

## ORDER SUMMARY – Case Number: C-19-2715

**Name(s):** Edward McFerran  
Apartment Associates of Pierce County LLC

**Order Number:** C-19-2715-19-CO01

**Effective Date:** 2/5/2020

**License Number:** U/L Entity 1967426, Individual 1967423  
**Or NMLS Identifier [U/L]**

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

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

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

**Prohibition/Ban Until:** Permanent ban

<b>Investigation Costs</b>	\$ 1,520	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/31/2020
<b>Fine</b>	\$ 10,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/31/2020
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$1,250	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/31/2020
<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:**  
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1 **1.4** Respondent McFerran offered or negotiated the loan terms for the two residential mortgage  
2 loans identified in Paragraph 1.3.

3 **1.5** For the two loans identified in Paragraph 1.3, Respondents charged interest on both of those  
4 loans in excess of the Washington usury rate limit of 12 percent.

5 **1.6** For the two loans identified in Paragraph 1.3, Respondents reconveyed the borrower's title to  
6 the primary residence approximately 11 months after the date of payoff of the last loan that secured  
7 the lien on the title.

### 8 **CONCLUSIONS OF LAW**

9 **2.1** Based on the above Findings of Fact, Respondent AAPC violated RCW 31.04.035 by  
10 engaging in the business of a consumer loan company in the state of Washington without first  
11 obtaining and maintaining a license in accordance with the Act or meeting an exemption from the Act  
12 or obtaining a waiver under RCW 31.04.025.

13 **2.2** Based on the above Findings of Fact, Respondent McFerran violated RCW 31.04.221 by  
14 engaging in the business of a mortgage loan originator in the state of Washington without first  
15 obtaining and maintaining a license in accordance with the Act or meeting an exemption from the Act  
16 under RCW 31.04.224.

17 **2.3** Based on the above Findings of Fact, Respondents violated RCW 31.04.027(1)(b)<sup>1</sup> by  
18 engaging in unfair acts or practices when Respondents charged a Washington borrower interest on a  
19 loan in excess of the statutory usury rate limit, on two counts, and when Respondents failed to timely  
20 reconvey title to a primary residence once the debt obligation by the borrower had been satisfied.

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22  
23 <sup>1</sup> The Consumer Loan Act was amended in 2018, which altered the numbering of this section of the Act. The applicable  
sub-section number for conduct occurring prior to June 7, 2018 was RCW 31.04.027(2).

1 **AGREEMENT AND ORDER**

2 The Department and Respondents have agreed upon a basis for resolution of the Findings of  
3 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 31.04.093(7) and  
4 RCW 34.05.060, Respondents and the Department agree to entry of this Consent Order and further  
5 agree that the matters alleged herein may be economically and efficiently settled by the entry of this  
6 Consent Order. Respondents hereby admit the Findings of Fact and Conclusions of Law identified in  
7 this Consent Order.

8 Based upon the foregoing:

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

11 **B. Waiver of Hearing.** It is AGREED that Respondents hereby waive any rights to a hearing and  
12 any and all administrative and judicial review of the issues raised in this matter or the resolution reached  
13 herein.

14 **C. Consumer Loan Activity.** It is AGREED that Respondents have given assurances to the  
15 Department that Respondents have not engaged in consumer loan activity, including but not limited  
16 to making or originating residential mortgage loans for Washington borrowers or for property located  
17 in Washington aside from the two residential mortgage loans identified in Paragraph 1.3.

18 **D. Refunds of Interest.** It is AGREED that Respondents have refunded all amounts of interest  
19 charged in excess of usury limits for the two residential mortgage loans identified in Paragraph 1.3.

20 **E. Prohibition.** It is AGREED that Respondents are permanently prohibited from engaging in  
21 the business of any consumer loan company or mortgage loan originator licensed by the Department.  
22 Such prohibition is limited to activities involving either a Washington borrower or property located in  
23 Washington.

1 **F. Refunds to Borrowers.** It is AGREED that Respondents shall pay a refund of \$1,250 to the  
2 Washington borrower for fees charged in connection with the two residential mortgage loans  
3 identified in Paragraph 1.3. Respondents shall provide to the Department proof of this payment upon  
4 entry of this Consent Order.

5 **G. Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$10,000.

6 **H. Investigation Fee.** It is AGREED that Respondents shall pay an investigation fee to the  
7 Department of \$1,520. The Fine and Investigation Fee shall be paid together in the form of one  
8 \$11,520 cashier's check made payable to the "Washington State Treasurer" upon entry of this  
9 Consent Order.

10 **I. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the  
11 consent of any person or entity not a party to this Consent Order to take any action concerning their  
12 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent  
13 Order, this Consent Order does not limit or create any private rights or remedies against Respondents,  
14 limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

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

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

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

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1 **M. Authority to Execute Order.** It is AGREED that the undersigned authorized representative  
2 has represented and warranted that they have the full power and right to execute this Consent Order  
3 on behalf of Respondents.

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1 **RESPONDENTS:**

Apartment Associates of Pierce County, LLC

2 By:

3 /s/\_\_\_\_\_

Edward McFerran

4 Owner

1-24-2020\_\_\_\_\_

Date

5 /s/\_\_\_\_\_

Edward McFerran

6 Individually

1-24-2020\_\_\_\_\_

Date

7 **DO NOT WRITE BELOW THIS LINE**

8 THIS ORDER ENTERED THIS 5th DAY OF February, 2020.

9  
10 /s/\_\_\_\_\_

Lucinda Fazio, Director

11 Division of Consumer Services

12 Department of Financial Institutions

13 Presented by:

14  
15 /s/\_\_\_\_\_

BRETT CARNAHAN

16 Financial Legal Examiner

17 Approved by:

18  
19 /s/\_\_\_\_\_

STEVEN C. SHERMAN

20 Enforcement Chief