

ORDER SUMMARY – Case Number: C-19-2686

Name(s): Kevin Michael Killeen

Order Number: C-19-2686-20-CO01

Effective Date: 3/9/2020

NMLS Identifier: NMLS No. 1736051

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: Indefinite

Investigation Costs	\$		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine (partially stayed)	\$20,000 (\$15,000 stayed)	Due \$835 within 90 days; \$833 the last weekday of each of the subsequent 5 months	Paid <input type="checkbox"/> Y <input checked="" 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
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 Based upon the foregoing:

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

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

9 **C. Cease and Desist.** It is AGREED that Respondent Killeen shall cease and desist from
10 engaging in activity in a manner that is injurious to the public or that violates the Act, including
11 unlicensed loan origination and all activity in violation of any order issued by the Department.

12 **D. Prohibition from Industry.** It is AGREED that Respondent Killeen is prohibited and will
13 refrain from participating, in any capacity, in the conduct of the affairs of any consumer loan
14 company licensed by the Department or subject to licensure or regulation by the Department.

15 **E. Fine (Partially Stayed).** It is AGREED that Respondent Killeen shall pay a fine to the
16 Department in the amount of \$20,000. It is FURTHER AGREED that Respondent Killeen shall pay
17 \$5,000 of the fine in accordance with Paragraph F. It is FURTHER AGREED that, contingent upon
18 Respondent Killeen's compliance with this Consent Order, \$15,000 of the fine (the "stayed fine")
19 shall be stayed for three years from the date of this Consent Order unless lifted pursuant to Paragraph

20 G. If the Department does not seek to lift the stay and impose the stayed fine pursuant to Paragraph
21 G, the stayed fine shall expire without further notice or action by the Department. It is FURTHER
22 AGREED that, if Respondent Killeen fails to comply with this Consent Order, the Department may
23 lift the stay and impose the \$15,000 fine pursuant to Paragraph G, at which time Respondent Killeen

1 shall pay the remainder of the fine in the form of a cashier's check made payable to the "Washington
2 State Treasurer."

3 **F. Payments.** It is AGREED that Respondent Killeen shall pay \$5,000 of the fine in the form
4 six cashier's checks made payable to the "Washington State Treasurer." The first payment shall be
5 \$835 and made within 90 days of delivery of the properly dated and signed Consent Order to the
6 Department. The five remaining payments shall be \$833 each. Respondent Killeen shall make one
7 \$833 payment in each of the five months following the month in which he made the \$835 payment.
8 Each \$833 payment is due by the last business day of the month in which it is to be paid. It is
9 FURTHER AGREED that Respondent Killeen understands that failure to timely make a payment
10 will result in all unpaid amounts to be referred to a collections agency for collection.

11 **G. Lifting of Stay and Imposition of Stayed Fine.** It is AGREED that:

- 12 1. If, during the three-year stay, the Department determines that Respondent Killeen has
13 not complied with this Consent Order and the Department seeks to lift the stay and
14 impose the stayed fine, the Department will first serve Respondent Killeen with a
15 written notice of alleged noncompliance.
- 16 2. The notice will include:
 - 17 i. A description of the alleged noncompliance;
 - 18 ii. A statement that the Department seeks to lift the stay and impose the stayed
19 fine;
 - 20 iii. Notice that Respondent Killeen can contest the notice of alleged
21 noncompliance by either requesting an adjudicative hearing before an ALJ
22 from the OAH or by submitting a written response to the Department
23 contesting the alleged noncompliance; and

1 iv. Notice that the process for lifting the stay applies only to this Consent Order.

2 3. Respondent Killeen has 20 days from the date of service of the notice of alleged
3 noncompliance to submit a written request to the Department for an adjudicative
4 hearing.

5 4. The scope and issues of the adjudicative hearing are limited solely to whether or not
6 Respondent Killeen is in violation of the terms of this Consent Order.

7 5. At the conclusion of the adjudicative hearing, the ALJ will issue an initial decision.
8 Any party may file a Petition for Review of that initial decision with the Director of
9 the Department.

10 6. DEFAULT. If Respondent Killeen does not timely request an adjudicative hearing or
11 submit a written response contesting the notice of alleged noncompliance, the
12 Department may lift the stay and impose the stayed fine without further notice.

