

**ORDER SUMMARY – Case Number: C-17-2321**

**Name(s):** Dean Raymond Eulberg  
\_\_\_\_\_  
\_\_\_\_\_

**Order Number:** C-17-2321-18-CO02  
\_\_\_\_\_

**Effective Date:** June 01, 2018  
\_\_\_\_\_

**License Number:** 112154  
**Or NMLS Identifier [U/L]** \_\_\_\_\_

**License Effect:** Revoked  
\_\_\_\_\_  
\_\_\_\_\_

**Not Apply Until:** \_\_\_\_\_  
\_\_\_\_\_

**Not Eligible Until:** \_\_\_\_\_  
\_\_\_\_\_

**Prohibition/Ban Until:** Permanent  
\_\_\_\_\_

<b>Investigation Costs</b>	\$		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$ 10,000.00	Due STAYED	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<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>Financial Literacy and Education</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Cost of Prosecution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments: Fine is stayed consistent with the terms of Consent Order C-17-2321-18-CO02 Para. D.  
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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  
5 Consumer Loan Act of Washington by:  
6 MORTGAGE BROKERS SERVICES, INC.  
D/B/A KIEL MORTGAGE,  
7 NMLS NO. 53969, and  
DEAN RAYMOND EULBERG, Mortgage Loan  
Originator, NMLS NO. 112154,  
8 Respondents.

No.: C-17-2321-18-CO02

CONSENT ORDER AS TO  
DEAN RAYMOND EULBERG,  
NMLS NO. 112154

9 COMES NOW the Director of the Department of Financial Institutions (Director), through  
10 her designee Charles E. Clark, Division Director, Division of Consumer Services, and Dean  
11 Raymond Eulberg, NMLS No. 112154, (Respondent Eulberg), and finding that the issues raised in  
12 the above-captioned matter may be economically and efficiently settled solely as related to  
13 Respondent Eulberg, agree to the entry of this Consent Order. This Consent Order is entered  
14 pursuant to chapter 31.04 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the  
15 Administrative Procedure Act, based on the following:

16 **AGREEMENT AND ORDER**

17 The Department of Financial Institutions, Division of Consumer Services (Department) and  
18 Respondent Eulberg have agreed upon a basis for resolution of the matters alleged in Statement of  
19 Charges No. C-17-2321-18-SC01 (Statement of Charges), entered February 23, 2018, (copy attached  
20 hereto), solely as they relate to Respondent Eulberg. Pursuant to chapter 31.04 RCW, the Consumer  
21 Loan Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondent Eulberg  
22 hereby agrees to the Department's entry of this Consent Order and further agrees that the issues  
23 raised in the above-captioned matter as related to Respondent Eulberg may be economically and  
24

1 efficiently settled by entry of this Consent Order. Respondent Eulberg agrees not to contest the  
2 Statement of Charges in consideration of the terms of this Consent Order.

3 Based upon the foregoing:

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

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

11       C.     **License Revocation.** It is AGREED that Respondent Eulberg's mortgage loan  
12 originator license is revoked upon entry of this Consent Order.

13       D.     **Prohibition from Industry.** It is AGREED that, Respondent Eulberg is permanently  
14 prohibited from participating, in any capacity, in the conduct of the affairs of any mortgage broker or  
15 consumer loan company licensed by the Department or subject to licensure or regulation by the  
16 Department.

17       E.     **Stayed Fine.** It is AGREED that Respondent Eulberg shall pay a fine to the  
18 Department in the amount of \$10,000. It is further AGREED that the Department shall stay \$10,000  
19 of the fine, which may be lifted in accordance with the terms stated in Paragraph F.

20       F.     **Lifting the Stay and Imposing Stayed Fine.** It is AGREED that:

21           1.     If the Department determines that Respondent Eulberg has not complied with  
22 the terms of this Consent Order to a degree sufficient to warrant imposition of  
23 a Stayed Fine, and the Department accordingly seeks to lift the stay and  
impose the Stayed Fine set forth in Paragraph D above, the Department will  
first notify Respondent Eulberg in writing of its determination.

