

ORDER SUMMARY – Case Number: C-17-2354

Name(s): Secure One Capital Corporation
James Eric Pate

Order Number: C-17-2354-18-CO01

Effective Date: 1/30/19

License Number: Secure One Capital Corporation: 239738
James Eric Pate: 831097

Or NMLS Identifier [U/L]

License Effect: Secure One Capital Corporation License Surrender
James Eric Pate shall not apply for Consumer Loan Company or
Mortgage Broker License for five years.

Not Apply Until: 1/30/2024

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$ 1,559.63		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/30/2019
Fine	\$ 50,000 with \$25,000 Stayed	Due: Monthly Payments	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date \$5,000 paid 1/30/19
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:

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:

No.: C-17-2354-18-CO01

CONSENT ORDER

5 SECURE ONE CAPITAL CORPORATION,
NMLS No. 239738, and
6 JAMES ERIC PATE, CEO,
NMLS No. 831097,

7 Respondents.

8
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 Secure One
11 Capital Corporation (Respondent Secure One) and James Eric Pate (Respondent Pate), by and
12 through their attorney, Jessica M. Creager, and finding that the issues raised in the above-captioned
13 matter may be economically and efficiently settled, agree to the entry of this Consent Order. This
14 Consent Order is entered pursuant to Chapter 31.04 of the Revised Code of Washington (RCW), and
15 RCW 34.05.060 of the Administrative Procedure Act, based on the following:

16 **AGREEMENT AND ORDER**

17 The Department of Financial Institutions, Division of Consumer Services (Department) and
18 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges
19 No. C-17-2354-18-SC01 (Statement of Charges), entered June 27, 2018 (copy attached hereto).
20 Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the
21 Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent
22 Order and further agree that the issues raised in the above-captioned matter may be economically and
23 efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully
resolve the Statement of Charges and agree that the Respondents do not admit any wrongdoing by its

1 entry. In consideration of the terms of this Consent Order, Respondents agree not to contest the
2 Statement of Charges.

3 **Based upon the foregoing:**

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

6 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
7 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
8 administrative and judicial review of the issues raised in this matter, or of the resolution reached
9 herein. Accordingly, Respondents, by their signatures below, withdraw their appeal to the Office of
10 Administrative Hearings.

11 **C. Consumer Loan Company License Surrender.** It is AGREED that Respondent Secure
12 One requested to surrender their consumer loan company license on or around August 22, 2017, and
13 Respondent Secure One's consumer loan company license will be surrendered upon entry of this
14 Consent Order.

15 **D. Application for License.** It is AGREED that, for a period of five years from the date of
16 entry of this Consent Order, Respondent Pate shall not apply to the Department for any consumer
17 loan company or mortgage broker license under any name. It is further AGREED that, should
18 Respondent Pate apply to the Department for a consumer loan company or mortgage broker license
19 under any name at any time later than five years from the date of entry of this Consent Order, such
20 applying Respondent Pate shall be required to meet any and all application requirements in effect at
21 that time. This is not to be construed as a prohibition to Respondent Pate's individual license as a
22 mortgage loan originator.

1 **E. Annual Assessment Report.** It is AGREED that Respondent Secure One submitted an
2 amended 2016 Annual Assessment Report on or around August 7, 2018.

3 **F. Fine (Partially Stayed).** It is AGREED and ORDERED that in consideration of the
4 terms of this Consent Order, Respondents shall pay a fine to the Department in the amount of
5 \$50,000, with \$25,000 (the Paid Fine) paid, and \$25,000 (the Stayed Fine) stayed contingent upon
6 Respondents' compliance with the Act and this Consent Order. Payment of the \$25,000 Paid Fine
7 shall be as follows: \$5,000 paid at the time the Consent Order is entered, then \$1,000 per month until
8 the remaining \$20,000 is paid. Monthly payments must be made by cashier's check payable to the
9 "Washington State Treasurer" and must be received by the Department no later than the last business
10 day of the month due. The first monthly payment shall be January 2019. Respondents understand
11 and agree that any late or missed payment is a violation of this Consent Order and may result in the
12 lifting of any stayed sanctions and imposition of the stayed fine and referral of all unpaid amounts to
13 a collections agency.

