

ORDER SUMMARY – Case Number: C-16-2101

Name: Freeman Todd Sawyer

Order Number: C-16-2101-18-CO02

Effective Date: 5/30/2018

License Number: 263767

License Effect: Six month license revocation stayed contingent on compliance with consent order and waived after six months' compliance

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$ 2,636.18		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 5/22/18
Fine	\$ 15,000 (\$7,500 stayed)	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 5/22/18
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
Financial Literacy and Education	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments: \$7,500 of \$15,000 fine is stayed contingent on compliance with consent order and waived after six months' compliance

1 Sawyer intend this Consent Order to fully resolve the Statement of Charges solely as to Respondent
2 Sawyer. Respondent Sawyer is agreeing not to further contest the Statement of Charges in
3 consideration of the terms of this Consent Order.

4 Based upon the foregoing:

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

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

12 C. **No Admission of Liability.** It is AGREED that Respondent Sawyer neither admits nor
13 denies any wrongdoing by its entry.

14 D. **Future Conduct.** It is AGREED that Respondent Sawyer will not engage in conduct that
15 violates RCW 31.04.027(1), RCW 31.04.027(2), RCW 31.04.027(8), RCW 31.04.035, RCW
16 31.04.175, or RCW 31.04.221.

17 E. **Mortgage Loan Originator Revocation.** It is AGREED that Respondent Sawyer's
18 mortgage loan originator license is subject to revocation. It is further AGREED that the revocation of
19 Respondent Sawyer's mortgage loan originator license is STAYED for a period of six months from
20 the entry of this Consent Order contingent on Respondent Sawyer's compliance with the terms of this
21 Consent Order.

22 F. **Fine.** It is AGREED that Respondent Sawyer shall pay a fine to the Department in the
23 amount of \$15,000 with \$7,500 paid to the Department in the form of a cashier's check made payable
24 to the "Washington State Treasurer" upon entry of this Consent Order. The \$7,500 balance shall be

1 suspended pending completion of the terms of this Consent Order. The suspended \$7,500 shall be
2 waived upon Respondent Sawyer complying with all terms of this Consent Order for a period of six
3 months from entry of this Consent Order.

4 **G. Investigation Fee.** It is AGREED that Respondent Sawyer shall pay to the Department
5 an investigation fee of \$2,636.18, in the form of a cashier's check made payable to the "Washington
6 State Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid
7 together in one \$10,136.18 cashier's check made payable to the "Washington State Treasurer."

8 **H. Lifting of Stay.** It is AGREED that:

- 9 1. If the Department determines Respondent Sawyer has not complied with this
10 Consent Order and seeks to lift the stay and revoke Respondent Sawyer's mortgage
11 loan originator license, impose the suspended \$7,500 fine, or both, the Department
12 will first serve Respondent Sawyer with a written notice of noncompliance.
- 13 2. The notice of noncompliance will include:
 - 14 a. A description of the alleged noncompliance;
 - 15 b. A statement that the Department seeks to lift the stay and revoke
16 Respondent Sawyer's mortgage loan originator license, impose the
17 suspended \$7,500 fine, or both;
 - 18 c. Notice that Respondent Sawyer can contest the allegations of
19 noncompliance by either requesting an adjudicative hearing in writing or
20 by submitting a written response to the allegations of noncompliance; and
 - 21 d. Notice that the process for lifting the stay and revoking the mortgage loan
22 originator license, imposing the suspended \$7,500 fine, or both, apply only
23 to this Consent Order.
- 24 3. Respondent Sawyer will be afforded twenty business days from the date of service
of the notice of noncompliance to submit to the Department either a written request
for an adjudicative hearing or a written response to the allegations of
noncompliance.
4. If requested, the adjudicative hearing will be held as soon thereafter as can be
scheduled by the Office of Administrative Hearings. The parties will accommodate
the prompt scheduling and holding of the hearing.

- 1 5. The scope and issues of the adjudicative hearing are limited solely to whether or not
2 Respondent Sawyer failed to comply with the terms of this Consent Order.
- 3 6. At the conclusion of the adjudicative hearing the Administrative Law Judge will
4 issue an initial decision. Either party may subsequently file a Petition for Review
5 with the Director of the Department.
- 6 7. **Default.** If Respondent Sawyer does not timely request an adjudicative hearing or
7 submit a written response to the notice of noncompliance, the Department may lift
8 the stay and revoke Respondent Sawyer's mortgage loan originator license without
9 further notice.