24           2.     The Department's notification will include:

- a) A description of the alleged noncompliance;
- b) A statement that because of the noncompliance, the Department seeks to lift the stay and impose the Stayed Fine;
- c) The opportunity for Respondent Eulberg to contest the Department's determination of noncompliance in an administrative hearing before an Administrative Law Judge (ALJ) of the Office of Administrative Hearings (OAH); and
- d) A copy of this Consent Order. The notification and hearing process provided in this Consent Order applies only to this Consent Order. It is solely provided in the event Respondent Eulberg chooses to contest the Department's determination of noncompliance.

- 3. Respondent Eulberg will be afforded twenty (20) business days from the date of receipt of the Department's notification to submit a written request to the Department for an administrative hearing to be held before an ALJ from the OAH.
- 4. Respondent Eulberg, in addition to his request for hearing, may provide a written response to include any information pertaining to the alleged noncompliance.
- 5. The scope and issues of the hearing are limited solely to whether or not Respondent Eulberg is in violation of the terms of this Consent Order to a degree sufficient to warrant imposition of the Stayed Fine.
- 6. 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.
- 7. If Respondent Eulberg does not request the hearing within the stated time, the Department will impose the Stayed Fine and pursue whatever action it deems necessary to enforce the Stayed Fine.

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

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

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

4 J. **Counterparts.** This Consent Order may be executed by the Respondent Eulberg in  
5 any number of counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which  
6 shall be deemed to be an original, but all of which, taken together, shall constitute one and the same  
7 Consent Order.

8  
9 **RESPONDENT:**  
10 Dean Raymond Eulberg

11 By:

12  
13 /s/  
14 Dean Raymond Eulberg  
15 NMLS No. 112154

16 6/1/2018  
17 Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 1st DAY OF JUNE, 2018.

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

Presented by:

/s/  
IGOR VOLOSHIN  
Financial Legal Examiner

Approved by:

/s/  
STEVEN C. SHERMAN  
Enforcement Chief



1 licensed to date. Respondent Eulberg has been sponsored by Respondent MBS since approximately  
2 October 18, 2011.

3 **1.2 Discovery of Unfair or Deceptive Acts or Practices.** Respondent Eulberg induced or  
4 attempted to induce two co-borrowers into signing a document that contained material false  
5 statements. The co-borrowers retained Respondent Eulberg as their mortgage loan originator in  
6 order to purchase a primary residence in Washington State. On or about February 01, 2017, in the  
7 course of finalizing the transaction, Respondent Eulberg received a report regarding the subject-  
8 property's septic system from one of the co-borrowers. On or about February 2, 2017, at  
9 approximately 9:56 AM, Respondent Eulberg sent the following email to the co-borrowers and their  
10 real estate broker in response to the content of the septic-system report:

11 This does open up a new can of worms for the lender that could delay us. **Could**  
12 **we just have the realtors write up a form 34 saying that the buyers have**  
13 **waived the septic inspection? This is just for the loan.** You can keep your  
14 agreement with the sellers on what you have, but I need to show the lender there  
15 is no issue with the septic system and form 34 is the fastest way around this.  
(emphasis added)

15 On or about February 2, 2017, at approximately 10:58 AM, Respondent Eulberg reiterated that “[w]e  
16 don’t really want to say anything about [the septic system] needing repairs or it being repaired. If it  
17 is all good to go now let’s just keep it simple and say it’s been inspected and signed off.”

18 Respondent Eulberg directed this message to the co-borrower’s real estate broker, with the co-  
19 borrowers copied on the message, despite his actual or constructive knowledge that the septic system  
20 needed repairs. Based in part on this exchange, the co-borrower’s real estate broker drafted an  
21 addendum to the purchase and sale agreement that stated, “PRIVATE SEPTIC SYSTEM HAS  
22 BEEN INSPECTED BY A LICENSE SEPTIC COMPANY AND SIGNED OFF.” The addendum  
23 was signed by one of the co-borrowers on February 3, 2017, and February 7, 2017, by the other. The  
24 co-borrowers paid a third party to repair the septic system after the transaction closed.



1 **1.3 On-Going Investigation.** The Department’s investigation into the alleged violations of the  
2 Act by Respondents continues to date.