14 **G. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
15 investigation fee of \$1,559.63. The first installment of the Paid Fine and the investigative fee shall be
16 paid in the form of a \$6,559.63 cashier's check made payable to the "Washington State Treasurer"
17 upon delivery of this Consent Order, fully executed, to the Department.

18 **H. Records Retention.** It is AGREED that Respondent Secure One, its officers, employees,
19 and agents shall maintain records in compliance with the Act and provide the Director with the
20 location of the books, records and other information relating to Respondent Secure One's consumer
21 loan company business, and the name, address and telephone number of the individual responsible
22 for maintenance of such records in compliance with the Act.

1 **I. Lifting of Stay and Imposition of Stayed Sanction.** It is AGREED and ORDERED

2 that:

- 3 1. If during the stay, the Department determines that Respondents have not complied
4 with the Act or this Order, and the Department seeks to lift the stay and impose the
5 Stayed Sanction, the Department will first serve Respondents with a written notice
6 of alleged noncompliance.
- 7 2. The notice will include:
- 8 a. A description of the alleged noncompliance;
 - 9 b. A statement that the Department seeks to lift the stay and impose the Stayed
10 Sanction;
 - 11 c. Notice that either Respondent can contest the Department's determination of
12 noncompliance either in an adjudicative hearing before an Administrative
13 Law Judge (ALJ) of the Office of Administrative Hearings (OAH), or by
14 submitting a written response to the Department contesting the alleged
15 noncompliance; and
 - 16 d. Notice that the notification and adjudicative hearing process provided in this
17 Paragraph applies only to this Consent Order solely in the event either
18 Respondent chooses to contest the Department's determination of
19 noncompliance.
- 20 3. Any Respondent who wishes to contest the Department's determination of
21 noncompliance will have twenty (20) days from the date of receipt of the
22 Department's notice to submit a written request to the Department for an
23 adjudicative hearing.
- 24 4. In lieu of requesting an adjudicative hearing, within twenty (20) days from the date
of service of the notice of alleged noncompliance, any Respondent may submit a
written response contesting the alleged noncompliance for consideration by the
Department. The response must include that Respondent's waiver of the right to an
adjudicative hearing, may address the alleged noncompliance, and may seek an
alternative resolution to lifting the stay and imposing the Stayed Sanction.
5. The scope and issues of the adjudicative hearing are limited solely to whether or not
Respondents are in violation of the terms of the Act or this Consent Order.
6. At the conclusion of the hearing, the ALJ will issue an initial decision. Either party
may file a Petition for Review of that initial decision with the Director of the
Department.

1 **7. DEFAULT:** If any Respondent does not timely either request an adjudicative
2 hearing, or timely submit a written response contesting the alleged noncompliance,
3 the Department will impose the Stayed Sanction and pursue whatever other
4 enforcement action it deems necessary to enforce the Act and Consent Order.

5 **J. Authority to Execute Order.** It is AGREED that the undersigned have represented and
6 warranted that they have the full power and right to execute this Consent Order on behalf of the
7 parties represented.

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

12 **L. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this
13 Consent Order, which is effective when signed by the Director's designee.

14 **M. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
15 this Consent Order in its entirety and fully understand and agree to all of the same.

16 **RESPONDENTS:**

17 Secure One Capital Corporation
18 James Eric Pate

19 By:

20 /s/ _____
21 James Eric Pate
22 CEO, Secure One Capital Corporation

1/7/19 _____
Date

23 /s/ _____
24 James Eric Pate
Individually

1/7/19 _____
Date

1 **Approved for Entry:**

2
3 /s/
4 Jessica M. Creager, WSBA No. 42183
5 Rosenberg Law Group, PLLC
6 Attorney for Respondents

1/24/19
Date

7 **DO NOT WRITE BELOW THIS LINE**

8 THIS ORDER ENTERED THIS 30th DAY OF January, 2019.

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

14 Presented by:

Approved by:

15 /s/
16 KRISTINA M. SHENEFELT
17 Financial Legal Examiner

/s/
STEVEN C. SHERMAN
Enforcement Chief

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

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

SECURE ONE CAPITAL CORPORATION,
NMLS #239738, and
JAMES ERIC PATE, CEO,
NMLS #831097,

Respondents.