13 **H. Change of Address.** It is AGREED that for the duration of the period this Consent Order
14 is in effect, unless otherwise agreed to in writing by the Department, Respondent Killeen shall
15 provide the Department with a mailing address and telephone number at which Respondent Killeen
16 can be contacted and Respondent Killeen shall notify the Department in writing of any changes to his
17 mailing address or telephone number within fifteen days of any such change.

18 **I. Complete Cooperation with the Department.** It is AGREED that, upon written request
19 by the Department, Respondent Killeen shall provide the Department truthful and complete sworn
20 statements outlining his activities with respect to Cardinal Financial Company, Limited Partnership
21 (CFC) and any and all persons involved or in any way associated with CFC, including but not limited
22 to owners, employees, independent contractors, agents, businesses and persons with whom CFC
23 dealt, communicated, or otherwise related. The “sworn statements” may take the form of affidavits,

1 declarations, or deposition testimony, at the Department’s discretion. In addition to providing sworn
2 statements, it is AGREED that, upon written request by the Department, Respondent Killeen shall
3 cooperate fully, truthfully, and completely with the Department and provide any and all information
4 known to him relating in any manner to CFC and any and all persons involved or in any way
5 associated with CFC, including but not limited to owners, employees, independent contractors,
6 agents, businesses and persons with whom CFC dealt, communicated, or otherwise related. It is
7 FURTHER AGREED that, upon written request by the Department, Respondent Killeen shall
8 provide any and all documents, writings or materials, or objects or things of any kind in his
9 possession or under his care, custody, or control that he is authorized to possess, obtain, or distribute
10 relating directly or indirectly to all areas of inquiry and investigation. It is FURTHER AGREED that
11 Respondent Killeen shall testify fully, truthfully, and completely at any and all proceedings related to
12 any Department investigation or enforcement action or both related to any and all persons involved or
13 in any way associated with CFC, and any respondents named therein. A failure to cooperate fully,
14 truthfully, and completely is a breach of this Consent Order.

15 **J. Reporting Possible Violations to the Department.** It is AGREED Respondent Killeen
16 represents that he has knowledge regarding possible violations of laws by individuals and a company
17 regulated by the Department. It is FURTHER AGREED that Respondent Killeen shall provide the
18 Department truthful and complete sworn statements outlining his knowledge with respect to the
19 activities of the individuals and company. The “sworn statements” may take the form of affidavits,
20 declarations, or deposition testimony, at the Department’s discretion. In addition to providing sworn
21 statements, it is AGREED that, upon written request by the Department, Respondent Killeen shall
22 cooperate fully, truthfully, and completely with the Department and provide any and all information
23 known to him relating in any manner to the individuals and company. It is FURTHER AGREED that,

1 upon written request by the Department, Respondent Killeen shall provide any and all documents,
2 writings or materials, or objects or things of any kind in his possession or under his care, custody, or
3 control that he is authorized to possess, obtain, or distribute relating directly or indirectly to all areas
4 of inquiry and investigation. It is FURTHER AGREED that Respondent Killeen shall testify fully,
5 truthfully, and completely at any and all proceedings related to any Department investigation or
6 enforcement action or both related to any and all persons involved or in any way associated with the
7 individuals or company, and any respondents named therein. It is FURTHER AGREED that the
8 Department will not take formal action against Respondent Killeen based upon information he
9 provides pursuant to this Paragraph J that may implicate himself in violations of the Act. A failure to
10 cooperate fully, truthfully, and completely is a breach of this Consent Order.

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

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

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

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

1 **RESPONDENT:**

2 **Kevin Michael Killeen**

3
4 /s/
Kevin Michael Killeen, Individually

2-24-2020
Date

5
6 **DO NOT WRITE BELOW THIS LINE**

7 THIS ORDER ENTERED THIS 9th DAY OF March, 2020.

8
9 /s/
10 Lucinda Fazio, Director
11 Division of Consumer Services
12 Department of Financial Institutions

13 Presented by:

14 /s/
15 DREW STILLMAN
16 Financial Legal Examiner

17 Approved by:

18 /s/
19 STEVEN C. SHERMAN
20 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 **CARDINAL FINANCIAL COMPANY,**
6 **LIMITED PARTNERSHIP, NMLS No. 66247;**
and **KEVIN MICHAEL KILLEEN, NMLS No.**
7 **1736051,**

Respondents.