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

4 **2.1 Responsibility and Liability for Violations.** Pursuant to WAC 208-620-378, in addition to  
5 ensuring that each employee have sufficient understanding of the law to comply with the Act and  
6 rules, Respondent MBS is responsible for ensuring its employees have sufficient understanding of  
7 the law to comply with the Act and rules. Furthermore, pursuant to WAC 208-620-372, Respondent  
8 MBS is liable for any violations of the Act or rules by its employees.

9 **2.2 Unfair or Deceptive Acts or Practices.** Based on the Factual Allegations set forth in  
10 Section I above, Respondents are in apparent violation of RCW 31.04.027(1), (2), (3), and (7) for  
11 employing a scheme, device, or artifice to defraud or mislead any person; directly or indirectly  
12 engaging in any unfair or deceptive practice toward any person; directly or indirectly obtaining  
13 property by fraud or misrepresentation; and making, in any manner, a false or deceptive statement or  
14 representation with regard to the conditions for a residential mortgage loan.

15 **III. AUTHORITY TO IMPOSE SANCTIONS**

16 **3.1 Authority to Revoke or Suspend License.** Pursuant to RCW 31.04.093(3)(b), the Director  
17 may revoke a license issued under the Act if the licensee, either knowingly or without the exercise of  
18 due care, has violated any provision of the Act or any rule adopted under the Act.

19 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6)(e), “the Director  
20 may issue an order prohibiting from participation in the affairs of any licensee, or both, any officer,  
21 principal, employee or mortgage loan originator, or any person subject to this chapter for violations  
22 of RCW 31.04.027.

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1 **3.3 Authority to Order Restitution.** Pursuant to RCW 31.04.093(5)(c), the Director may issue  
2 an order directing a licensee, its employee or loan originator, or any other person subject to the Act  
3 to make restitution to a borrower who is damaged as a result of a violation of the Act.

4 **3.4 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of  
5 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator,  
6 or any other person subject to the Act for any violation of the Act.

7 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 31.04.145(3) and  
8 WAC 208-620-590(1), every licensee examined by the Director or the Director's designee shall pay  
9 for the cost of the investigation, collected at the rate of \$69.01 per staff hour devoted to the  
10 investigation.

11 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director  
12 may recover the state's costs and expenses for prosecuting violations of the Act.

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

14 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,  
15 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
16 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and  
17 RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

18 **4.1** Respondent Dean Raymond Eulberg's license to conduct business as a mortgage loan  
19 originator be revoked.

20 **4.2** Respondent Dean Raymond Eulberg be prohibited from participation in the conduct  
21 of the affairs of any consumer loan company subject to licensure by the Director, in  
22 any manner, for five years.

23 **4.3** Respondent Mortgage Brokers Services, Inc. d/b/a Kiel Mortgage, and Respondent  
24 Dean Raymond Eulberg jointly and severally pay restitution to the consumers  
identified by the Department in paragraph 1.2 in an amount to be determined at  
hearing or by Declaration with supporting documentation in event of default by  
Respondents.

- 1       **4.4**    Respondent Mortgage Brokers Services, Inc. d/b/a Kiel Mortgage, and Respondent  
2            Dean Raymond Eulberg jointly and severally pay a fine. As of the date of this  
             Statement of Charges, the fine totals \$25,000.00.
  
- 3       **4.5**    Respondent Mortgage Brokers Services, Inc. d/b/a Kiel Mortgage, and Respondent  
4            Dean Raymond Eulberg jointly and severally pay an investigation fee. As of the date  
             of this Statement of Charges, the investigation fee totals \$2,505.06.
  
- 5       **4.6**    Respondent Mortgage Brokers Services, Inc. d/b/a Kiel Mortgage, and Respondent  
6            Dean Raymond Eulberg jointly and severally pay the Department's costs and  
7            expenses for prosecuting violations of the Act in an amount to be determined at  
             hearing or by declaration with supporting documentation in event of default by  
             Respondent.

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1 **V. AUTHORITY AND PROCEDURE**

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

9 Dated this 23<sup>rd</sup> day of February, 2018.

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

15  
16 Presented by:

17  
18 /s/ \_\_\_\_\_  
19 IGOR VOLOSHIN  
20 Financial Legal Examiner

21 Approved by:

22  
23 /s/ \_\_\_\_\_  
24 STEVEN C. SHERMAN  
Enforcement Chief

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