

ORDER SUMMARY – Case Number: C-08-104

Name(s): Kevin Keith Dawson;

Order Number: C-08-104-12-CO03

Effective Date: July 18, 2012

License Number: 32959; NMLS #107660
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: Revoked

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: July 18, 2013

Investigation Costs	\$480	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 07/17/12
Fine	\$5,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 07/17/12
Assessment(s)	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N n/a		
No. of Victims:		9		

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:

KEVIN K. DAWSON,

Respondent.

No.: C-08-104-12-CO03

CONSENT ORDER

NMLS #107660

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Kevin K. Dawson, Loan Originator (Respondent), and finding that the issues raised in the above-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 the 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 Charges No. C-08-104-11-SC02 (Statement of Charges), entered August 22, 2011, (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. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

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

3 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
4 hearing before an administrative law judge, and hereby waives his right to a hearing and any and all
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondent, by his signature below, withdraws his appeal to the Office of
7 Administrative Hearings.

8 C. **Admission to Violation of the Act.** It is AGREED that Respondent misrepresented
9 borrower information on residential mortgage loan applications as set forth in the Statement of
10 Charges.

11 D. **Loan Originator License Revocation.** It is AGREED that Respondent's license to
12 conduct business as a loan originator is revoked.

13 E. **Prohibition from Industry.** It is AGREED that, for a period of one (1) year from the
14 date of entry of this Consent Order, Respondent is prohibited from participating in the conduct of the
15 affairs of any mortgage broker or consumer loan company licensed by the Department or subject to
16 licensure or regulation by the Department, in any capacity, including but not limited to: (1) any
17 financial capacity whether active or passive; or (2) as an officer, director, principal, partner, LLC
18 member, designated broker, employee, or loan originator; or (3) any management, control, oversight
19 or maintenance of any trust account(s) in any way related to any residential transaction; or (4)
20 receiving, disbursing, managing or controlling in any way, consumer trust funds in any way related to
21 any residential mortgage transaction.

1 **F. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
2 \$5,000 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry
3 of this Consent Order.

4 **G. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
5 investigation fee of \$480 in the form of a cashier's check made payable to the "Washington State
6 Treasurer" upon entry of this Consent Order. The Fine and Investigation Fee may be paid together in
7 one \$5,480 cashier's check made payable to the "Washington State Treasurer."

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

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

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

16 **RESPONDENT:** _____

17
18 Kevin K. Dawson)
19 Loan Originator)

7/11/2012

Date

20 Approved as to form:

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22 _____
23 Aaron W. Rocke, WSBA No.31525
Attorney for Respondent

7/13/12

Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 18th DAY OF July, 2012



DEBORAH BÖRTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Steven C. Sherman
Financial Legal Examiner

Approved by:

Charles E. Clark
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:

KEVIN K. DAWSON,

Respondent.

No. C-08-104-11-SC02

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO REVOKE LICENSE, 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)¹. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of 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 Kevin K. Dawson (Dawson) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a loan originator on or about February 22, 2007, and continued to be licensed until his license expired on December 31, 2009. At all times relevant to this Statement of Charges, Respondent Dawson was employed by West Horizon Financial, Inc., a licensee under the Act.

1.2 Misrepresentation of Borrower Information. The Department examined the books and records of West Horizon Financial, Inc. and reviewed 35 residential mortgage loan files. The

¹ RCW 19.146 (2006)
STATEMENT OF CHARGES
C-08-104-11-SC02
Kevin K. Dawson

1 Department identified at least 10 loan files originated by Respondent Dawson involving
2 misrepresentation of borrower information on the application.

3 **A.** On or about April 3, 2007, borrower C.F. applied with Respondent West Horizon to
4 purchase a residence on Voss Street in Orting, Washington. On the same day, C.F. applied with
5 Respondent West Horizon to purchase a residence on Roberts Street in Orting, Washington.
6 Respondent West Horizon's loan originator Kevin Dawson assisted C.F. and prepared the applications
7 for both purchases. On both applications, Dawson stated that the residence would be C.F.'s primary
8 residence. Additionally, Dawson stated on the Voss Street application that C.F.'s gross monthly
9 income was \$9,235, but indicated on the Roberts Street application that C.F.'s gross monthly income
10 was \$9,651.23. The Roberts Street purchase subsequently closed on or about April 26, 2007, with
11 Indy Mac Bank, and the Voss Street purchase subsequently closed on or about May 1, 2007, with
12 Webster Bank.

13 **B.** On or about May 18, 2007, borrower G.G. applied with Respondent West Horizon to
14 refinance a residence in Renton, Washington. Respondent West Horizon's loan originator Kevin
15 Dawson assisted G.G. and prepared applications for both a first and second mortgage. On the
16 application for the first mortgage, Dawson stated that G.G.'s gross monthly income was \$36,350; and
17 that application was submitted to Washington Mutual Bank. On the application for the second
18 mortgage, however, Dawson stated that G.G.'s gross monthly income was only \$15,264.86; and that
19 application was submitted to Greenpoint Mortgage Funding, Inc. Both loans subsequently closed on
20 or about July 16, 2007, with the above-stated lenders.

