

## ORDER SUMMARY – Case Number: C-14-1541

**Name:** Bay Equity, LLC  


---



---

**Order Number:** C-14-1541-15-CO01  


---

**Effective Date:** April 15, 2015  


---

**License Number:** DFI: 52086 NMLS ID: 76988  
**Or NMLS Identifier [U/L]**  
**License Effect:** N/A  


---



---

**Not Apply Until:** N/A  


---

**Not Eligible Until:** N/A  


---

**Prohibition/Ban Until:** N/A  


---

<b>Investigation Costs</b>	\$27,534.99	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 4/15/2015
<b>Fine</b>	\$50,000.00	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 4/15/2015
<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: Order to refrain from allowing employees to engage in the business of a mortgage loan originator without an active license under the Act. Bay Equity will update policies and procedures for SAFE Act and audit at least annually.  
Bay Equity will submit to a compliance examination within two years at its expense.  


---



---

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:

7 BAY EQUITY, LLC,  
8 NMLS # 76988,

9 Respondent.

No.: C-14-1541-15-CO01

CONSENT ORDER

10 COMES NOW the Director of the Department of Financial Institutions (Director), through his  
11 designee Charles E. Clark, Division Director, Division of Consumer Services, and Bay Equity, LLC  
12 (Respondent), and finding that the issues raised in the above-captioned matter may be economically  
13 and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered  
14 pursuant to Revised Code of Washington (RCW) 31.04, the Consumer Loan Act (Act), and RCW  
15 34.05.060 of the Administrative Procedure Act, based on the following:

16 **FINDINGS OF FACT**

17 **1.1** Respondent is a consumer loan company licensed under the Act by the Department of  
18 Financial Institutions of the State of Washington (Department).

19 **1.2** Respondent maintains multiple branch offices in Washington where it conducts some of its  
20 consumer loan business.

21 **1.3** The Department initiated an investigation into Respondent based on allegations that an  
22 unlicensed employee at one of these branch offices was engaging in the business of a mortgage loan  
23 originator in Washington. The Department's investigation determined that one of Respondent's  
24 employees at this branch office conducted business as a mortgage loan originator with at least eleven

1 borrowers between at least January 16, 2013, and August 11, 2014. Respondent terminated this  
2 individual's employment upon learning of the unlicensed activity.

3 **1.4** The Department's investigation determined that the violations of the Act set forth below were  
4 primarily committed by this one unlicensed individual.

5 **CONCLUSIONS OF LAW**

6 **2.1** Based on the above Findings of Fact, and pursuant to WAC 208-620-372, Respondent  
7 violated RCW 31.04.027(2) and (3) by failing to take sufficient precautions to prevent its employee  
8 from engaging in the business of a mortgage loan originator in violation of RCW 31.04.221.

9 **AGREEMENT AND ORDER**

10 The Department and Respondent have agreed upon a basis for resolution of the Findings of  
11 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 31.04.093 and  
12 RCW 34.05.060, Respondent and the Department agree to entry of this Consent Order and further  
13 agree that the matters alleged herein may be economically and efficiently settled by the entry of this  
14 Consent Order. Respondent hereby admits the Findings of Fact and Conclusions of Law identified in  
15 this Consent Order.

16 Based upon the foregoing:

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

19 **B. Waiver of Hearing.** It is AGREED that Respondent hereby waives any right it has to a hearing  
20 and any and all administrative and judicial review of the issues raised in this matter or the resolution  
21 reached herein.

1 **C. Unlicensed Mortgage Loan Originators.** It is AGREED and ORDERED that Respondent  
2 shall refrain from allowing employees to engage in the business of a mortgage loan originator in  
3 Washington without first obtaining and maintaining an active license under the Act.

4 **D. Policies and Procedures.** It is AGREED that Respondent will review and update its policies  
5 for compliance with the federal SAFE Act and provide updated training on those policies to  
6 Respondent's staff. It is also AGREED that Respondent will audit its compliance with the federal  
7 SAFE Act at least annually.

8 **E. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of  
9 \$50,000, upon entry of this Consent Order.

10 **F. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the  
11 Department in the amount of \$27,534.99, upon entry of this Consent Order. It is further AGREED  
12 that the Fine and Investigation Fee shall be paid together in one cashier's check in the amount of  
13 \$77,534.99 made payable to the "Washington State Treasurer."

14 **G. Examination.** It is AGREED that Respondent will submit to examination by the Department  
15 at any time within two years of the date of entry of this Consent Order at Respondent's expense.

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

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

22  
23  
24

1 **J. Completely Read, Understood, and Agreed.** It is AGREED that Respondent's  
2 representative has read this Consent Order in its entirety and fully understands and agrees to all of the  
3 same.

4 **K. Authority to Execute Order.** It is AGREED that the undersigned authorized representative  
5 has represented and warranted that he has the full power and right to execute this Consent Order on  
6 behalf of Respondent.

7  
8 **RESPONDENT:**  
9 **Bay Equity, LLC**  
10 By:



11 BRETT MCGOVERN  
12 Chief Executive Officer

4-14-15  
Date

13 DO NOT WRITE BELOW THIS LINE

1 THIS ORDER ENTERED THIS 15<sup>th</sup> DAY OF April, 2015.



[Redacted signature]

CHARLES E. CLARK  
Director  
Division of Consumer Services  
Department of Financial Institutions

7 Presented by:

8 [Redacted signature]

9 ROBERT E. JONES  
10 Financial Legal Examiner

11 Approved by:

12 [Redacted signature]

13 STEVEN C. SHERMAN  
14 Enforcement Chief