

**ORDER SUMMARY – Case Number: C-19-2719**

**Name(s):** Jonathan Scott Marloe

\_\_\_\_\_

**Order Number:** C-19-2719-19-CO01

**Effective Date:** 10/14/2019

**License Number:** 1097713  
**Or NMLS Identifier [U/L]**

**License Effect:** License withdrawn

**Not Apply Until:** 10/14/2026

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

**Prohibition/Ban Until:** 10/14/2026

<b>Investigation Costs</b>	\$ 821.22		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 10/11/19
<b>Fine</b>	\$ \$10,000	Due Stayed 7 years	Paid <input type="checkbox"/> Y <input checked="" 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:** \_\_\_\_\_

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

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

8           **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the  
9 Statement of Charges and agree that Respondent does not admit nor deny any wrongdoing by its  
10 entry.

11           **D. Agreement to Cease and Desist.** It is AGREED that Respondent shall Cease and Desist  
12 from any and all violations of the Act.

13           **E. Mortgage Loan Originator License Application Withdrawal.** It is AGREED that  
14 Respondent's Mortgage Loan Originator License Application is withdrawn.

15           **F. Prohibition from Industry.** It is AGREED that, for a period of seven (7) years from the  
16 date of entry of this Consent Order, Respondent is prohibited from participating, in any capacity, in  
17 the conduct of the affairs of any mortgage broker or consumer loan company licensed by the  
18 Department or subject to licensure or regulation by the Department.

19           **G. Application for License.** It is AGREED that, for a period of seven (7) years from the  
20 date of entry of this Consent Order, Respondent shall not apply to the Department for any license  
21 under any name. It is further AGREED that, should Respondent apply to the Department for any  
22 license under any name at any time later than seven (7) years from the date of entry of this Consent  
23

1 Order, Respondent shall be required to meet any and all application requirements in effect at that  
2 time.

3 **H. Fine and Stayed Fine.** It is AGREED and ORDERED that Respondent shall pay a fine  
4 to the Department in the amount of \$10,000.00. It is further AGREED that \$10,000.00 of the fine  
5 shall be stayed (Stayed Fine) during the prohibition period as stated in Paragraph F. It is further  
6 AGREED that the stay may be lifted and the Stayed Fine imposed in accordance with the terms stated  
7 in Paragraph I.

8 **I. Lifting of Stay and Imposing Stayed Fine.** It is AGREED that:

- 9 1. If the Department determines that Respondent has not complied with the  
10 terms of this Consent Order to a degree sufficient to warrant imposition  
11 of the Stayed Fine, and the Department accordingly seeks to lift the stay  
12 and impose the Stayed Fine set forth in Paragraph H above, the  
13 Department will first notify Respondent in writing of its determination.
- 14 2. The Department's notification will include:
- 15 a) A description of the alleged noncompliance;
  - 16 b) A statement that because of the noncompliance, the Department  
17 seeks to lift the stay and impose the Stayed Fine;
  - 18 c) The opportunity for Respondent to contest the Department's  
19 determination of noncompliance in an administrative hearing  
20 before an Administrative Law Judge (ALJ) of the Office of  
21 Administrative Hearings (OAH); and
  - 22 d) A copy of this Consent Order. The notification and hearing  
23 process provided in this Consent Order applies only to this  
24 Consent Order. It is solely provided in the event Respondent  
chooses to contest the Department's determination of  
noncompliance.
3. Respondent 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.

- 1           4.     Respondent, in addition to their request for hearing, may provide a  
2                     written response to include any information pertaining to the alleged  
                          noncompliance.
- 3           5.     The scope and issues of the hearing are limited solely to whether or not  
4                     Respondent is in violation of the terms of this Consent Order to a degree  
                          sufficient to warrant imposition of the Stayed Fine.
- 5           6.     At the conclusion of the hearing, the ALJ will issue an initial decision.  
6                     Either party may file a Petition for Review with the Director of the  
                          Department.
- 7           7.     If Respondent does not request the hearing within the stated time, the  
8                     Department will impose the Stayed Fine and pursue whatever action it  
                          deems necessary to enforce the Stayed Fine.

