

# Terms Completed

## ORDER SUMMARY – Case Number: C-13-1177

**Name(s):** Jeffery Allen Coats II  
 \_\_\_\_\_  
 \_\_\_\_\_

**Order Number:** C-13-1177-13-FO01  
 \_\_\_\_\_

**Effective Date:** January 7, 2014  
 \_\_\_\_\_

**License Number:** DFI: 80493 NMLS ID:902109  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  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:** Application denied  
 \_\_\_\_\_  
 \_\_\_\_\_

**Not Apply Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Not Eligible Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Prohibition/Ban Until:** \_\_\_\_\_  
 \_\_\_\_\_

<b>Investigation Costs</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$	Due	Paid <input type="checkbox"/> Y <input 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:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF INVESTIGATING  
The loan originator license application under the  
Mortgage Broker Practices Act of Washington by:

No.: C-13-1177-13-FO01

JEFFERY ALLEN COATS II,  
NMLS #902109,

FINAL ORDER

Respondent.

I. DIRECTOR'S CONSIDERATION

Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington ("Director"), pursuant to RCW 34.05.464. On March 4, 2013, the Director, through his designee, Consumer Services Division Director Deborah Bortner, issued a Statement of Charges and Notice of Intention to Enter an Order to Deny Application for License ("Statement of Charges") against Jeffery Allen Coats II ("Respondent"). On March 5, 2013, the Department of Financial Institution ("Department") served Respondent with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of Charges was accompanied by a cover letter dated March 5, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent. On March 26, 2013, Respondent filed an Application for Adjudicative Hearing. On March 26, 2013, the Department made a request to the Office of Administrative Hearings ("OAH") to assign an Administrative Law Judge ("ALJ") to schedule and conduct a hearing on the Statement of Charges.

On April 11, 2013, ALJ Steven C. Smith ("ALJ Smith") issued a Notice of Conference scheduling a prehearing conference on Thursday, May 9, 2013, at 1:00 p.m.

1 On May 9, 2013, all parties attended a telephonic prehearing conference. On May 15, 2013,  
2 ALJ Smith issued a Notice of Hearing and Order Following Telephonic Prehearing Conference  
3 scheduling a hearing on December 10, 2013.

4 On September 30, 2013, the Department filed a motion for summary judgment. On October  
5 8, 2013, ALJ Smith issued an Order & Notice: Summary Judgment Motion Briefing and Telephonic  
6 Oral Argument Schedule scheduling oral arguments for November 14, 2013, at 1:00 p.m.

7 On November 14, 2013 all parties attended the summary judgment hearing. On November  
8 21, 2013, ALJ Smith issued an Initial Order of Summary Judgment for Washington Department of  
9 Financial Institutions Against Respondent and Dismissal of Respondent's Request for Administrative  
10 Appeal Hearing ("Initial Decision and Order"). On November 21, 2013, ALJ Smith mailed the Initial  
11 Decision and Order to Respondent Jeffery Allen Coats II. This Initial Decision and Order ordered  
12 that:

- 13 • The Department's summary judgment motion is granted; and
- 14 • Respondent's request for administrative appeal is dismissed.

15 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the  
16 date of service of the Initial Decision and Order to file a Petition for Review of the Initial Decision  
17 and Order. Respondent did not file a Petition for Review during the statutory period.

18 A. Record Presented. The record presented to the Director for his review and for entry of  
19 a final decision included the following:

- 20 1. Statement of Charges, cover letter dated March 5, 2013, and Notice of Opportunity  
21 to Defend and Opportunity for Hearing, with documentation of service.
- 22 2. Applications for Adjudicative Hearing for Jeffery Allen Coats II
- 23 3. Request to OAH for Assignment of Administrative Law Judge.
- 24 4. Notice of Conference dated April 11, 2013, with documentation of service.

- 1 5. Notice of Hearing and Order Following Telephonic Prehearing Conference dated  
2 May 15, 2013, with documentation of service.
- 3 6. Order & Notice: Summary Judgment Motion Briefing and Telephonic Oral  
4 Argument Schedule, dated October 8, 2013, with documentation of service.
- 5 7. Initial Order of Summary Judgment for Washington Department of Financial  
6 Institutions Against Respondent and Dismissal of Respondent's Request for  
7 Administrative Appeal Hearing, dated November 21, 2013, with documentation of  
8 service.