No. C-17-2354-18-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO REVOKE LICENSE, PROHIBIT
FROM INDUSTRY, REQUIRE
AFFIRMATIVE ACTION, IMPOSE FINE,
COLLECT ANNUAL ASSESSMENT,
COLLECT INVESTIGATION FEE, and
RECOVER COSTS AND EXPENSES

INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, 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 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director, through her designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Secure One Capital Corporation (Respondent Secure One)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a consumer loan company on or about March 25, 2013, and continues to be licensed to date. Respondent Secure One submitted a closure request on or about August 22, 2017, however, the closure request has not been accepted due to the outstanding issues set forth in this Statement of Charges.

1 **B. James Eric Pate (Respondent Pate)** was the CEO for Respondent Secure One at all
2 times relevant to this Statement of Charges. Respondent Pate was also licensed by the Department to
3 conduct business as a Mortgage Loan Originator (MLO) for Respondent Secure One at all times
4 relevant to this Statement of Charges. Respondent Pate’s Washington MLO license expired
5 December 31, 2017.

6 **1.2 2014 Examination.** In September and October 2014, the Department conducted a
7 compliance examination of Respondents pursuant to the Act (2014 Examination). After the 2014
8 Examination, the Department notified Respondents that the Department found fifteen violations.

9 **1.3 2017 Examination.** Between August 21, 2017, and August 25, 2017, the Department
10 conducted a compliance examination of Respondents pursuant to the Act. The Department’s
11 examiners reviewed 24 loan files for the period of April 1, 2015 – July 31, 2017 and noted violations
12 of the Act which included those set forth below.

13 **1.4 Unlicensed Mortgage Loan Originators.** At least one individual working on behalf of
14 Respondents assisted at least seven borrowers in applying for residential mortgage loans for
15 properties located in the state of Washington. The individual was not licensed with the Department at
16 the time of the activity. The conduct occurred from at least 2015 to when the individual became
17 licensed in 2017.

18 **1.5 Failed to Provide Complete Rate Lock Agreements.** Respondent prepared and presented to
19 at least fifteen borrowers incomplete rate lock agreements. In some instances, rate lock agreements
20 were provided prior to the rate being locked. This is a repeat violation from the 2014 Examination,
21 of which Respondents were previously notified.

22 **1.6 Failed to Complete Residential Mortgage Loan Applications.** In at least four of the files
23 reviewed, Respondents failed to accurately complete the residential mortgage loan application.

1 **1.7 Advertised “Free”, “No-Cost”, or “Zero-Cost” Third Party Services.** Respondent Secure
2 One’s website stated that they provide “\$0 Closing Cost Refinancing.” This is a repeat violation
3 from the 2014 Examination, of which Respondents were previously notified.

4 **1.8 Failed to Include Required Information on Loan Originator’s Web Page.** Respondent
5 Pate failed to display his MLO unique identifier closely following his name, the company’s unique
6 identifier, and a link to the NMLS consumer access web site page for the company, on web sites
7 belonging to Respondent Pate. This is a repeat violation from the 2014 Examination, of which
8 Respondents were previously notified.

9 **1.9 Failed to Submit Accurate and Timely Mortgage Call Reports and Financial Condition**
10 **Reports.** Respondent Secure One’s Mortgage Call Report (MCR) for the fourth quarter of 2015 was
11 submitted late, loan originators were missing from the MCR in the fourth quarter of 2016, and the
12 amount of the applications in process between quarters did not match up in 2016. Additionally,
13 Respondent Secure One’s annual Financial Condition Reports for 2015 and 2016 were submitted late.
14 This is a repeat violation from the 2014 Examination, of which Respondents were previously
15 notified.

16 **1.10 Failed to Provide Accurate Loan List.** The number of originated loans reported on the loan
17 list differed from the number of originated loans reported in the Manager’s Questionnaire, the 2016
18 Annual Assessment Report, and the Mortgage Call Reports. Additionally, the information included
19 in the loan list did not match the information in the files. This is a repeat violation from the 2014
20 Examination, of which Respondents were previously notified.

21 **1.11 Provided Incomplete Loan Estimates.** In at least seven of the files reviewed, Respondents
22 provided incomplete Loan Estimates to borrowers.

23 **1.12 Provided Incomplete Closing Disclosures.** In at least seven of the files reviewed,
24 Respondents provided incomplete Closing Disclosures to borrowers.

