

Terms Completed

ORDER SUMMARY – Case Number: C-11-0795

Name(s): Julio Alberto Benenati

Order Number: C-11-0795-13-CO05

Effective Date: September 12, 2013

License Number: DFI: 57959 NMLS ID: 241007

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$2,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/5/13
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: complete cooperation with Department in ongoing investigation C-11-0795

1 Consumer Loan Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondent
2 Benenati hereby agrees to the Department's entry of this Consent Order and further agrees that the
3 issues raised in the above-captioned matter may be economically and efficiently settled by entry of
4 this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges
5 solely as related to Respondent Benenati.

6 Based upon the foregoing:

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

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

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

17 **D. Complete Cooperation with the Department (Statements).** It is AGREED that, upon
18 written request by the Department, Respondent Benenati shall provide the Department truthful and
19 complete sworn statements outlining his activities with respect to Network Capital Funding
20 Corporation and any and all persons involved or in any way associated with Network Capital Funding
21 Corporation, including but not limited to owners, employees, independent contractors, agents,
22 businesses and persons with whom Network Capital Funding Corporation dealt, communicated, or
23 otherwise related. The "sworn statements" may take the form of affidavits, declarations, or

1 deposition testimony, at the Department's discretion. A failure to cooperate fully, truthfully, and
2 completely is a breach of this Consent Order.

3 **E. Complete Cooperation with the Department.** In addition to providing the sworn
4 statements as described in Paragraph E, it is AGREED that, upon written request by the Department,
5 Respondent Benenati shall cooperate fully, truthfully, and completely with the Department and
6 provide any and all information known to him relating in any manner to Network Capital Funding
7 Corporation and any and all persons involved or in any way associated with Network Capital Funding
8 Corporation, including but not limited to owners, employees, independent contractors, agents,
9 businesses and persons with whom Network Capital Funding Corporation dealt, communicated, or
10 otherwise related. It is further AGREED that, upon written request by the Department, Respondent
11 Benenati shall provide any and all documents, writings or materials, or objects or things of any kind
12 in his possession or under his care, custody, or control that he is authorized to possess, obtain, or
13 distribute relating directly or indirectly to all areas of inquiry and investigation. It is further
14 AGREED that Respondent Benenati shall testify fully, truthfully, and completely at any and all
15 proceedings related to any Department investigation or enforcement action or both related to any and
16 all persons involved or in any way associated with Network Capital Funding Corporation, and any
17 respondents named therein. A failure to cooperate fully, truthfully, and completely is a breach of this
18 Consent Order.

19 **F. Application for License.** It is AGREED that, should Respondent Benenati apply to the
20 Department for any license under any name at any time from the date of entry of this Consent Order,
21 Respondent Benenati shall be required to meet any and all application requirements in effect at that
22 time, and that the Department will not consider the facts and circumstances asserted in Statement of
23 Charges C-11-0795-12-SC02 in its review of Respondent Benenati's application.

1 G. **Authority to Execute Order.** It is AGREED that the undersigned have represented and
2 warranted that they have the full power and right to execute this Consent Order on behalf of the party
3 represented.

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

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

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

13 **RESPONDENT:**

14 [Redacted]
15 Julio Benenati
16 Individually

8/28/2013
Date

16 [Redacted]
17 John S. Devlin, III WSBA No. 23988
18 Attorney at Law, Lane Powell, P.C.
19 Attorney for Respondent Benenati

8/30/13
Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 12th DAY OF September, 2013

[Redacted Signature]

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[Redacted Signature]

SHANA L. OLIVER
Financial Legal Examiner

Approved by:

[Redacted Signature]

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 Consumer Loan Act of Washington by:

TERRY ANDERSON, Unlicensed Loan Originator;
ARREN BABAYANI, Loan Originator;
JULIO BENENATI, Loan Originator;
JORDAN BIEL, Loan Originator;
DANIEL HANLEY, Unlicensed Loan Originator;
CHRIS KUNGL, Unlicensed Loan Originator;
RHYAN MERCADO, Unlicensed Loan Originator;
FRANK PARRINO, Loan Originator; and
CHAD SIMMONS, Unlicensed Loan Originator,

Respondents.