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

15 J. **Voluntarily Entered.** It is AGREED that Respondent Sawyer has voluntarily entered
16 into this Consent Order, which is effective when signed by the Director's designee.

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

19 L. **Counterparts.** This Consent Order may be executed by the Respondent Sawyer and his
20 representative in any number of counterparts, including by facsimile or e-mail of a .pdf or similar file,
21 each of which shall be deemed to be an original, but all of which, taken together, shall constitute one
22 and the same Consent Order.

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1 **RESPONDENT:**

2
3 /s/
Freeman Todd Sawyer

5/18/2018
Date

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5 Approved for Entry:

6
7 /s/
Jessica Creager, WSBA No. 42183
Attorney at Law
8 Rosenberg Law Group, PLLC
Attorney for Respondents

May 18, 2018
Date

9
10 **DO NOT WRITE BELOW THIS LINE**

11 THIS ORDER ENTERED THIS 30th DAY OF May, 2018.

12
13 /s/
CHARLES E. CLARK
14 Director
Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17
18 /s/
AMANDA J. HERNDON
Financial Legal Examiner

19 Approved by:

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21 /s/
STEVEN C. SHERMAN
22 Enforcement Chief

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

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

5 SKYLINE FINANCIAL CORP. d/b/a SKYLINE
HOME LOANS, NMLS #12072,
6 and
7 FREEMAN TODD SAWYER, Branch Manager
and Mortgage Loan Originator, NMLS # 263767,

8 Respondents.

No. C-16-2101-17-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO REVOKE LICENSES,
PROHIBIT FROM INDUSTRY, IMPOSE
FINE, COLLECT INVESTIGATION FEE and
RECOVER COSTS AND EXPENSES

9 **INTRODUCTION**

10 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
11 Institutions of the State of Washington (Director) is responsible for the administration of chapter
12 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
13 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the
14 Director, through her designee, Division of Consumer Services Director Charles E. Clark, institutes
15 this proceeding and finds as follows:

16 **I. FACTUAL ALLEGATIONS**

17 **1.1 Respondents.**

18 **A. Skyline Financial Corp. d/b/a Skyline Home Loans (Skyline)** was licensed by the
19 Department of Financial Institutions of the State of Washington (Department) to conduct business as
20 a consumer loan company on or about May 19, 2015, and continues to be licensed to date.

21 **B. Freeman Todd Sawyer** is a branch manager and mortgage loan originator (MLO)
22 sponsored by Skyline. Mr. Sawyer has managed the Skyline branch located at 5999 Summerside
23 Drive, Suite 100, Dallas, Texas, since at least January 18, 2016. Mr. Sawyer was licensed by the

1 Department to conduct business as an MLO on or about January 28, 2016, and continues to be
2 licensed to date.

3 **1.2 Unlicensed Mortgage Loan Originators.** Between approximately May 25, 2016, and
4 approximately August 30, 2016, at least two individuals who worked for Skyline at the branch
5 managed by Mr. Sawyer assisted at least three borrowers in applying for residential mortgage loans
6 for properties located in Washington State. At Mr. Sawyer's direction, these individuals assisted the
7 borrowers by taking their applications, offering or negotiating terms, or holding themselves out as
8 able to take applications or offer or negotiate terms. The individuals were not licensed with the
9 Department at the time of the activity.

10 **1.3 Misleading and Deceptive Activity.** Certain documents used to originate residential
11 mortgage loans contain blank fields where an MLO's name, NMLS number, contact information, and
12 signature may be entered. In at least three loans originated by unlicensed individuals, those fields
13 contained Mr. Sawyer's name, NMLS number, contact information, or apparent signature. By
14 allowing those fields to contain Mr. Sawyer's information rather than the unlicensed individuals'
15 information, Skyline and Mr. Sawyer held out at least three loans as being originated by Mr. Sawyer
16 when unlicensed individuals had in fact originated the loans. Moreover, Mr. Sawyer knew or should
17 have known that these unlicensed individuals were acting as MLOs without a Washington license by
18 originating at least three loans using loan documents bearing his name, NMLS number, contact
19 information, or signature.

