

## ORDER SUMMARY – Case Number: C-11-0795

**Name(s):** Daniel Thomas Hanley  
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**Order Number:** C-11-0795-13-FO03  
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**Effective Date:** September 19, 2013  
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**License Number:** NMLS ID: 369189  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  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:**  
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**Not Apply Until:** September 19, 2014  
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**Not Eligible Until:** September 19, 2014  
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**Prohibition/Ban Until:** September 19, 2014  
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<b>Investigation Costs</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$1,000	Due 9/19/13	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
	No. of Victims:			

**Comments:**  
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1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 DIVISION OF CONSUMER SERVICES

4 IN THE MATTER OF DETERMINING  
5 whether there has been a violation of the  
6 Consumer Loan Act of Washington by:

No.: C-11-0795-13-FO03

7 TERRY ANDERSON, Unlicensed Loan  
8 Originator;  
9 ARREN BABAYANI, Unlicensed Loan  
10 Originator;  
11 JULIO BENENATI, Unlicensed Loan Originator;  
12 JORDAN BIEL, Unlicensed Loan Originator;  
13 DANIEL HANLEY, Unlicensed Loan Originator;  
14 CHRIS KUNGL, Unlicensed Loan Originator;  
15 RHYAN MERCADO, Unlicensed Loan  
16 Originator;  
17 FRANK PARRINO, Unlicensed Loan Originator;  
18 CHAD SIMMONS, Unlicensed Loan Originator,

FINAL ORDER RE:

DANIEL HANLEY, NMLS #369189

Respondents.

19 I. DIRECTOR'S CONSIDERATION

20 A. Default. This matter has come before the Director of the Department of Financial  
21 Institutions of the State of Washington (Director), through his designee, Consumer Services Division  
22 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On December 11,  
23 2012, the Director, through the Director's designee, issued a Statement of Charges and Notice of  
24 Intention to Enter an Order to Suspend License, Prohibit from Industry, and Impose Fine (Statement  
of Charges) against Respondent Daniel Hanley (Respondent Hanley). A copy of the Statement of  
Charges is attached and incorporated into this order by this reference. The Statement of Charges was  
accompanied by a cover letter dated May 20, 2013, a Notice of Opportunity to Defend and  
Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent Hanley  
(collectively, accompanying documents).

1 On March 25, 2013, after prior failed service attempts on Respondent Hanley, the Department  
2 received confirmation from the Los Angeles Branch Office of the United States Post Office that mail  
3 addressed to Respondent Hanley was being delivered to 5455 Wilshire Boulevard, #1615, Los  
4 Angeles, California (Wilshire address). The Department served the Statement of Charges and  
5 accompanying documents on Respondent Hanley by sending a package containing the documents to  
6 the Wilshire address by First-Class mail on May 20, 2013. The documents sent via First-Class mail  
7 were not returned to the Department by the United States Postal Service.

8 Respondent Hanley did not request an adjudicative hearing within twenty calendar days after  
9 the Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided  
10 for in WAC 208-08-050(2).

11 B. Record Presented. The record presented to the Director's designee for her review and  
12 for entry of a final decision included the following: Statement of Charges, cover letter dated May 20,  
13 2013, Notice of Opportunity to Defend and Opportunity for Hearing, a blank Application for  
14 Adjudicative Hearing for Respondent Hanley, with documentation for service, and a Post Office  
15 Address Verification Request form completed by Los Angeles Branch Office of the United States  
16 Post Office received by the Department on March 25, 2013.

17 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the  
18 Director's designee hereby adopts the Statement of Charges.

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1 II. FINAL ORDER

2 Based upon the foregoing, and the Director's designee having considered the record and being  
3 otherwise fully advised, NOW, THEREFORE:

4 A. IT IS HEREBY ORDERED, That:

- 5 1. Respondent Daniel Hanley is prohibited from acting as a mortgage loan originator  
6 with any company subject to licensure under the Consumer Loan Act, RCW 31.04,  
7 for a period of one year.
- 8 2. Respondent Daniel Hanley pay a fine of \$1,000.

9 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent Hanley has the right to file  
10 a Petition for Reconsideration stating the specific grounds upon which relief is requested. The  
11 Petition must be filed in the Office of the Director of the Department of Financial Institutions by  
12 courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200,  
13 Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon  
14 Respondent Hanley. The Petition for Reconsideration shall not stay the effectiveness of this order  
15 nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

16 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the  
17 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a  
18 written notice specifying the date by which it will act on a petition.

19 C. Stay of Order. The Director's designee has determined not to consider a Petition to  
20 Stay the effectiveness of this order. Any such request should be made in connection with a Petition  
21 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

22 D. Judicial Review. Respondent Hanley has the right to petition the superior court for  
23 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the  
24 requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

1 E. Non-compliance with Order. If you do not comply with the terms of this order,  
2 **including payment of any amounts owed within 30 days of receipt of this order**, the Department  
3 may seek its enforcement by the Office of the Attorney General to include the collection of the fine  
4 imposed herein. The Department also may assign the amount owed to a collection agency for  
5 collection.

6 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial  
7 Review, service is effective upon deposit of this order in the U.S. mail by the Department, declaration  
8 of service attached hereto.

9 DATED this 19<sup>th</sup> day of September, 2013.



11 STATE OF WASHINGTON  
12 DEPARTMENT OF FINANCIAL INSTITUTIONS

13 [Redacted Signature]  
14 DEBORAH BORTNER  
15 Director  
16 Division of Consumer Services

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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)<sup>1</sup>. 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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<sup>1</sup> 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.<sup>2</sup>

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.<sup>3</sup>

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.<sup>4</sup>

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.<sup>5</sup> 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.<sup>6</sup>

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.<sup>7</sup>

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.<sup>8</sup>

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

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22 <sup>2</sup> Respondent Babayani is listed in the NMLS with ID# 189519.

<sup>3</sup> Respondent Benenati is listed in the NMLS with ID# 241007.

<sup>4</sup> Respondent Biel is listed in the NMLS with ID# 349006.

<sup>5</sup> Respondent Hanley is listed in the NMLS with ID # 369189.

<sup>6</sup> Respondent Kungl is listed in the NMLS with ID #394383.

<sup>7</sup> Respondent Mercado is listed in the NMLS with ID #263793

<sup>8</sup> Respondent Parrino is listed in the NMLS with ID #478710.

<sup>9</sup> 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.<sup>10</sup>

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 <sup>10</sup> 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;<sup>11</sup>

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 <sup>11</sup> 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 11<sup>th</sup> day of December, 2012.



11 [Redacted Signature]

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

15 Presented by:

16 [Redacted Name]

17 SHANA L. OLIVER  
18 Financial Legal Examiner

19 Approved by:

20 [Redacted Signature]

21 CHARLES E. CLARK  
22 Enforcement Chief