No. C-19-2686-20-SC01

**STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST, REVOKE
LICENSE, PROHIBIT FROM INDUSTRY,
IMPOSE FINES, COLLECT
INVESTIGATION FEE, and RECOVER
COSTS AND EXPENSES**

8 **INTRODUCTION**

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

15 **I. FACTUAL ALLEGATIONS**

16 **1.1 Respondents.**

17 **A. Cardinal Financial Company, Limited Partnership (Respondent Cardinal)** was
18 licensed by the Department of Financial Institutions of the State of Washington (Department) to
19 conduct business as a consumer loan company on or about April 25, 2013, and continues to be
20 licensed to date.

21 **B. Kevin Michael Killeen (Respondent Killeen)** was the Retail Market Manager of
22 Respondent Cardinal from about June 4, 2018, through March 18, 2019. Respondent Killeen was
23

1 licensed by the Department to conduct business as a loan originator from March 12, 2007, to
2 December 31, 2008, when his license expired.

3 **1.2 Prior Order.** On July 14, 2015, the Department issued a Final Decision and Order, No. C-14-
4 1532-15-FO01, which prohibited Respondent Killeen from participation in the conduct of the affairs
5 of any Consumer Loan Company subject to licensure by the Director under the Act based upon
6 Respondent Killeen's prior felony convictions involving fraud, dishonesty, or breach of trust.

7 **1.3 Violation of Prior Order.** Between approximately June 2018 and March 2019, Respondent
8 Killeen participated in the conduct of the affairs of Respondent Cardinal, a Consumer Loan Company
9 subject to licensure by the Director under the Act, in violation of the order identified in paragraph
10 1.2. Respondent Cardinal compensated Respondent Killeen for engaging the conduct, which involved
11 Killeen holding supervisory responsibilities with respect to three branches that held a Washington
12 Consumer Loan Company branch license.

13 **1.4 Unlicensed Loan Originator.** Respondent Killeen, while working on behalf of Respondent
14 Cardinal, supervised Washington-licensed loan originators and assisted at least one borrower in
15 applying for a residential mortgage loan for property located in the state of Washington. In doing so,
16 Respondent Killeen took a residential mortgage loan application, or offered or negotiated the terms of
17 a residential mortgage loan, or held himself out as being able to perform these activities. The conduct
18 occurred in at least July 2018 and August 2018.

19 **1.5 Aiding and Abetting Unlicensed Mortgage Loan Originator Activity and Violation of**
20 **Prior Order.** Between about June 2018 and March 2019, Respondent Cardinal aided and abetted
21 Respondent Killeen's unlicensed mortgage loan originator activity and Respondent Killeen's
22 violation of the order identified in paragraph 1.2, as described above.

23 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the
24 Act by Respondents continues to date.

1 //

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

3 **2.1 Responsibility for Conduct of Employees.** Pursuant to RCW 31.04.027¹, RCW 31.04.165,
4 and WAC 208-620-372, a consumer loan company is responsible for any conduct violating the act or
5 these rules by any person employed, or engaged as an independent contractor, to work in the business
6 covered by its license.

7 **2.2 Unlicensed Loan Originator.** Based on the Factual Allegations set forth in Section I above,
8 Respondents are in apparent violation of RCW 31.04.027(2) (2015), RCW 31.04.027(1)(b) (2018),
9 RCW 31.04.221, and WAC 208-620-301 for engaging in the business of a mortgage loan originator
10 without first obtaining a license from the Department.

11 **2.3 Employing Someone Prohibited for Prior Felony Convictions.** Based on the Factual
12 Allegations set forth in Section I above, Respondent Cardinal is in apparent violation of RCW
13 31.04.027(2) (2015), RCW 31.04.027(1)(b) (2018), and WAC 208-620-371 for employing someone
14 to participate in Respondent Cardinal’s affairs when such person has been prohibited from
15 participation based upon prior felony convictions.

16 **2.4 Violation of Prior Order.** Based on the Factual Allegations set forth in Section I above,
17 Respondent Killeen is in apparent violation of RCW 31.04.027(2) (2015), RCW 31.04.027(1)(b)
18 (2018), and WAC 208-620-550(14) for failing to completely comply with an order issued by the
19 Department.

