

ORDER SUMMARY – Case Number: C-15-1683

Name(s): Jonathan Fraiman

Order Number: C-15-1683-16-FO03

Effective Date: 04-17-17

License Number: NMLS #528972

License Effect: Denied

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: 04-17-2024

Costs	\$15,685.46	Due: 04-17-17	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
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: _____



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF INVESTIGATING the
Mortgage Loan Originator License Application
under the Consumer Loan Act of Washington by:

No.: C-15-1683-16-FO03

JONATHAN FRAIMAN,
Mortgage Loan Originator, NMLS # 528972,
Respondent.

FINAL ORDER

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 May 27, 2015, the Director, through his designee, Consumer Services Division Director Charles E. Clark, issued a Statement of Charges and Notice of Intention to Enter an Order to Deny License Renewal and Prohibit from Industry ("Statement of Charges") against JONATHAN FRAIMAN ("Respondent"). On May 27, 2015, the DIVISION OF CONSUMER SERVICES, 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 May 27, 2015, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing for Respondent Jonathan Fraiman. The documents sent via First-Class mail were not returned to the Department as undeliverable by the United State Postal Service. The documents sent via Federal Express overnight service were delivered on May 28, 2015. Respondent did not timely request a hearing.

1 On June 23, 2015, the Department served Respondent with a Final Order sent by First-Class
2 mail and Federal Express overnight delivery. The Final Order was accompanied by a cover letter
3 dated June 23, 2015. The documents sent via First-Class mail were not returned to the Department as
4 undeliverable by the United State Postal Service. The documents sent via Federal Express overnight
5 service were delivered on June 24, 2015.

6 On July 2, 2015, the Director received Respondent's Petition for Reconsideration and Motion
7 to Set Aside Default Order, Memorandum of Points and Authorities and Declaration of Defendant.

8 On August 20, 2015, the Director issued Director's Order Granting Petition for
9 Reconsideration, Vacating Final Order of June 23, 2015, and Order Assignment to Office of the
10 Administrative Hearings.

11 On August 24, 2015, the Department made a request to the Office of Administrative Hearings
12 ("OAH") to assign an Administrative Law Judge ("ALJ") to schedule and conduct a hearing on the
13 Statement of Charges.

14 On August 27, 2015, ALJ Dublin issued a Notice of Prehearing Conference scheduling a
15 prehearing conference on Tuesday, September 8, 2015, at 10:00 a.m.

16 On September 3, 2015, the Department issued an Amended Statement of Charges and Notice
17 of Intention to Enter an Order to Deny License Renewal, Prohibit from Industry, and Recover Costs
18 and Expenses ("Amended Statement of Charges"). On September 3, 2015, Respondent's counsel,
19 Corey E. Parker, was notified that the Department was amending the Statement of Charges and
20 agreed to accept service on behalf of Respondent. On September 8, 2015, the Department served
21 Respondent's counsel with the Amended Statement of Charges by First-Class mail and Federal
22 Express overnight delivery. The Amended Statement of Charges sent via First-Class mail was not
23 returned to the Department as undeliverable by the United State Postal Service. The Amended
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1 Statement of Charges sent via Federal Express overnight service was delivered on September 9,
2 2015.

3 On December 31, 2015, Respondent filed a letter with OAH requesting dismissal of his
4 appeal. On January 12, 2016, OAH issued an Initial Order Dismissing Appeal dismissing
5 Respondent's appeal and ordering no attorney fees. On January 12, 2016, OAH served the Initial
6 Order Dismissing Appeal on Respondent and Respondent's counsel via First-Class mail.

7 On January 22, 2016, the Department filed Department's Motion for Reconsideration and
8 served Respondent's counsel via First-Class mail.

9 On January 27, 2016, the OAH issued a Corrected Order Dismissing Appeal dismissing the
10 appeal, redacting the order on attorney fees, and striking all hearing dates. On January 27, 2016,
11 OAH served the Corrected Order Dismissing Appeal on Respondent and Respondent's counsel via
12 First-Class mail.

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

- 15 1. Statement of Charges, cover letter dated May 27, 2015, and Notice of Opportunity
16 to Defend and Opportunity for Hearing, with documentation of service.
- 17 2. Final Order dated June 23, 2015.
- 18 3. Respondent's Petition for Reconsideration.
- 19 4. Director's Order Granting Petition for Reconsideration, Vacating Final Order of
20 June 23, 2015, and Order Assignment to Office of the Administrative Hearings
21 dated August 20, 2015, with documentation of service.
- 22 5. Department's Request for Assignment of Administrative Law Judge dated August
23 24, 2015.
- 24 6. Notice of Prehearing Conference dated August 27, 2015, with documentation of
service.
7. September 3, 2015, email from Respondent's counsel, Corey E. Parker, to AAG
Allen agreeing to accept service on behalf of Respondent.