No.: C-11-0795-12-SC02

STATEMENT OF CHARGES and NOTICE OF INTENTION TO ENTER AN ORDER TO SUSPEND LICENSE, PROHIBIT FROM INDUSTRY, AND IMPOSE FINE

13 Pursuant to RCW 31.04.165 and RCW 31.04.168, the Director of the Department of
14 Financial Institutions of the State of Washington (Director) is responsible for the administration of
15 chapter 31.04 RCW, the Consumer Loan Act (Act)¹. After having conducted an investigation
16 pursuant to RCW 31.04.145, and based upon the facts available as of the date of this Statement of
17 Charges, the Director, through his designee, Division of Consumer Services Director Deborah
18 Bortner, institutes this proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

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1.1 Respondents.

A. Terry Anderson (Respondent Anderson) has never been licensed with the Department in any capacity under the Act or the Mortgage Broker Practices Act (MBPA).

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¹ RCW 31.04 (Amended 2009; Effective January 1, 2010)

1 **B. Arren Babayani (Respondent Babayani)** was licensed by the Department as an
2 MLO on or about February 7, 2011, and continues to be licensed to date.²

3 **C. Julio Benenati (Respondent Benenati)** was licensed by the Department as an
4 MLO on or about January 26, 2011, and continues to be licensed to date.³

5 **D. Jordan Biel (Respondent Biel)** was licensed by the Department as an MLO on or
6 about June 7, 2011, and continues to be licensed to date.⁴

7 **E. Daniel Hanley (Respondent Hanley)** applied for licensure as an MLO with the
8 Department on or about July 20, 2011. Respondent Hanley withdrew his application on or about
9 September 9, 2011.⁵ Respondent Hanley has never been licensed by the Department in any
10 capacity under the Act or the MBPA.

11 **F. Chris Kungl (Respondent Kungl)** has never been licensed with the Department in
12 any capacity under the Act or the MBPA.⁶

13 **G. Rhyan Mercado (Respondent Mercado)** applied for licensure as an MLO with the
14 Department on or about June 16, 2010. Respondent Mercado withdrew his application on or about
15 December 16, 2010. Respondent Mercado has never been licensed by the Department in any
16 capacity under the Act or the MBPA.⁷

17 **H. Frank Parrino (Respondent Parrino)** was licensed by the Department as an MLO
18 on or about August 19, 2011, and continues to be licensed to date.⁸

19 **I. Chad Simmons (Respondent Simmons)** has never been licensed by the
20 Department in any capacity under the Act or the MBPA.⁹

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² Respondent Babayani is listed in the NMLS with ID# 189519.

22 ³ Respondent Benenati is listed in the NMLS with ID# 241007.

⁴ Respondent Biel is listed in the NMLS with ID# 349006.

23 ⁵ Respondent Hanley is listed in the NMLS with ID # 369189.

⁶ Respondent Kungl is listed in the NMLS with ID #394383.

⁷ Respondent Mercado is listed in the NMLS with ID #263793

⁸ Respondent Parrino is listed in the NMLS with ID #478710.

24 ⁹ Respondent Simmons is not to be confused with Chad Lyle Simmons, NMLS ID# 67627.

1 **1.2 Examination.** The Department conducted an on-site examination of Network Capital
2 Funding Corporation (Network Capital), a consumer lender licensed under the Act, from August
3 15, 2011, through August 19, 2011. The scope of this examination included a review of Network
4 Capital's business practices from January 1, 2010, through June 30, 2011, and included a review of
5 loan files originated on behalf of 77 Washington consumers.