20 **2.5 Aiding and Abetting Unlicensed Mortgage Loan Originator Activity and Violation of**
21 **Prior Order.** Based on the Factual Allegations set forth in Section I above, Respondent Cardinal is
22

23 ¹ The Act was amended effective June 7, 2018. Among the statutes cited herein, the only amendments relevant to this
24 Statement of Charges were numerical changes to provisions of RCW 31.04.027. When relevant, the former version of
RCW 31.04.027 is designated by the reference “(2015),” while the current version is designated by the reference
“(2018).”

1 in apparent violation of RCW 31.04.027(2) (2015), RCW 31.04.027(1)(b) (2018), RCW 31.04.165,
2 RCW 31.04.175(1), WAC 208-620-550(14), and WAC 208-620-570(8) for aiding or abetting an
3 unlicensed person to practice in violation of the Act and for aiding or abetting a person to violate an
4 order issued by the Director.

5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the
7 Director may issue orders directing a licensee, its employee, loan originator, or other person subject
8 to the Act to cease and desist from conducting business in a manner that is injurious to the public or
9 violates any provision of the Act.

10 **3.2 Authority to Revoke License.** Pursuant to RCW 31.04.093(3) and WAC 208-620-570, the
11 Director may revoke a license if the Director finds that the licensee, either knowingly or without the
12 exercise of due care, has violated any provision of the Act or any rule adopted under the Act; a fact or
13 condition exists that, if it had existed at the time of the original application for the license, clearly
14 would have allowed the Director to deny the application for the original license; the licensee failed to
15 comply with any directive, order, or subpoena issued by the Director under the Act; or the licensee
16 holds a consumer loan company license and aided or abetted an unlicensed person to practice in
17 violation of the Act.

18 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
19 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
20 employee, mortgage loan originator, or any other person subject to the Act for failure to comply with
21 any order or subpoena issued under the Act; a violation of RCW 31.04.027, RCW 31.04.102, RCW
22 31.04.155, or RCW 31.04.221; or failure to obtain a license for activity that requires a license.

23 **3.4 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
24 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or

1 any other person subject to the Act for any violation of the Act or failure to comply with any order or
2 subpoena issued by the Director under the Act.

3 **3.5 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
4 610(7), every licensee investigated by the Director or the Director's designee shall pay for the cost of
5 the investigation, calculated at the rate of \$69.01 per staff hour devoted to the investigation.

6 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
7 may recover the state's costs and expenses for prosecuting violations of the Act.

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

9 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
10 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
11 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
12 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 13 **4.1** Respondents Cardinal Financial Company, Limited Partnership and Kevin Michael
14 Killeen cease and desist from engaging in activity in violation of the Act, including
15 unlicensed loan origination and all activity in violation of any order issued by the
16 Department.
- 17 **4.2** Respondent Cardinal Financial Company, Limited Partnership's license to conduct the
18 business of a consumer loan company be revoked.
- 19 **4.3** Respondent Cardinal Financial Company, Limited Partnership be prohibited from
20 participation in the conduct of the affairs of any consumer loan company subject to
21 licensure by the Director, in any manner, for a period of three years.
- 22 **4.4** Respondent Kevin Michael Killeen be prohibited from participation, in any manner, in
23 the conduct of the affairs of any consumer loan company subject to licensure by the
24 Director.
- 4.5** Respondent Cardinal Financial Company, Limited Partnership pay a fine. As of the
date of this Statement of Charges, the fine totals \$40,000.
- 4.6** Respondent Kevin Michael Killeen pay a fine. As of the date of this Statement of
Charges, the fine totals \$20,000

- 1 **4.7** Respondent Cardinal Financial Company, Limited Partnership pay an investigation
- 2 fee. As of the date of this Statement of Charges, the investigation fee totals at least
- 3 \$2,800.
- 4 **4.8** Respondents Cardinal Financial Company, Limited Partnership and Kevin Michael
- 5 Killeen maintain records in compliance with the Act and provide the Department with
- 6 the location of the books, records and other information relating to Respondents’
- 7 consumer loan business, and the name, address and telephone number of the
- 8 individual responsible for maintenance of such records in compliance with the Act.
- 9 **4.9** Respondents Cardinal Financial Company, Limited Partnership and Kevin Michael
- 10 Killeen pay the Department’s costs and expenses for prosecuting violations of the Act
- 11 in an amount to be determined at hearing or by declaration with supporting
- 12 documentation in event of default by a Respondent.
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