- 1 8. Amended Statement of Charges and Notice of Intention to Enter an Order to Deny
2 License Renewal, Prohibit from Industry, and Recover Costs and Expenses dated
3 September 3, 2015, with documentation of service.
- 4 9. Respondent's Dismissal of Appeal Letter dated December 31, 2015.
- 5 10. Initial Order Dismissing Appeal dated January 12, 2016, with documentation of
6 service.
- 7 11. Department's Motion for Reconsideration dated January 22, 2016, with
8 documentation of service.
- 9 12. Corrected Order Dismissing Appeal dated January 27, 2016, with documentation
10 of service.
- 11 13. Declaration of Deborah Taellious dated February 10, 2016.

12 B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(2), the Director
13 hereby adopts the Amended Statement of Charges and Notice of Intention to Enter an Order to Deny
14 License Renewal, Prohibit from Industry, and Recover Costs and Expenses dated September 3, 2015,
15 which is attached hereto.

16 II. FINAL ORDER

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

19 A. IT IS HEREBY ORDERED, That:

- 20 1. Respondent JONATHAN FRAIMAN's application for a mortgage loan originator
21 license is denied.
- 22 2. Respondent JONATHAN FRAIMAN is prohibited from participation in the
23 conduct of the affairs of any mortgage loan originator subject to licensure by the
24 Director, in any manner, for a period of (seven) 7 years.
3. Respondent JONATHAN FRAIMAN shall pay to the Washington State
Department of Financial Institutions, the Department's costs and expenses totaling
Fifteen Thousand Six Hundred Eighty Five Dollars and Forty Six Cents
(\$15,685.46).

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

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

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

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

18 E. Non-compliance with Order. If you do not comply with the terms of this order,
19 including payment of any amounts owed within thirty (30) days of receipt of this order, the
20 Department may seek its enforcement by the Office of the Attorney General to include the collection
21 of the costs imposed herein. The Department also may assign the amounts owed to a collection
22 agency for collection.

1 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
2 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
3 attached hereto.

4 DATED this 17th day of April, 2017.

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6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

8 /s/ _____
9 GLORIA PAPIEZ
10 Director

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF INVESTIGATING the
Mortgage Loan Originator License Application
under the Consumer Loan Act of Washington by:

JONATHAN FRAIMAN,
Mortgage Loan Originator, NMLS # 528972,
Respondent.

No.: C-15-1683-15-SC02

**AMENDED STATEMENT OF CHARGES
and
NOTICE OF INTENTION TO ENTER AN
ORDER TO DENY LICENSE RENEWAL,
PROHIBIT FROM INDUSTRY, AND
RECOVER COSTS AND EXPENSES**

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INTRODUCTION

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Pursuant to RCW 31.04.165 and RCW 31.04.168, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.055 and 31.04.145, and based upon the facts available as of May 27, 2015, the Director, through his designee, Division of Consumer Services Director Charles E. Clark, issued Statement of Charges C-15-1683-15-SC01 on May 27, 2015. Pursuant to Chapter 229, Laws of 2015, 64th Legislature, 2015 Regular Session, Section 30(2), the Director may recover the state's costs and expenses for prosecuting violations of the Act, including for staff time spent preparing for and attending administrative hearings, and reasonable attorneys' fees, which became effective July 24, 2015. Now, consistent with Chapter 229, Laws of 2015, 64th Legislature, 2015 Regular Session, Section 30(2), the Director, through Division of Consumer Services Director Charles E. Clark, amends Statement of Charges C-15-1683-15-SC01 by issuing this Amended Statement of Charges C-15-1683-15-SC02 (Amended Statement of Charges).

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I. FACTUAL ALLEGATIONS

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1.1 Jonathan Fraiman (Respondent) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a mortgage loan originator (MLO) license

1 under Global Equity Finance, Inc., a consumer loan company licensed under the Act, through the
2 Nationwide Mortgage Licensing System and Registry (NMLS), on or about July 30, 2013.
3 Respondent's MLO license application was approved by the Department on or about August 14,
4 2013. On or about December 3, 2013, Respondent's MLO license was renewed for the calendar year
5 2014. On or about November 19, 2014, Respondent applied to renew his MLO license through
6 NMLS for the calendar year 2015. On December 31, 2014, Respondent's MLO license expired. To
7 date, the Department has not issued Respondent a MLO license for the calendar year 2015.