9           **J. Investigation Fee.** It is AGREED and ORDERED that Respondent shall pay to the  
10                    Department an investigation fee of \$821.22, in the form of a cashier’s check made payable to the  
11                    “Washington State Treasurer,” upon entry of this Consent Order.

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

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

21           **M. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this  
22                    Consent Order, which is effective when signed by the Director’s designee.





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

4 IN THE MATTER OF INVESTIGATING the  
5 Loan Originator License Application under the  
6 Consumer Loan Act of Washington by:

7 JONATHAN SCOTT MARLOE,  
8 NMLS # 1097713,

9 Respondent.

No.: C-19-2719-19-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO DENY LICENSE  
APPLICATION, PROHIBIT FROM  
INDUSTRY, IMPOSE FINE, COLLECT  
INVESTIGATION FEE, and RECOVER  
PROSECUTION COSTS AND EXPENSES

10 **INTRODUCTION**

11 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial  
12 Institutions of the State of Washington (Director) is responsible for the administration of chapter  
13 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to  
14 RCW 31.04.145 and RCW 31.04.247, and based on the facts available as of the date of this Statement  
15 of Charges, the Director, through his designee, Division of Consumer Services Acting Director  
16 Richard St. Onge, institutes this proceeding and finds as follows:

17 **I. FACTUAL ALLEGATIONS**

18 **1.1 Jonathan Scott Marloe (Respondent)** was licensed by the Department of Financial  
19 Institutions of the State of Washington (Department) to conduct business as a mortgage loan  
20 originator from October 10, 2013, until Respondent's license expired on or about March 1, 2018.

21 On or about May 9, 2019, Respondent submitted an application to the Department for a  
22 mortgage loan originator license under Everett Financial, Inc., a consumer loan company licensed  
23 under the Act. The license application was received by the Department, through the Nationwide  
24 Mortgage Licensing System and Registry (NMLS), on or about May 9, 2019.

**1.2 Prior Criminal Conviction.** On or about July 14, 2016, a Maricopa County, AZ Grand Jury  
indicted Respondent on one count of felony [REDACTED] and two counts of felony [REDACTED]

1 [REDACTED]. On or about March 21, 2017, Respondent pled guilty to two counts of felony [REDACTED].  
2 Following a period of probation, Respondent's felony [REDACTED] convictions were converted to  
3 misdemeanor [REDACTED] convictions on or about November 27, 2018.

4 **1.3 Inaccurate Responses to Disclosure Questions and Misleading Event Explanations.** The  
5 Criminal Disclosure section of the Uniform Individual Mortgage License/Registration & Consent  
6 form (Form MU4) consists of a series of questions. Applicants and licensees are required to  
7 "[p]rovide complete details of all events or proceedings for any "Yes" answer to any of the disclosure  
8 questions" on the Form MU4.

9 **A. Pending Felony.** Respondent answered "No" to the following disclosure question on  
10 Respondent's Form MU4 filing dated February 8, 2017:

- 11 • (F)(2) Are there pending charges against you for any felony?

12 Respondent swore the Form MU4 filing was complete and accurate under penalty of perjury.

13 However, Respondent had three pending felony charges at the time Respondent made and swore to  
14 the accuracy of the Form MU4 filing. From Respondent's arraignment on October 14, 2016, to  
15 Respondent's conviction on March 21, 2017, Respondent never updated Respondent's disclosure  
16 questions to disclose the pending felonies.

17 **B. Felony Conviction.** Respondent answered "Yes" to the following disclosure question on  
18 Respondent's Form MU4 filing dated September 23, 2013:

- 19 • (F)(1) Have you ever been convicted of or plead guilty or nolo contendere ("no contest")  
20 in a domestic, foreign, or military court to any felony?

21 Respondent's supporting documents showed this answer to be felony convictions from October 2008.

22 As indicated above, Respondent was convicted of two new felonies on March 21, 2017; but

23 Respondent did not update his explanation for question (F)(1) to disclose the new felony convictions.

1 Thereafter, Respondent made Form MU4 filings on April 7, 2017, May 15, 2017, and March 6, 2018.  
2 Respondent swore the Form MU4 filings were complete and accurate under penalty of perjury.

