

Terms Completed

ORDER SUMMARY – Case Number: C-16-2074

Name(s): Leo Gaeta

Order Number: C-16-2074-18-CO01

Effective Date: July 10, 2018

License Number: U/L
Or NMLS Identifier [U/L]

License Effect: None

Not Apply Until: N/A

Not Eligible Until: _____

Prohibition/Ban Until: _____

Investigation Costs	\$1,250.00		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date June 13, 2018
Fine	\$ N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$ N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$ N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Financial Literacy and Education	\$ N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$ N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments: _____

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

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IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

No.: C-16-2074-18-CO01

CONSENT ORDER

LEO GAETA,

Respondent.

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

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FINDINGS OF FACT

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1.1 Respondent Leo Gaeta has never been licensed to engage in the business of a consumer loan company or mortgage loan originator under the Act.

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1.2 Unlicensed Activity. Between at least October 2012 and April 2016, Respondent conducted the business of a consumer loan company and mortgage loan originator in at least one transaction. Respondent did do by making, originating, and retaining the right to service at least one residential mortgage loan secured by real property located in the state of Washington.

CONCLUSIONS OF LAW

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2.1 Based on the above Findings of Fact, Respondent violated RCW 31.04.035 by engaging in the business of a consumer loan company in the state of Washington without first obtaining and maintaining a license in accordance with the Act or meeting an exclusion from the Act under RCW 31.04.025.

1 **2.2** Based on the above Findings of Fact, Respondent violated RCW 31.04.221 by engaging in the
2 business of a mortgage loan originator in the state of Washington without first obtaining and
3 maintaining a license in accordance with the Act or meeting an exclusion from the Act under RCW
4 31.04.224.

5 **AGREEMENT AND ORDER**

6 The Department and Respondent have agreed upon a basis for resolution of the Findings of
7 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 31.04.093(7) and
8 RCW 34.05.060, Respondent and the Department agree to entry of this Consent Order and further
9 agree that the matters alleged herein may be economically and efficiently settled by the entry of this
10 Consent Order. Respondent hereby admits the Findings of Fact and Conclusions of Law identified in
11 this Consent Order.

12 Based upon the foregoing:

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

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

18 **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the matters
19 alleged herein and agree that Respondent neither admits nor denies any wrongdoing by its entry.

20 **D. Consumer Loan License Required.** It is AGREED that Respondent understands that in
21 order to make loans, extend credit, or retain servicing rights on loans made to Washington State
22 residents, Respondent must obtain a consumer loan license in accordance with the Act or qualify for
23 an exemption from licensing as delineated in the Act. It is further AGREED that Respondent will not
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1 accept any new applications for loans, extend credit, or retain the servicing rights to loans until such
2 time as Respondent obtains a consumer loan license in accordance with the Act.

3 **E. Mortgage Loan Originator License Required.** It is AGREED that Respondent understands
4 that in order to originate loans in Washington State, Respondent must obtain a mortgage loan
5 originator license in accordance with the Act or qualify for an exemption from licensing as delineated
6 in the Act. It is further AGREED that Respondent will not take any loan application, offer or
7 negotiate terms of a loan, or hold out that he is able to perform such services until such time as
8 Respondent obtains a mortgage loan originator license in accordance with the Act.

9 **F. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the
10 Department in the amount of \$1,250 in the form of a cashier's check made payable to the
11 "Washington State Treasurer" upon entry of this Consent Order.

12 **G. Records Retention.** It is AGREED that Respondent, his officers, employees, and agents
13 shall maintain records in compliance with the Act and provide the Director with the location of the
14 books, records and other information relating to Respondent's consumer loan business conducted
15 prior to licensure, and the name, address and telephone number of the individual responsible for
16 maintenance of such records in compliance with the Act.

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

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

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

1 **RESPONDENT:**

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3 /s/
LEO GAETA

6/1/18
Date

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5 **DO NOT WRITE BELOW THIS LINE**

6 THIS ORDER ENTERED THIS 10th DAY OF July, 2018.

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8 /s/
CHARLES E. CLARK
9 Director
10 Division of Consumer Services
11 Department of Financial Institutions

12 Presented by:

13 /s/
14 DREW STILLMAN
Financial Legal Examiner

15 Approved by:

16 /s/
17 STEVEN C. SHERMAN
Enforcement Chief