8 **1.2 Prior Civil Action.** On or about October 8, 2013, a "Final Judgment as to Defendant
9 Jonathan Fraiman" was entered in the United State District Court, District of Massachusetts, under
10 case number 1:12-CV-11489. This Final Judgment restrained, enjoined, and barred Respondent from
11 engaging in certain activities relating to the securities.

12 **1.3 Prior Administrative Action.** On or about October 11, 2013, the Securities and Exchange
13 Commission entered an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the
14 Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making
15 Findings, and Imposing Remedial Sanctions. This Order barred Respondent from "association with
16 any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent,
17 or nationally recognized statistical rating organization, with the right to reapply for reentry after ten
18 years to the appropriate self-regulatory organization, or if there is none, to the Commission."

19 **1.4 Prior Criminal Acts.** On or about August 7, 2014, Respondent was indicted in the United
20 States District Court, District of Massachusetts, on felony charges meeting the language of RCW
21 31.04.247(1)(d) and WAC 208-620-710(4)(c).

22 **1.5 Responses to Application Questions.** The Civil Judicial Disclosure section of the Uniform
23 Individual Mortgage License/Registration & Consent for (Form MU4) consists of a series of

1 questions. The required New Application Checklist includes the following instruction: “Provide
2 complete details of all events or proceedings for any “Yes” answer to any of the disclosure questions
3 on your MU4 filing.” Respondent answered “no” all of the questions in the Civil Judicial Disclosure
4 section of his form MU4, including the question, “Has any domestic or foreign court ever enjoined
5 you in connection with any financial services-related activity?”

6 The Regulatory Action Disclosure section of the Form MU4 consists of a series of questions.
7 Respondent answered “no” all of the questions in the Regulatory Action Disclosure section of his
8 form MU4, including the question, “Has any State or federal regulatory agency or foreign financial
9 regulatory authority or self-regulatory organization (SRO) ever entered an order against you in
10 connection with a financial services-related activity?”

11 The Criminal Disclosure section of the Form MU4 consists of a series of questions.
12 Respondent answered “no” all of the questions on the Criminal Disclosure section of his Form MU4,
13 including the question, “Are there pending charges against you for any felony?”

14 Respondent was obligated by statute to answer questions on the Form MU4 truthfully and to
15 provide the Department with complete details of all events or proceedings. On or about November
16 17, 2014, Respondent attested, under penalty of perjury, that the information and statements
17 contained within the Form MU4 are current, true, accurate, and complete.

18 **1.6 Character and General Fitness.** Respondent has not demonstrated character and general
19 fitness such as to command the confidence of the community as evidenced by Respondent’s
20 providing of false statements on his MLO application.

21 **1.7 On-Going Investigation.** The Department’s investigation into the alleged violations of the
22 Act by Respondent continues to date.

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

2 **2.1 Requirement to Demonstrate Character and General Fitness.** Based on the Factual
3 Allegations set forth in Section I above, Respondent fails to meet the requirements of RCW
4 31.04.247(1) and WAC 208-620-710 by failing to demonstrate character and general fitness such as
5 to command the confidence of the community and to warrant a belief that the business will be
6 operated honestly, fairly, and efficiently within the purposes of the Act.

7 **2.2 False Statements and Omissions of Material Facts.** Based on the Factual Allegations set
8 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(8) and WAC 208-
9 620-550(6) for negligently making any false statement or knowingly and willfully make any omission
10 of material fact in connection with any reports filed with the department by a licensee or in
11 connection with any investigation conducted by the department.

12 **2.3 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,
13 Respondent is in apparent violation of RCW 31.04.241 for not furnishing information pertaining to
14 personal history and experience in a form prescribed by the NMLS.

15 **III. AUTHORITY TO IMPOSE SANCTIONS**

16 **3.1 Authority to Deny Renewal of Application for Mortgage Loan Originator License.**
17 Pursuant to RCW 31.04.247(2), the Director shall not issue a license if the conditions of RCW
18 31.04.247(1) have not been met by the applicant and shall notify the applicant of the denial.

19 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 31.04.093(6), the Director may
20 issue orders removing from office or prohibiting from participation in the conduct of the affairs of
21 any licensee, or both, any officer, principal, employee, or loan originator of any person subject to this
22 chapter for false statements or omission of material information from an application for a license that,
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1 if known, would have allowed the director to deny the original application for a license or a violation
2 of RCW 31.04.027.