6 **1.3 Unlicensed Activity.** Between at least June 24, 2010, and March 31, 2011, Respondents
7 Anderson, Babayani, Benenati, Biel, Hanley, Kungl, Mercado, Parrino, and Simmons (collectively,
8 Respondents) assisted at least 21 borrowers in applying to obtain residential mortgage loans on
9 property located in the State of Washington without being licensed by the Department as a loan
10 originator. Respondent Anderson originated 2 loans, Respondent Babayani originated 2 loans,
11 Respondent Benenati originated 2 loans, Respondent Biel originated 3 loans, Respondent Hanley
12 originated 2 loans, Respondent Kungl originated 3 loans, Respondent Mercado originated 3 loans,
13 Respondent Parrino originated 2 loans, and Respondent Simmons originated 2 loans.¹⁰

14 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
15 Act by Respondents continues to date.

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

17 **2.1 Definition of Mortgage Loan Originator.** Pursuant to RCW 31.04.015(15)(a), "Mortgage
18 Loan Originator" means an individual who (a) takes a residential mortgage loan application for a
19 mortgage broker, or (b) offers or negotiates terms of a mortgage loan, for direct or indirect
20 compensation or gain, or in the expectation of direct or indirect compensation or gain. "Mortgage
21 Loan Originator" also includes a person who holds themselves out to the public as able to perform
22 any of these activities.

23 ¹⁰ Respondents Babayani, Benenati, Biel, and Parrino each obtained an MLO license after the loans were originated.

1 **2.2 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set
2 forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(2) and RCW
3 31.04.035 for engaging in the business of a mortgage loan originator without first obtaining and
4 maintaining a license under the Act.

5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Suspend License.** Pursuant to RCW 31.04.093(3)(b), the Director may suspend
7 a license if the Director finds that a licensee, either knowingly or without the exercise of due care, has
8 violated any provision of this Act or any rule adopted under this Act.

9 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 31.04.093(6)(e), the Director may
10 issue orders removing from office or prohibiting from participation in the affairs of any licensee, or
11 both, any officer, principal, employee, or loan originator, or any person subject to this Act, for a
12 violation of RCW 31.04.027.

13 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4)(a), the Director may impose fines
14 of up to \$100 per day upon the licensee, its employee, or any other person subject to the Act for any
15 violation of the Act.

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

2 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620
3 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to
4 Impose Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW
5 31.04.165, and RCW 31.04.168. Therefore, it is the Director's intention to ORDER that:

6 **4.1** Respondents Arren Babayani, Julio Benenati, Jordan Biel, and Frank Parrino's
7 licenses to conduct business as a Mortgage Loan Originator be suspended for a
period of one year;¹¹

8 **4.2** Respondents Terry Anderson, Arren Babayani, Julio Benenati, Jordan Biel, Daniel
9 Hanley, Chris Kungl, Rhyan Mercado, Frank Parrino, and Chad Simmons be
prohibited from acting as a mortgage loan originator with any company subject to
10 licensure under the Consumer Loan Act, RCW 31.04 for a period for one year;

11 **4.3** Respondents Jordan Biel, Chris Kungl, Rhyan Mercado each pay a fine of \$1,500.

12 **4.4** Respondents Terry Anderson, Arren Babayani, Julio Benenati, Daniel Hanley,
Frank Parrino, and Chad Simmons each pay a fine of \$1,000.

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23 ¹¹ At time of renewal, the Department will renew each Respondent's license, provided that each Respondent meets the
Act's requirements for renewal. However, each Respondent's license will remain suspended until the suspension period
has run.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke Licenses,
3 Prohibit from Industry, Impose Fines, Order Restitution, and Collect Investigation Fee (Statement of
4 Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.168,
5 and RCW 31.04.202, and is subject to the provisions of chapter 34.05 RCW (The Administrative
6 Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE
7 OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
8 Statement of Charges.

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10 Dated this 11th day of December, 2012.



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

15 Presented by:



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17 SHANA L. OLIVER
18 Financial Legal Examiner

19 Approved by:



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21 CHARLES E. CLARK
22 Enforcement Chief