1 **1.13 Provided Incomplete Risk Based Pricing Disclosures.** In at least five of the files reviewed,
2 Respondents provided incomplete Risk Based Pricing Disclosures to borrowers. This is a repeat
3 violation from the 2014 Examination, of which Respondents were previously notified.

4 **1.14 Provided Incomplete Privacy Policy Disclosures.** In at least fifteen of the files reviewed,
5 Respondents provided incomplete Privacy Policy disclosures to borrowers. This is a repeat violation
6 from the 2014 Examination, of which Respondents were previously notified.

7 **1.15 Failed to Comply with the Director’s Authority to Conduct Investigations and**
8 **Examinations.** Respondents did not provide responses by the due dates in reply to the Department’s
9 Report of Examination dated September 18, 2017, and the Directives dated October 24, 2017 and
10 November 7, 2017.

11 **1.16 On-Going Investigation.** The Department’s investigation into the alleged violations of the
12 Act by Respondents continues to date.

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

14 **2.1 Unlicensed Mortgage Loan Originators.** Based on the Factual Allegations set forth in
15 Section I above, Respondents are in apparent violation of RCW 31.04.027(2) and RCW 31.04.035 for
16 engaging in the business of a consumer loan company using individuals not licensed with the
17 Department to assist borrowers in applying for a residential mortgage loan.

18 **2.2 Requirement to Provide Complete Rate Lock Agreements.** Based on the Factual
19 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.165
20 and WAC 208-620-510(3) and (4) for failing to provide complete rate lock disclosures..

21 **2.3 Prohibited Business Practices.** Based on the Factual Allegations set forth in Section I
22 above, Respondents are in apparent violation of RCW 31.04.027(2) and WAC 208-620-550(16) for
23 failing to indicate on all residential mortgage loan applications, initial and revised, the company’s
24

1 unique identifier, the loan originator's unique identifier, and the date the application was taken or
2 revised.

3 **2.4 False, Misleading, or Deceptive Advertisements.** Based on the Factual Allegations set forth
4 in Section I above, Respondents are in apparent violation of RCW 31.04.135 and WAC 208-620-
5 630(8) for advertising or permitting to be advertised, in any manner whatsoever, any statement or
6 representation with regard to rates, terms, or conditions for the lending of money that is false,
7 misleading, or deceptive.

8 **2.5 Requirement to Include Information on Mortgage Loan Originator's Web Page.** Based
9 on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
10 31.04.284 and WAC 208-620-622(4) for not clearly displaying the licensee's name and license
11 number, the mortgage loan originator's license name and license number closely following their
12 name, and a link to the NMLS consumer access webpage for the company.

13 **2.6 Requirement to File Accurate Reports of Condition.** Based on the Factual Allegations set
14 forth in Section I above, Respondents are in apparent violation of RCW 31.04.277 and WAC 208-
15 620-431 for failing to submit accurate and complete call reports on the dates and in a form prescribed
16 by the NMLS.

17 **2.7 Requirement to Provide Accurate Loan List.** Based on the Factual Allegations set forth in
18 Section I above, Respondents are in apparent violation of RCW 31.04.277 and WAC 208-620-580(2)
19 for failing to provide the information on the characteristics of loan originations in a format prescribed
20 by the director.

21 **2.8 Requirement to Provide Complete Loan Estimates.** Based on the Factual Allegations set
22 forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(2) and (13) for
23 failing to adhere to the Loan Estimate requirements of Regulation Z, 12 CFR §1026.

1 **2.9 Requirement to Provide Complete Closing Disclosures.** Based on the Factual Allegations
2 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(2) and (13) for
3 failing to adhere to the Closing Disclosure requirements of Regulation Z, 12 CFR §1026.

4 **2.10 Requirement to Provide Complete Risk Based Pricing Disclosures.** Based on the Factual
5 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(2)
6 and (13) for failing to adhere to the Risk Based Pricing Disclosure requirements in Regulation V, 12
7 CFR §1022.74(d).

8 **2.11 Requirement to Provide Complete Privacy Policy Disclosures.** Based on the Factual
9 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(2)
10 and (13) for failing to adhere to the Privacy Policy disclosure requirements in Regulation P, 12 CFR
11 §1016.