3 **C. Misdemeanor [REDACTED] Convictions.** Beginning with Respondent's initial MU4 filing in 2013,  
4 Respondent had answered "No" to the following disclosure question:

- 5 • (H)(1) Have you ever been convicted of or plead guilty or nolo contendere ("no contest")  
6 in a domestic, foreign, or military court to committing or conspiring to commit a  
7 misdemeanor involving (i) financial services or a financial services-related business, (ii)  
8 fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v)  
9 bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion?

10 As indicated above, Respondent's March 21, 2017, felony [REDACTED] convictions were converted to  
11 misdemeanor [REDACTED] convictions on November 27, 2018. Thereafter, Respondent made Form MU4  
12 filings on March 27, 2019, March 28, 2019, March 28, 2019 (separate filing), April 2, 2019, April 4,  
13 2019, April 5, 2019, May 2, 2019, May 9, 2019, May 10, 2019, and May 10, 2019 (separate filing),  
14 but failed to update the answer to question (H)(1). Respondent swore the Form MU4 filings were  
15 complete and accurate under penalty of perjury.

16 **D. Misleading Event Explanations.** In Respondent's March 28, 2019, Form MU4 filing,  
17 Respondent amended an existing event explanation for Respondent's October 15, 2008, felony  
18 conviction. Respondent stated the purpose of the amendment was for "adding LOE to existing  
19 doc's". In the supporting document uploaded by Respondent ("Background records – Marloe.pdf"),  
20 Respondent stated he "took a deal and plead guilty to misdemeanor [REDACTED] in order to avoid being  
21 charged with a felony. The document detailed the circumstances of the [REDACTED] according to  
22 Respondent. All of the court documents provided by Respondent refer to Respondent's October 15,  
23 2008, convictions. Respondent's explanations and supporting documents do not disclose that

1 Respondent was actually charged with three felony counts, or that Respondent plead guilty to two  
2 felony counts before they were converted to misdemeanors.

3 In Respondent's May 10, 2019, Form MU4 filing, Respondent added two new event explanations,  
4 "letter about 2016 Misdemeanor" and "court documents", and uploaded supporting documents. The  
5 first document ("2019-03-11 08-21.pdf") consisted of the same letter of explanation provided on  
6 March 28, 2019, regarding Respondent taking a plea deal to misdemeanor [REDACTED] to avoid being  
7 charged with a felony. The second document ("2019-03-08 13-40.pdf") contained a "Court  
8 Disposition Report Supplemental", which indicated Respondent's convictions were converted to  
9 misdemeanors, and a "Minute Entry", which indicated that Respondent complied with probation.  
10 Respondent's explanations and supporting documents do not disclose that Respondent was actually  
11 charged with three felony counts, or that Respondent plead guilty to two felony counts before they  
12 were converted to misdemeanors.

13 In Respondent's May 13, 2019, Form MU4 filing, Respondent deleted all prior event  
14 explanations and supporting documentation. Respondent provided the same explanation for his  
15 October 15, 2008, convictions, and added a new explanation for Respondent's March 21, 2017,  
16 convictions. Respondent stated, "[a] friend gave me a ring and a watch. I was later accused of  
17 stealing and he took me to court. I took a plea deal so that I wouldn't be charged with a felony."  
18 Respondent also uploaded new supporting documentation. The first document ("Jonathan Marloe –  
19 Court docs1.pdf") consists of court documents related to Respondents October 15, 2008, convictions.  
20 The second document ("Jonathan Marloe – Court docs2.pdf") consists of the same letter of  
21 explanation, "Court Disposition Report Supplemental", and "Minute Entry". Respondent's  
22 explanations and supporting documents do not disclose that Respondent was actually charged with  
23 three felony counts, or that Respondent plead guilty to two felony counts before they were converted  
24 to misdemeanors.

1 **1.4 Failure to Notify Department of Significant Developments.** As discussed in paragraph 1.3  
2 A-C, Respondent failed to disclose Respondent's pending felonies as of October 14, 2016, and  
3 Respondent's felony [REDACTED] convictions as of March 21, 2017.

4 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the  
5 Act by Respondent continues to date.

