan originator of the licensee, or other
20 person subject to the Act for any violations of RCW 19.146.0201(1) through (9) or (13), RCW 19.146.030
21 through RCW 19.146.080, RCW 19.146.200, RCW 19.146.205(4), RCW 19.146.265, failure to comply with a
22 directive or order of the Director or any violation of Chapter 19.146 RCW..

23 **3.2 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2)(b),(d) and (e), the Director may issue
24 orders directing a licensee, its employee or loan originator, or other person subject to the Act to pay restitution.

25

1 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-550(5),
2 upon completion of any investigation of the books and records of a licensee or other person subject to the Act,
3 the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of the
4 investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per hour that
5 each staff person devoted to the investigation.

6 **3.4 Authority to Collect Examination Fee.** Pursuant to RCW 19.146.235(8), WAC 208-660-510(9)(b), and
7 WAC 208-660-550(4)(b), upon completion of any examination of books and records of a licensee or other person
8 subject to the Act located outside of the state of Washington, the Department will furnish to the licensee or other
9 person subject to the Act a billing to cover the travel costs for the examination. The travel costs include, but are not
10 limited to transportation costs, meals, and lodging.

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

12 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,
13 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
14 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.210, RCW 19.146.220,
15 RCW 19.146.221 and RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

16
17 **4.1** Respondent Integrity Lending LLC, Respondent Brandon Lee Barnum, Respondent Marlo M. H. Barnum,
18 Respondent Corey Jacoshenk, Respondent Daniel Lee Terry, Respondent Christopher Moore, and
19 Respondent James Folk jointly and severally pay a fine, which as of the date of these charges totals
\$11,250; and

20 **4.2** Respondent Integrity Lending LLC, Respondent Brandon Lee Barnum, Respondent Marlo M. H. Barnum,
21 Respondent Corey Jacoshenk, Respondent Daniel Lee Terry, Respondent Christopher Moore, and
22 Respondent James Folk jointly and severally refund all fees that inured to Respondents' benefit to the
borrowers listed in paragraphs 1.2 through 1.4; and

23 **4.3** Respondent Integrity Lending LLC, Respondent Brandon Lee Barnum, Respondent Marlo M. H. Barnum,
24 Respondent Corey Jacoshenk, Respondent Daniel Lee Terry, Respondent Christopher Moore, and
25 Respondent James Folk jointly and severally pay an investigation fee in the amount of \$816 calculated at
\$48 per hour for the seventeen (17) staff hours, as of the date of this Statement of Charges, devoted to the
investigation; and

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4.4 Respondent Integrity Lending LLC, Respondent Brandon Lee Barnum, Respondent Marlo M. H. Barnum, Respondent Corey Jacoshenk, Respondent Daniel Lee Terry, Respondent Christopher Moore, and Respondent James Folk pay examination travel expenses in the amount of \$857.35, as of the date of this Statement of Charges (interest accruing monthly); and

4.5 Respondents maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent Integrity Lending LLC's mortgage broker business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

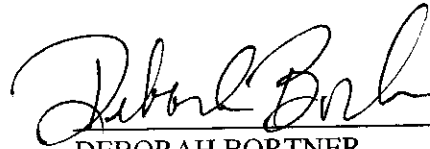
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V. AUTHORITY AND PROCEDURE

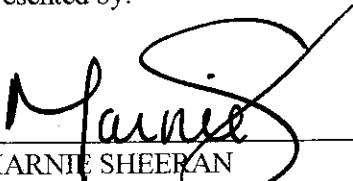
This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 24th day of January, 2009.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

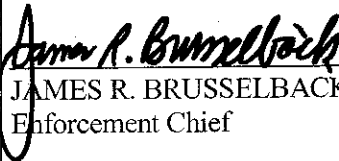
Presented by:



MARNIE SHEERAN
Financial Legal Examiner



Approved by:


JAMES R. BRUSSELBACK
Enforcement Chief