3 **3.3 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
4 may recover the state's costs and expenses for prosecuting violations of the Act.

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

6 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
7 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
8 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.055, RCW 31.04.093, RCW
9 31.04.165, RCW 31.04.168, and RCW 31.04.247. Therefore, it is the Director's intention to ORDER
10 that:

11 **4.1** Respondent Jonathan Fraiman's application for a mortgage loan originator license be
12 denied.

13 **4.2** Respondent Jonathan Fraiman be prohibited from participation in the conduct of the
14 affairs of any mortgage loan originator subject to licensure by the Director, in any
15 manner, for seven years.

16 **4.3** Respondent Jonathan Fraiman pay the Department's costs and expenses for
17 prosecuting violations of the Act in an amount to be determined at hearing or by
18 Declaration with supporting documentation in event of default by Respondent.

19 **V. AUTHORITY AND PROCEDURE**

20 This Amended Statement of Charges and Notice of Intention to Enter an Order to Deny
21 License Renewal, Prohibit from Industry, and Recover Costs and Expenses (Amended Statement of
22 Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.168,
23 and RCW 31.04.202, and is subject to the provisions of chapter 34.05 RCW (The Administrative
24 Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF
25 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
26 Statement of Charges.

1 Dated this 3rd day of September, 2015.

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

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5 Presented by:

6 _____/s/_____
DEBORAH TAEILLIOUS
7 Financial Legal Examiner Supervisor

8 Approved by:

9 _____/s/_____
STEVEN C. SHERMAN
10 Enforcement Chief

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF INVESTIGATING the
Mortgage Loan Originator License Application
under the Consumer Loan Act of Washington by:

JONATHAN FRAIMAN,
Mortgage Loan Originator, NMLS # 528972,
Respondent.

No.: C-15-1683-15-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO DENY LICENSE RENEWAL
AND PROHIBIT FROM INDUSTRY

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INTRODUCTION

9 Pursuant to RCW 31.04.165 and RCW 31.04.168, the Director of the Department of Financial
10 Institutions of the State of Washington (Director) is responsible for the administration of chapter
11 31.04 RCW, the Consumer Loan Act (Act)¹. After having conducted an investigation pursuant to
12 RCW 31.04.055 and 31.04.145, and based upon the facts available as of the date of this Statement of
13 Charges, the Director, through his designee, Division of Consumer Services Director Charles E.
14 Clark, institutes this proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

17 **1.1 Jonathan Fraiman (Respondent)** submitted an application to the Department of Financial
18 Institutions of the State of Washington (Department) for a mortgage loan originator (MLO) license
19 under Global Equity Finance, Inc., a consumer loan company licensed under the Act, through the
20 Nationwide Mortgage Licensing System and Registry (NMLS), on or about July 30, 2013.
21 Respondent's MLO license application was approved by the Department on or about August 14,
22 2013. On or about December 3, 2013, Respondent's MLO license was renewed for the calendar year
23 2014. On or about November 19, 2014, Respondent applied to renew his MLO license through

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

1 NMLS for the calendar year 2015. On December 31, 2014, Respondent's MLO license expired. To
2 date, the Department has not issued Respondent a MLO license for the calendar year 2015.

3 **1.2 Prior Civil Action.** On or about October 8, 2013, a "Final Judgment as to Defendant
4 Jonathan Fraiman" was entered in the United State District Court, District of Massachusetts, under
5 case number 1:12-CV-11489. This Final Judgment restrained, enjoined, and barred Respondent from
6 engaging in certain activities relating to the securities.

7 **1.3 Prior Administrative Action.** On or about October 11, 2013, the Securities and Exchange
8 Commission entered an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the
9 Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making
10 Findings, and Imposing Remedial Sanctions. This Order barred Respondent from "association with
11 any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent,
12 or nationally recognized statistical rating organization, with the right to reapply for reentry after ten
13 years to the appropriate self-regulatory organization, or if there is none, to the Commission."

14 **1.4 Prior Criminal Acts.** On or about August 7, 2014, Respondent was indicted in the United
15 States District Court, District of Massachusetts, on felony charges meeting the language of RCW
16 31.04.247(1)(d) and WAC 208-620-710(4)(c).

17 **1.5 Responses to Application Questions.** The Civil Judicial Disclosure section of the Uniform
18 Individual Mortgage License/Registration & Consent for (Form MU4) consists of a series of
19 questions. The required New Application Checklist includes the following instruction: "Provide
20 complete details of all events or proceedings for any "Yes" answer to any of the disclosure questions
21 on your MU4 filing." Respondent answered "no" all of the questions in the Civil Judicial Disclosure
22 section of his form MU4, including the question, "Has any domestic or foreign court ever enjoined
23 you in connection with any financial services-related activity?"

