

## Terms Complete

### ORDER SUMMARY – Case Number: C-19-2686

**Name(s):** Cardinal Financial Company, Limited Partnership  
 \_\_\_\_\_  
 \_\_\_\_\_

**Order Number:** C-19-2686-20-CO02  
 \_\_\_\_\_

**Effective Date:** 04/01/20  
 \_\_\_\_\_

**License Number:** CL-66247  
 \_\_\_\_\_

**License Effect:** N/A  
 \_\_\_\_\_  
 \_\_\_\_\_

**Not Apply Until:** N/A  
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**Not Eligible Until:** N/A  
 \_\_\_\_\_

**Prohibition/Ban Until:** N/A  
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<b>Investigation Costs</b>	\$2,800		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 3/26/20
<b>Fine</b>	\$20,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 3/26/20
<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>	\$20,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 3/26/20
<b>Cost of Prosecution</b>	\$	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-19-2686-20-CO02

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CARDINAL FINANCIAL COMPANY,  
LIMITED PARTNERSHIP, NMLS No. 66247;  
and KEVIN MICHAEL KILLEEN, NMLS No.  
1736051,

CONSENT ORDER AS TO CARDINAL  
FINANCIAL COMPANY, LIMITED  
PARTNERSHIP

Respondents.

24

COMES NOW the Director of the Department of Financial Institutions (Director), through his  
designee Lucinda Fazio, Division of Consumer Services Director, and Cardinal Financial Company,  
Limited Partnership (Respondent Cardinal), and 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 chapter 31.04 of the Revised Code of Washington (RCW), and  
RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**AGREEMENT AND ORDER**

The Department of Financial Institutions, Division of Consumer Services (Department) and  
Respondent Cardinal have agreed upon a basis for resolution of the matters alleged in Statement of  
Charges No. C-19-2686-20-SC01 (Statement of Charges), entered January 13, 2020, (copy attached  
hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the  
Administrative Procedure Act, Respondent Cardinal hereby agrees to the Department's entry of this  
Consent Order and further agrees that the issues raised in the above-captioned matter may be  
economically and efficiently settled by entry of this Consent Order solely as related to Respondent  
Cardinal. The parties intend this Consent Order to fully resolve the Statement of Charges solely as  
related to Respondent Cardinal.

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 Cardinal has been informed of the  
5 right to a hearing before an administrative law judge, and hereby waives its right to a hearing and any  
6 and all administrative and judicial review of the issues raised in this matter, or of the resolution  
7 reached herein. Accordingly, Respondent Cardinal, by the signature of its representatives below,  
8 withdraws its appeal to the Office of Administrative Hearings.

9 **C. Cease and Desist.** It is AGREED that Respondent Cardinal shall cease and desist from  
10 engaging in any activity in a manner that violates the Act, including relating to employment practices.

11 **D. Fine.** It is AGREED that Respondent Cardinal shall pay a fine to the Department in the  
12 amount of \$20,000, in the form of a cashier's check made payable to the "Washington State  
13 Treasurer," upon entry of this Consent Order.

14 **E. Financial Literacy Payment.** Pursuant to RCW 31.04.093(7), the Director may accept  
15 payments to the Department for purposes of financial literacy and education programs authorized  
16 under RCW 43.320.150. Accordingly, in further compromise and in consideration of the additional  
17 terms set forth herein, it is AGREED that upon entry of this Consent Order Respondent Cardinal shall  
18 pay \$20,000 to the Department for purposes of financial literacy and education programs (the  
19 "Financial Literacy Payment"). It is FURTHER AGREED that Respondent Cardinal shall not  
20 advertise the Financial Literacy Payment.

21 **F. Investigation Fee.** It is AGREED that Respondent Cardinal shall pay to the Department  
22 an investigation fee of \$2,800, in the form of a cashier's check made payable to the "Washington  
23 State Treasurer," upon entry of this Consent Order. The Fine, Financial Literacy Payment, and

1 Investigation Fee shall be paid together in one \$42,800 cashier's check made payable to the  
2 "Washington State Treasurer."

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

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

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

12 **J. Counterparts.** This Consent Order may be executed by Respondent Cardinal and its  
13 representatives in any number of counterparts, including by facsimile or e-mail of a .pdf or similar  
14 file, each of which shall be deemed to be an original, but all of which, taken together, shall constitute  
15 one and the same Consent Order.

16 **RESPONDENT:**

17 Cardinal Financial Company, Limited Partnership, by:

18 /s/  
19 \_\_\_\_\_  
German Florez  
President

3-23-2020  
\_\_\_\_\_ Date

20 Approved for Entry:

21  
22 /s/  
23 \_\_\_\_\_  
Haydn J. Richards, Jr., Attorney at Law  
Bradley Arant Boulton Cummings, LLP  
Attorney for Respondent Cardinal

3-23-2020  
\_\_\_\_\_ Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 1st DAY OF April, 2020.

/s/  
Lucinda Fazio, Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

/s/  
DREW STILLMAN  
Financial Legal Examiner

Approved by:

/s/  
STEVEN C. SHERMAN  
Enforcement Chief

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

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

7 **CARDINAL FINANCIAL COMPANY,**  
8 **LIMITED PARTNERSHIP, NMLS No. 66247;**  
9 **and KEVIN MICHAEL KILLEEN, NMLS No.**  
10 **1736051,**

11 Respondents.

No. C-19-2686-20-SC01

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

19 **INTRODUCTION**

20 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial  
21 Institutions of the State of Washington (Director) is responsible for the administration of chapter  
22 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to  
23 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the  
24 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this  
proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

**A. Cardinal Financial Company, Limited Partnership (Respondent Cardinal)** 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 April 25, 2013, and continues to be  
licensed to date.

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

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.

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

3 **2.1 Responsibility for Conduct of Employees.** Pursuant to RCW 31.04.027<sup>1</sup>, 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  
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23 <sup>1</sup> 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.

3 **4.8** Respondents Cardinal Financial Company, Limited Partnership and Kevin Michael  
4 Killeen maintain records in compliance with the Act and provide the Department with  
5 the location of the books, records and other information relating to Respondents'  
6 consumer loan business, and the name, address and telephone number of the  
7 individual responsible for maintenance of such records in compliance with the Act.

6 **4.9** Respondents Cardinal Financial Company, Limited Partnership and Kevin Michael  
7 Killeen pay the Department's costs and expenses for prosecuting violations of the Act  
8 in an amount to be determined at hearing or by declaration with supporting  
9 documentation in event of default by a Respondent.

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1 **V. AUTHORITY AND PROCEDURE**

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

9 Dated this 13th day of January, 2020.

10  
11 /s/  
12 LUCINDA FAZIO  
13 Director  
14 Division of Consumer Services  
15 Department of Financial Institutions

16 Presented by:

17 /s/  
18 DREW STILLMAN  
19 Financial Legal Examiner

20 Approved by:

21 /s/  
22 STEVEN C. SHERMAN  
23 Enforcement Chief