## 6 **II. GROUNDS FOR ENTRY OF ORDER**

7 **2.1 Requirement of No Prior Criminal Convictions.** Based on the Factual Allegations set forth  
8 in Section I above, Respondent fails to meet the requirements of RCW 31.04.247(1)(d) and WAC  
9 208-620-710(4)(c) by having been convicted of, or having pled guilty or nolo contendere to, a gross  
10 misdemeanor involving dishonesty or a felony in a domestic, foreign, or military court: (i) during the  
11 seven-year period preceding the date of the application for licensing and registration; or (ii) at any  
12 time preceding the date of application, if the felony involved an act of fraud, dishonesty, breach of  
13 trust, or money laundering.

14 **2.2 False Statements and Omissions of Material Facts.** Based on the Factual Allegations set  
15 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(h) and WAC 208-  
16 620-550(6) for negligently making any false statement or willfully making any omission of material  
17 fact in connection with any application or any information filed by Respondent in connection with  
18 any application.

19 **2.3 Requirement to Notify Department of Significant Developments.** Based on the Factual  
20 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1)(b)  
21 and WAC 208-620-490(2)(f) for failing to amend Respondent's NMLS record within ten days of a  
22 change in response to a disclosure question within NMLS.

23 **2.4 Requirement to Demonstrate Financial Responsibility, Character, and General Fitness.**

24 Based on the Factual Allegations set forth in Section I above, Respondent fails to meet the

1 requirements of RCW 31.04.247(1)(e) and WAC 208-620-710(4)(a) by failing to demonstrate  
2 character and general fitness such as to command the confidence of the community and to warrant a  
3 belief that Respondent will conduct business honestly, and fairly within the purposes of the Act.

4 **III. AUTHORITY TO IMPOSE SANCTIONS**

5 **3.1 Authority to Deny Application for Mortgage Loan Originator License.** Pursuant to RCW  
6 31.04.093(2), the Director may deny applications for licenses. Pursuant to RCW 31.04.247(2), the  
7 Director shall not issue a mortgage loan originator license if the director finds the conditions of RCW  
8 31.04.247 have not been met.

9 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 31.04.093(6)(e), the Director may  
10 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,  
11 employee, mortgage loan originator, or any other person subject to the Act for any violation of RCW  
12 31.04.027.

13 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of  
14 up to \$100 per day per violation upon the licensee, its employee, or any person subject to the Act for  
15 any violation of the act.

16 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-  
17 610, every licensee investigated by the Director or the Director's designee shall pay to the Director  
18 the costs of the investigation, calculated at the rate of \$69.01 per staff hour spent on the investigation.

19 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director  
20 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 Respondent’s 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 31.04.205, and RCW 31.04.247. Therefore, it is the Director’s intent to ORDER that:

- 6 **4.1** Respondent Jonathan Scott Marloe’s application for a mortgage loan originator license  
7 be denied.
- 8 **4.2** Respondent Johnathan Scott Marloe be prohibited from participation in the conduct of  
9 the affairs of any mortgage loan originator or consumer loan company subject to  
10 licensure by the Director, in any manner, for a period of seven years.
- 11 **4.3** Respondent Jonathan Scott Marloe pay a fine, which as of the date of this Statement of  
12 Charges totals \$10,000.00.
- 13 **4.4** Respondent Jonathan Scott Marloe pay the Department an investigation fee. As of the  
14 date of this Statement of Charges, the investigation fee totals \$821.22.
- 15 **4.5** Respondent Jonathan Scott Marloe pay the Department’s costs and expenses for  
16 prosecuting violations of the Act in an amount to be determined at hearing or by  
17 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 Deny License  
3 Application, Prohibit from Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and  
4 Expenses (Statement of Charges) is issued 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. Respondent may make a written request for a hearing as  
7 set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO  
8 DEFEND accompanying this Statement of Charges.

9  
10 Dated this 26th day of August, 2019.

11  
12 /s/  
13 RICHARD ST. ONGE  
14 Acting Director  
15 Division of Consumer Services  
16 Department of Financial Institutions

17 Presented by:  
18 /s/  
19 BARBARA J. PENTTILA  
20 Financial Legal Examiner

21 Presented by:  
22 /s/  
23 AMANDA B. STARNES  
24 Financial Legal Examiner

25 Approved by:  
26 /s/  
27 STEVEN C. SHERMAN  
28 Enforcement Chief