12 **2.12 Requirement to Comply with the Director's Authority to Conduct Investigations and**
13 **Examinations.** Based on the Factual Allegations set forth in Section I above, Respondents are in
14 apparent violation of RCW 31.04.145 for failing to provide responses by the due dates in reply to the
15 Department's Report of Examination dated September 18, 2017, and Directives dated October 24,
16 2017 and November 7, 2017.

17 **III. AUTHORITY TO IMPOSE SANCTIONS**

18 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3) and (b), the Director may
19 revoke a license for failure to pay any fee due to the state of Washington, failure to maintain the
20 required surety bond, failure to comply with any specific order or demand, or failure to comply with
21 any directive, order, or subpoena issued by the Director under the Act.

22 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
23 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
24 employee, mortgage loan originator, or any other person subject to the Act for (d) Failure to comply

1 with any order or subpoena issued under this chapter; (e) A violation of RCW 31.04.027, RCW
2 31.04.102, RCW 31.04.155, or RCW 31.04.221; or (f) Failure to obtain a license for activity that
3 requires a license.

4 **3.3 Authority to Order Affirmative Action.** Pursuant to RCW 31.04.093(5)(b), the Director
5 may issue an order directing a licensee, its employee, loan originator, or other person subject to the
6 Act to take such affirmative action as is necessary to comply with the Act.

7 **3.4 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
8 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
9 any other person subject to the Act for any violation of the Act or failure to comply with any order or
10 subpoena issued by the Director under the Act.

11 **3.5 Authority to Charge Annual Assessment Fee.** Pursuant to RCW 31.04.085(1) and WAC
12 208-620-430, every licensee shall pay the director an annual assessment for the previous calendar
13 year if the licensee had a license for any time during the preceding calendar year. The reports and
14 assessment fee must be provided to the department on March 1st of each year or within 30 days of
15 ceasing Washington operations.

16 **3.6 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
17 590, WAC 208-620-610(7), every licensee investigated by the Director or the Director's designee
18 shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour devoted to the
19 investigation.

20 **3.7 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
21 may recover the state's costs and expenses for prosecuting violations of the Act.

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

2 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
3 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
4 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
5 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 6 **4.1** Respondent Secure One Capital Corporation's license to conduct the business of a
7 consumer loan company be revoked.
- 8 **4.2** Respondent James Eric Pate's license to conduct the business of a loan originator be
9 revoked.
- 10 **4.3** Respondents James Eric Pate and Secure One Capital Corporation be prohibited from
11 participation in the conduct of the affairs of any consumer loan company subject to
12 licensure by the Director, in any manner, for a period of five years.
- 13 **4.4** Respondents James Eric Pate and Secure One Capital Corporation file an amended
14 and accurate 2016 Annual Assessment Report (AAR) and pay the difference between
15 the amount owed from the amended AAR, including a \$5,000 late penalty, and any
16 amount already paid. Alternatively, in the event of a default, the amount shall be
17 \$2,313.29 for the 2016 annual assessment fee, calculated as an average of the prior
18 two annual assessment fees, and \$5,000 for the late penalty.
- 19 **4.5** Respondents James Eric Pate and Secure One Capital Corporation jointly and
20 severally pay a fine. As of the date of this Statement of Charges, the fine totals
21 \$100,000.00.
- 22 **4.6** Respondents James Eric Pate and Secure One Capital Corporation jointly and
23 severally pay an investigation fee. As of the date of this Statement of Charges, the
24 investigation fee totals \$1,559.63.
- 4.7** Respondents James Eric Pate and Secure One Capital Corporation pay the Department's
costs and 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
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 License, Prohibit
3 from Industry, Require Affirmative Action, Impose Fine, Collect Annual Assessment, Collect
4 Investigation Fee, and Recover Costs and Expenses (Statement of Charges) is entered pursuant to the
5 provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject
6 to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may
7 make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY FOR
8 ADJUDICATIVE HEARING AND TO DEFEND accompanying this Statement of Charges.

9 Dated this 27th day of June, 2018.

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

15 Presented by:

16 /s/ _____
17 KRISTINA M. SHENEFELT
18 Financial Legal Examiner

19 Approved by:

20 /s/ _____
21 STEVEN C. SHERMAN
22 Enforcement Chief