1 The Regulatory Action Disclosure section of the Form MU4 consists of a series of questions.
2 Respondent answered “no” all of the questions in the Regulatory Action Disclosure section of his
3 form MU4, including the question, “Has any State or federal regulatory agency or foreign financial
4 regulatory authority or self-regulatory organization (SRO) ever entered an order against you in
5 connection with a financial services-related activity?”

6 The Criminal Disclosure section of the Form MU4 consists of a series of questions.
7 Respondent answered “no” all of the questions on the Criminal Disclosure section of his Form MU4,
8 including the question, “Are there pending charges against you for any felony?”²

9 Respondent was obligated by statute to answer questions on the Form MU4 truthfully and to
10 provide the Department with complete details of all events or proceedings. On or about November
11 17, 2014, Respondent attested, under penalty of perjury, that the information and statements
12 contained within the Form MU4 are current, true, accurate, and complete.

13 **1.6 Character and General Fitness.** Respondent has not demonstrated character and general
14 fitness such as to command the confidence of the community as evidenced by Respondent’s
15 providing of false statements on his MLO application.

16 **1.7 On-Going Investigation.** The Department’s investigation into the alleged violations of the
17 Act by Respondent continues to date.

18 II. GROUNDS FOR ENTRY OF ORDER

19 **2.1 Requirement to Demonstrate Character and General Fitness.** Based on the Factual
20 Allegations set forth in Section I above, Respondent fails to meet the requirements of RCW
21 31.04.247(1) and WAC 208-620-710 by failing to demonstrate character and general fitness such as
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23 ² On or about April 1, 2015, (nearly eight months after the indictment) Respondent disclosed his indictment in NMLS via
24 uploaded documents. However, to date, Respondent has not answered the following question in the affirmative, “Are
there pending charges against you for any felony?”

1 to command the confidence of the community and to warrant a belief that the business will be
2 operated honestly, fairly, and efficiently within the purposes of the Act.

3 **2.2 False Statements and Omissions of Material Facts.** Based on the Factual Allegations set
4 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(8) and WAC 208-
5 620-550(6) for negligently making any false statement or knowingly and willfully make any omission
6 of material fact in connection with any reports filed with the department by a licensee or in
7 connection with any investigation conducted by the department.

8 **2.3 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,
9 Respondent is in apparent violation of RCW 31.04.241 for not furnishing information pertaining to
10 personal history and experience in a form prescribed by the NMLS.

11 **III. AUTHORITY TO IMPOSE SANCTIONS**

12 **3.1 Authority to Deny Renewal of Application for Mortgage Loan Originator License.**

13 Pursuant to RCW 31.04.247(2), the Director shall not issue a license if the conditions of RCW
14 31.04.247(1) have not been met by the applicant and shall notify the applicant of the denial.

15 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 31.04.093(6), the Director may
16 issue orders removing from office or prohibiting from participation in the conduct of the affairs of
17 any licensee, or both, any officer, principal, employee, or loan originator of any person subject to this
18 chapter for false statements or omission of material information from an application for a license that,
19 if known, would have allowed the director to deny the original application for a license or a violation
20 of RCW 31.04.027.

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

22 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
23 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose

1 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.055, RCW 31.04.093, RCW
2 31.04.165, RCW 31.04.168, and RCW 31.04.247. Therefore, it is the Director's intention to ORDER
3 that:

4 **4.1** Respondent Jonathan Fraiman's application for a mortgage loan originator license be
5 denied.

6 **4.2** Respondent Jonathan Fraiman be prohibited from participation in the conduct of the
7 affairs of any mortgage loan originator subject to licensure by the Director, in any
8 manner, for seven years.

9 **V. AUTHORITY AND PROCEDURE**

10 This Statement of Charges and Notice of Intention to Enter an Order to Deny License
11 Renewal and Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of
12 RCW 31.04.093, RCW 31.04.165, RCW 31.04.168, and RCW 31.04.202, and is subject to the
13 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a
14 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
15 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

16 Dated this 27th day of May, 2015.

17 /s/ _____
18 CHARLES E. CLARK
19 Director
20 Division of Consumer Services
21 Department of Financial Institutions

22 Presented by:

23 /s/ _____
24 DEBORAH TAELLIUS
25 Financial Legal Examiner Supervisor

26 Approved by:

27 /s/ _____
28 STEVEN C. SHERMAN
29 Enforcement Chief