9 B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.461, the Director  
10 hereby adopts the Initial Order of Summary Judgment for Washington Department of Financial  
11 Institutions Against Respondent and Dismissal of Respondent's Request for Administrative Appeal  
12 Hearing, which is attached hereto.

## 13 II. FINAL ORDER

14 Based upon the foregoing, and the Director having considered the record and being otherwise  
15 fully advised, NOW, THEREFORE:

16 A. IT IS HEREBY ORDERED, That:

- 17 1. Respondent Jeffery Allen Coats II's application for a license to conduct the  
18 business of a Loan Originator is denied.

19 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
20 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
21 must be filed in the Office of the Director of the Department of Financial Institutions by courier at  
22 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
23 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The  
24 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
Reconsideration a prerequisite for seeking judicial review in this matter.

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

4 C. Stay of Order. The Director has determined not to consider a Petition to Stay the  
5 effectiveness of this order. Any such requests should be made in connection with a Petition for  
6 Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

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

10 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial  
11 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
12 attached hereto.

13 DATED this 7<sup>th</sup> day of January 2014.



15 STATE OF WASHINGTON  
16 DEPARTMENT OF FINANCIAL INSTITUTIONS

17 [Redacted Signature]  
18 SCOTT JARVIS  
19 Director

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

4 IN THE MATTER OF INVESTIGATING  
5 The loan originator license application under the  
6 Mortgage Broker Practices Act of Washington by:  
7  
8 JEFFERY ALLEN COATS II,  
9 NMLS #902109,  
10  
11 Respondent.

No. C-13-1177-13-SC01

12 **STATEMENT OF CHARGES and**  
13 **NOTICE OF INTENTION TO ENTER**  
14 **AN ORDER TO DENY APPLICATION**  
15 **FOR LICENSE**

16 **INTRODUCTION**

17 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of  
18 Financial Institutions of the State of Washington (Director) is responsible for the administration of  
19 chapter 19.146 RCW, the Mortgage Broker Practices (Act). After having conducted an investigation  
20 pursuant to RCW 19.146.310, and based upon the facts available as of date of this Statement of  
21 Charges, the Director, through his designee, Division of Consumer Services Director Deborah  
22 Bortner, institutes this proceeding and finds as follows:

23 **I. FACTUAL ALLEGATIONS**

24 **1.1 Respondent Jeffery Allen Coats II (Respondent)** submitted an application to the  
Department of Financial Institutions of the State of Washington (Department) for a license to conduct  
the business of a loan originator. The license application was received by the Department, through  
the Nationwide Mortgage Licensing System and Registry, on or about December 6, 2012.

**1.2 Prior Convictions.** On or about March 17, 1995, Respondent pled guilty to conspiracy to  
commit robbery and robbery. Under Washington law, robbery is a felony that involves dishonesty.

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

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

2 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section  
3 I above, Respondent fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-660-  
4 350-(2)(c) by having pled guilty to and been convicted of a felony involving an act of dishonesty.

5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW  
7 19.146.310(2), if the Director does not find the conditions of RCW 19.146.310(1) have been met, the  
8 Director shall not issue the loan originator license and shall notify the loan originator applicant of the  
9 denial.

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

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

15 **4.1** Respondent Jeffery Allen Coats II’s application for a license to conduct the business  
16 of a loan originator be denied.

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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 4<sup>th</sup> day of March, 2013.

9  
10 /S/ \_\_\_\_\_  
11 DEBORAH BORTNER  
12 Director  
13 Division of Consumer Services  
14 Department of Financial Institutions

15 Presented by:

16 /S/ \_\_\_\_\_  
17 DEVON P. PHELPS  
18 Financial Legal Examiner

19 Approved by:

20 /S/ \_\_\_\_\_  
21 STEVEN C. SHERMAN  
22 Financial Legal Examiner Supervisor