21 **C.** On or about August 27, 2007, borrower P.L. applied with Respondent West Horizon
22 to purchase a residence on Weaver Street in Orting, Washington. On or about the same day, P.L.
23 applied with Respondent West Horizon to purchase a residence on Nelson Street in Orting,

1 Respondent West Horizon's loan originator Kevin Dawson assisted C.F. and prepared the
2 applications for both purchases. On both applications, Dawson stated that the residence would be
3 P.L.'s primary residence. Additionally, Dawson stated on the Weaver Street application that P.L.'s
4 gross monthly income was \$6,615, but stated on the Nelson Street application that P.L.'s gross
5 monthly income was \$6,650. The Nelson Street purchase subsequently closed on or about September
6 25, 2007, with Indy Mac Bank, and the Weaver Street purchase subsequently closed on or about
7 September 26, 2007, with Suntrust Mortgage, Inc.

8 **D.** On or about April 2, 2007, borrower T.S. applied with Respondent West Horizon to
9 purchase three residences; one in Renton, Washington, one on Roberts Street in Orting, Washington,
10 and one at 1213 Riddle Avenue in Orting, Washington.² Respondent West Horizon's loan originator
11 Kevin Dawson assisted T.S. and prepared the applications for all three purchases. On each
12 application, Dawson stated that the residence would be T.S.'s primary residence. Additionally,
13 Dawson stated on the Renton application that T.S.'s gross monthly income was \$8,761.16, stated on
14 the Roberts Street application that T.S.'s monthly gross income was \$9,885, and stated on the 1213
15 Riddle Avenue application that T.S.'s gross monthly income was \$9,615.28. The Renton purchase
16 subsequently closed on or about April 27, 2007, with Indy Mac Bank, the Roberts Street purchase
17 subsequently closed the same day with Countrywide Home Loans, and the 1213 Riddle Avenue
18 purchase subsequently closed on or about June 15, 2007, with JP Morgan Chase.

19 On or about May 23, 2007, after the Renton and Roberts Street purchases closed, but before
20 the 1213 Riddle Avenue purchase closed, T.S. applied with Respondent West Horizon to purchase a
21 fourth residence at 909 Riddle Avenue in Orting Washington. Respondent West Horizon's loan
22 originator Kevin Dawson assisted T.S. and prepared the application, again stating that the residence

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² The 1213 Riddle Avenue application bears the date April 3, 2007, but the Good Faith Estimate and Truth-in-Lending
24 Disclosure are dated April 2, 2007.

1 would be T.S.'s primary residence. Dawson did not disclose on this application, however, that T.S.
2 had purchased two other primary residences on or about April 27, 2007. The 909 Riddle Avenue
3 purchase subsequently closed on or about June 29, 2007, with Homecomings Financial, LLC.

4 **E. Complaint 28410.** In or about October 2006, borrowers N.L. and W.L. (borrowers)
5 consulted with Respondent Dawson about refinancing their existing residential mortgage loan.
6 Respondent Dawson informed the borrowers that he could not get them a refinance, and proposed to
7 find the borrowers a buyer willing to lease the borrower's residence back to them for a year, then sell
8 the residence back to them should they be able to obtain financing. The buyers agreed to this
9 proposal, and the buyer Respondent ultimately found was his girlfriend, G.G. Respondent Dawson
10 assisted G.G. with applying for and obtaining a residential mortgage loan to buy the borrower's home,
11 but stated on the application that G.G. was purchasing the home as her primary residence.

12 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
13 Act by Respondent continues to date.

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

15 **2.1 Definition of Borrower.** Pursuant to RCW 19.146.010(3) and WAC 208-660-006, "Borrower"
16 means any person who consults with or retains a mortgage broker or loan originator in an effort to
17 obtain or seek advice or information on obtaining or applying to obtain a residential mortgage loan
18 for himself, herself, or persons including himself or herself, regardless of whether the person actually
19 obtains such a loan.

20 **2.2 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent
21 is in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a
22 scheme, device, or artifice to defraud or mislead borrowers or lenders or any person, engaging in an
23 unfair or deceptive practice toward any person, and obtaining property by fraud or misrepresentation.

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke
3 licenses for any violation of the Act.

4 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
5 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
6 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
7 mortgage broker or any person subject to licensing under the Act for: any violation of RCW
8 19.146.0201(1) through (9).

9 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose a fine
10 against a licensee or other persons subject to the Act for any violation of the Act.

11 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
12 520(9) & (11), and WAC 208-660-550(4)(a), the Department may collect the costs of investigation.
13 The Department may charge \$48 per hour for an examiner’s time devoted to the investigation of a
14 licensee or other person subject to the Act.

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

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

20 **4.1** Respondent Kevin K. Dawson’s license to conduct the business of a loan originator be
21 revoked.

22 **4.2** Respondent Kevin K. Dawson be prohibited from participation in the conduct of the affairs of
23 any mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

1 4.3 Respondent Kevin K. Dawson pay a fine which as of the date of this Statement of Charges
2 totals \$20,000.

3 4.4 Respondent Kevin K. Dawson pay an investigation fee which as of the date of this Statement
4 of Charges totals \$480.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
3 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
4 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a
5 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
6 HEARING accompanying this Statement of Charges.

7
8 Dated this 22nd day of August, 2011.



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

15 Presented by:

16 _____
17 STÉVEN C. SHERMAN
18 Financial Legal Examiner

19 Approved by:

20 _____
21 JAMES R. BRUSSELBACK
22 Enforcement Chief