

TERMS COMPLETED

ORDER SUMMARY – Case Number: C-15-1822

Name(s): Karl Richard Wiesner

Order Number: C-15-1822-16-CO01

Effective Date: 10/13/2016

License Number: NMLS # 179613
Or NMLS Identifier [U/L] _____

License Effect: Suspended 30 Days – November 01, 2016 to December 01, 2016

Not Apply Until: _____

Not Eligible Until: _____

Prohibition/Ban Until: _____

| | | | | |
|--|--------------------|---|--|------|
| Investigation Costs | \$ 1,262.88 | Due 12/15/2016 | Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date |
| | | | | |
| Fine | \$ 5,000.00 | Due 12/15/2016 | Paid <input checked="" 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: _____

1 Based upon the foregoing:

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

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

9 C. **No Admission of Liability.** The parties intend this Consent Order to fully resolve the
10 Statement of Charges and agree that Respondent does not admit to any wrongdoing by its entry.

11 D. **Agreement to Cease and Desist.** It is AGREED that Respondent shall Cease and
12 Desist from violations of RCW 31.04.027(2) and RCW 31.04.027(8).

13 E. **License Suspension and Stay.** It is AGREED that Respondent's mortgage loan
14 originator (MLO) license be suspended for a period of four years. The four year suspension period
15 shall commence on November 01, 2016. It is further AGREED that after serving a 30-day
16 suspension, the remainder of the suspension period shall be stayed for three years and 11 months.
17 It is further AGREED that if the Department does not seek to lift the stay and impose the
18 suspension within the three years and 11 month period, said suspension will be deemed withdrawn
19 without further action being required by either party. The remainder of the suspension period shall
20 be deemed waived if not entered on or before 5:00 P.M. PST on November 01, 2020.

21 F. **Lifting of Stay and Imposing Suspension.** It is AGREED that:

- 22 1. If the Department determines that Respondent has not complied with the terms
23 of this Consent Order to a degree sufficient to warrant imposition of a
24 suspension, and the Department accordingly seeks to lift the stay and impose the
suspension set forth in section E above, the Department will first notify
Respondent in writing of its determination.

- 1
- 2 2. The Department's notification will include:
- 3 a) A description of the alleged noncompliance;
- 4 b) A statement that because of the noncompliance, the Department
seeks to lift the stay and impose the suspension;
- 5 c) The opportunity for Respondent to contest the Department's
6 determination of noncompliance in an administrative hearing before
an Administrative Law Judge (ALJ) of the Office of Administrative
7 Hearings (OAH); and
- 8 d) A copy of this Consent Order. The notification and hearing process
provided in this Consent Order applies only to this Consent Order. It
9 is solely provided in the event Respondent chooses to contest the
Department's determination of noncompliance.
- 10 3. Respondent will be afforded ten (10) business days from the date of receipt of
the Department's notification to submit a written request to the Department for
11 an administrative hearing to be held before an ALJ from the OAH.
- 12 4. Respondent, in addition to its request for hearing, may provide a written
response to include any information pertaining to the alleged noncompliance.
- 13 5. The administrative hearing shall be expedited and follow the timing and
14 processes described in this Consent Order.
- 15 6. If requested, the hearing will be held within 15 business days (or as soon as the
schedule of the ALJ permits) from the due date for Respondent's request for
16 hearing or from the date of receipt of Respondent's timely request for hearing,
whichever is sooner. The parties will accommodate the prompt scheduling of
17 the hearing.
- 18 7. The scope and issues of the hearing are limited solely to whether or not
Respondent is in violation of the terms of this Consent Order to a degree
19 sufficient to warrant imposition of a suspension.
- 20 8. At the conclusion of the hearing, the ALJ will issue an initial decision. Either
party may file a Petition for Review with the Director of the Department.
- 21 9. If Respondent does not request the hearing within the stated time, the
22 Department will impose suspension and pursue whatever action it deems
necessary to enforce the suspension.
- 23
- 24

1 **G. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount
2 of \$5,000.00, in the form of a cashier's check made payable to the "Washington State Treasurer."

3 **H. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
4 investigation fee of \$1,262.88 in the form of a cashier's check made payable to the "Washington
5 State Treasurer." The Fine and Investigation Fee shall be paid together in one \$6,262.88 cashier's
6 check made payable to the "Washington State Treasurer." Respondent's payment shall be
7 delivered to the Department on or before November 01, 2016.

8 **I. Change of Address.** It is AGREED that for the duration of the period this Consent
9 Order is in effect, unless otherwise agreed to in writing by the Department, Respondent shall
10 provide the Department with a mailing address and telephone number at which Respondent can be
11 contacted and Respondent shall notify the Department in writing of any changes to his mailing
12 address or telephone number within 15 days of any such change.