20 **1.4 False Statement to Department.** On or about October 14, 2016, the Department issued a
21 directive to Mr. Sawyer asking whether it was true that unlicensed individuals originated residential
22 mortgage loans related to property in Washington State that were assigned to Mr. Sawyer. The
23 Department received Mr. Sawyer's response on or about October 31, 2016, stating that the allegation

1 was untrue. However, Mr. Sawyer knew or should have known that unlicensed individuals had
2 originated residential mortgage loans in Mr. Sawyer's name.

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

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

6 **2.1 Responsibility for Conduct of Employees.** Pursuant to RCW 31.04.027(2), RCW
7 31.04.165, and WAC 208-620-372, a consumer loan company is responsible for any conduct
8 violating the Act or chapter 208-620 WAC by any person employed or engaged as an independent
9 contractor to work in the business covered by a consumer loan company license.

10 **2.2 Employing Scheme, Device, or Artifice to Defraud or Mislead.** Based on the Factual
11 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(1)
12 for directly or indirectly employing any scheme, device, or artifice to defraud or mislead any
13 borrower, to defraud or mislead any lender, or to defraud or mislead any person.

14 **2.3 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,
15 Respondents are in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging in any
16 unfair or deceptive practice toward any person.

17 **2.4 False Statement to Department.** Based on the Factual Allegations set forth in Section I
18 above, Respondents are in apparent violation of RCW 31.04.027(8) for negligently making a false
19 statement in connection with any investigation conducted by the Department.

20 **2.5 Unlicensed Loan Originators.** Based on the Factual Allegations set forth in Section I above,
21 Skyline is in apparent violation of RCW 31.04.027(2), RCW 31.04.035, and RCW 31.04.221 for
22 engaging in the business of a consumer loan company using individuals to originate loans who were
23 not licensed by the Department as mortgage loan originators.

1 **2.6 Aiding and Abetting Unlawful Mortgage Loan Originator Activity.** Based on the Factual
2 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(2)
3 and RCW 31.04.175 for aiding and abetting unlawful mortgage loan originator activity.

4 **III. AUTHORITY TO IMPOSE SANCTIONS**

5 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3), the Director may revoke a
6 license for knowingly or without the exercise of due care, violations any provision of the Act or if a
7 fact or condition exists that, if it had existed at the time of the original application for the license,
8 clearly would have allowed the director to deny the application for the original license.

9 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
10 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
11 employee, or any other person subject to the Act for a violation of RCW 31.04.027 of failure to
12 obtain a license for activity that requires a license.

13 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
14 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
15 any other person subject to the Act for any violation of the Act.

16 **3.4 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
17 590, every licensee investigated by the Director or the Director's designee shall pay for the cost of
18 the investigation, calculated at the rate of \$69.01 per staff hour devoted to the investigation.

19 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
20 may recover the state's costs and expenses for prosecuting violations of the Act.

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

22 Respondents' 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
24

1 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
2 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

3 **4.1** Respondent Skyline Financial Corp.'s license to conduct the business of a consumer
4 loan company be revoked.

5 **4.2** Respondent Freeman Todd Sawyer's license to conduct the business of a mortgage
6 loan originator be revoked.

7 **4.3** Respondents Skyline Financial Corp. and Freeman Todd Sawyer be prohibited from
8 participation in the conduct of the affairs of any consumer loan company subject to
9 licensure by the Director, in any manner, for a period of five years.

10 **4.4** Respondents Skyline Financial Corp. and Freeman Todd Sawyer jointly and severally
11 pay a fine. As of the date of this Statement of Charges, the fine totals \$30,000.

12 **4.5** Respondents Skyline Financial Corp. and Freeman Todd Sawyer jointly and severally
13 pay an investigation fee. As of the date of this Statement of Charges, the investigation
14 fee totals \$2,636.18.

15 **4.6** Respondents Skyline Financial Corp. and Freeman Todd Sawyer pay the Department's
16 costs and expenses for prosecuting violations of the Act in an amount to be determined
17 at hearing or by declaration with supporting documentation in event of default by
18 Respondents.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Revoke Licenses,
3 Prohibit from Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses
4 (Statement of Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165,
5 RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The
6 Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in
7 the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND
8 accompanying this Statement of Charges.
9

10 Dated this 19th day of December, 2017.

11 /s/
12 CHARLES E. CLARK
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

14 Presented by:

15 /s/
16 AMANDA J. HERNDON
17 Financial Legal Examiner

18 Approved by:

19 /s/
20 STEVEN C. SHERMAN
21 Enforcement Chief
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23
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