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

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

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

21 //

22 //

23 //

24 //

1 would need to be signed by the borrowers prior to funding the borrowers' loan. Respondent
2 resubmitted the documentation with what appeared to be the borrowers' signatures within an
3 abnormally short duration of time.¹ The WSECU loan processor questioned the authenticity of the
4 borrowers' signatures and informed Respondent that he would need to obtain the borrowers' actual
5 signatures. Respondent again submitted the documentation within approximately an hour of
6 receiving notice from the loan processor. On both occasions, the loan processor challenged the
7 legitimacy of Respondent's submissions. As a result of an investigation, Respondent was placed on
8 administrative leave on or about July 13, 2015. On or about July 15, 2015, Respondent was
9 terminated from his position at WSECU. This decision was communicated to Respondent by
10 WSECU human resources personnel on or about July 16, 2015.

11 **1.3 Misstatement to the Department.** Respondent updated his employment status via NMLS
12 using the Uniform Individual Mortgage License/Registration & Consent form (Form MU4), which
13 consists of a series of questions. The following questions are included in the Form MU4 under the
14 Termination Disclosure section:

15 Have you ever voluntarily resigned, been discharged, or permitted to resign after
16 allegations made that accused you of:

- 17 (1) violating statute(s), regulation(s), or industry standards of conduct?
18 (2) fraud, dishonesty, theft, or the wrongful taking of property?

19 Respondent answered "no" to both questions. Respondent was obligated by statute to answer
20 questions on Form MU4 truthfully and to provide the Department with complete details of all events
21 or proceedings. On or about July 16, 2015 and again on or about September 15, 2015, Respondent
22 attested, under penalty of perjury, that the information and statements contained within the Form
23 MU4 are "current, true, accurate, and complete[.]"

24 ¹ One of the submitted documents was not signed.
STATEMENT OF CHARGES
C-15-1822-16-SC01
Karl Richard Wiesner

1 **1.4 Submission of False Loan Documents.** On or about July 09, 2015, Respondent submitted
2 loan documentation to a WSECU loan processor that contained the borrowers' falsified signatures.

3 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
4 Act by Respondent continues to date.

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

6 **2.1 False Statements and Omissions of Material Facts.** Based on the Factual Allegations set
7 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(8) and WAC 208-
8 620-550(6) for negligently making any false statements or knowingly and willfully making any
9 statements that omitted material facts in connection with any report filed with the Department by a
10 licensee or in connection with any investigation conducted by the Department.

11 **2.2 Submission of Fraudulent Loan Documents.** Based on the Factual Allegations set forth in
12 Section I above, Respondent is in apparent violation of RCW 31.04.027(2) for engaging in an unfair
13 or deceptive practice toward any person.

14 **III. AUTHORITY TO IMPOSE SANCTIONS**

15 **3.1 Authority to Revoke or Suspend License.** Pursuant to RCW 31.04.093(3)(a) and (b), the
16 Director may revoke a license for violating any provision of the Act or the rules adopted thereunder.

17 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6)(e), in relevant
18 part, "the director may issue an order . . . prohibiting from participation in the affairs of any licensee
19 . . . any officer, principal, employee or mortgage loan originator, or any person subject to this chapter
20 for . . . [a] violation of RCW 31.04.027"

21 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
22 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
23 any other person subject to the Act for any violation of the Act.

1 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
2 590(1), the Director may recover the state’s cost and expenses for investigating violations of the Act.
3 The Department will charge the target of the investigation \$69.01 per hour.

4 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
5 may recover the state’s costs and expenses for prosecuting violations of the Act.

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

7 Respondent’s violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
8 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
9 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and
10 RCW 31.04.205. Therefore, it is the Director’s intention to ORDER that:

- 11 **4.1** Respondent Karl Richard Wiesner’s license to conduct business as a mortgage loan
12 originator be revoked.
- 13 **4.2** Respondent Karl Richard Wiesner be prohibited from participation in the conduct of
14 the affairs of any consumer loan company subject to licensure by the Director, in any
15 manner.
- 16 **4.3** Respondent Karl Richard Wiesner pay a fine. As of the date of this Statement of
17 Charges, the fine totals \$5,000.00.
- 18 **4.4** Respondent Karl Richard Wiesner pay an investigation fee. As of the date of this
19 Statement of Charges, the investigation fee totals \$1,262.88.
- 20 **4.5** Respondent Karl Richard Wiesner pay the Department’s costs and expenses for
21 prosecuting violations of the Act in an amount to be determined at hearing or by
22 declaration with supporting documentation in event of default by Respondent.

23 **V. AUTHORITY AND PROCEDURE**

24 This Statement of Charges and Notice of Intention to Enter an Order to Revoke or Suspend
License, Prohibit from the Industry, Impose Fine, Collect Investigation Fee, and Recover Costs And
Expenses (Statement of Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW
31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05

1 RCW, the Administrative Procedure Act. Respondent may make a written request for a hearing as
2 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
3 accompanying this Statement of Charges.

4 Dated this 9th day of June, 2016.

5 _____
6 /s/ CHARLES E. CLARK
7 Director
8 Division of Consumer Services
9 Department of Financial Institutions

8 Presented by:

9 _____
10 /s/ IGOR VOLOSHIN
11 Financial Legal Examiner

11 Approved by:

12 _____
13 /s/ STEVEN C. SHERMAN
14 Enforcement Chief