

ORDER SUMMARY – Case Number: C-20-2835

Name(s): Peter Cha

Order Number: C-20-2835-20-CO01

Effective Date: April 24, 2020

License Number: NMLS # 1718831
Or NMLS Identifier [U/L]

License Effect: Denial

Not Apply Until: _____

Not Eligible Until: _____

Prohibition/Ban Until: April 24, 2025

Investigation Costs	\$		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$	Due	Paid <input type="checkbox"/> Y <input 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: _____

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

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

No.: C-20-2835-20-CO01

CONSENT ORDER

PETER CHA,
NMLS # 1718831,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Services Director, and Peter Cha (Respondent), 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 upon the following:

AGREEMENT AND ORDER

The Department of Financial Institutions' Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-20-2835-20-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 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. The parties intend this Consent Order to fully resolve the Statement of Charges.

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

9 C. **Mortgage Loan Originator License Application Denial.** It is AGREED that
10 Respondent's Mortgage Loan Originator License Application is denied.

11 D. **Prohibition from Industry.** It is AGREED that, for a period of five years from the date
12 of entry of this Consent Order, Respondent is prohibited from participating, in any capacity, in the
13 conduct of the affairs of any mortgage broker or consumer loan company licensed by the Department
14 or subject to licensure or regulation by the Department.

15 E. **Non-Compliance with Order.** It is AGREED that Respondent understands 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, Respondent may be responsible to reimburse the Director
18 for the cost incurred in pursuing such action, including, but not limited to, attorney fees.

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

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

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1 **RESPONDENT:**

2 Peter Cha

3 By:

4 /s/
Peter Cha
Individually

4-23-20
Date

6 **DO NOT WRITE BELOW THIS LINE**

7 THIS ORDER ENTERED THIS 24th DAY OF APRIL, 2020.

9 /s/
LUCINDA FAZIO, Director
10 Division of Consumer Services
11 Department of Financial Institutions

12 Presented by:

13 /s/
14 AMANDA B. STARNES
Financial Legal Examiner

15 Approved by:

16 /s/
17 STEVEN C. SHERMAN
18 Enforcement Chief

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

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

PETER CHA,
NMLS # 1718831,

Respondent.

No.: C-20-2835-20-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO DENY LICENSE
APPLICATION, PROHIBIT FROM
INDUSTRY, 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 31.04.247, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Peter Cha (Respondent) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a mortgage loan originator license under Constant Investments, Inc., a consumer loan company licensed under the Act. The Department received the license application through the Nationwide Mortgage Licensing System and Registry, on or about October 15, 2019.

1.2 Prior Criminal Convictions. On or about September 9, 1999, Respondent entered a guilty plea to [REDACTED], a felony, and a nolo contendere plea to Second Degree [REDACTED], a felony crime of dishonesty, in the Los Angeles County Superior Court. On or about April

1 20, 2000, Respondent entered a guilty plea to [REDACTED], a
2 felony, in the Los Angeles County Superior Court.

3 **1.3 Inaccurate and Misleading Event Explanations.** The Criminal Disclosure section of the
4 Uniform Individual Mortgage License/Registration & Consent form (Form MU4) consists of a series
5 of questions. Applicants and licensees are required to “[p]rovide complete details of all events or
6 proceedings for any “Yes” answer to any of the disclosure questions” on the Form MU4. Respondent
7 answered “Yes” to the following disclosure question:

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

10 Respondent’s event explanation addressed Respondent’s convictions for [REDACTED]
11 [REDACTED], and [REDACTED], as well as other charges dismissed as
12 the result of plea negotiations. However, Respondent’s event explanation omits any reference to
13 Respondent’s Second Degree [REDACTED] conviction.

14 In addition, in Respondent’s first event explanation, Respondent stated Respondent had no
15 further run-ins with the law after Respondent’s 1999 convictions. However, in Respondent’s later
16 explanation, Respondent disclosed an additional felony conviction.

17 **1.4 On-Going Investigation.** The Department’s investigation into the alleged violations of the
18 Act by Respondent continues to date.

19 II. GROUNDS FOR ENTRY OF ORDER

20 **2.1 Requirement of No Prior Criminal Convictions.** Based upon the Factual Allegations set
21 forth in Section I above, Respondent fails to meet the requirements of RCW 31.04.247(1)(d) and
22 WAC 208-620-710(4)(c) by having been convicted of, or having pled guilty or nolo contendere to, a
23 felony in a domestic, foreign, or military court: (i) during the seven-year period preceding the date of
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1 the application for licensing and registration; or (ii) at any time preceding the date of application, if
2 the felony involved an act of fraud, dishonesty, breach of trust, or money laundering.

3 **2.2 Requirement of No Violation of Chapter or Rules.** Based upon the Factual Allegations set
4 forth in Section I above, Respondent fails to meet the requirements of RCW 31.04.247(1)(i) by
5 having apparently negligently made any false statement or willfully made any omission of material
6 fact in connection with any application or any information filed by Respondent in connection with
7 any application, a violation of RCW 31.04.027(1)(h) and WAC 208-620-550(6).

8 **III. AUTHORITY TO IMPOSE SANCTIONS**

9 **3.1 Authority to Deny Application for Mortgage Loan Originator License.** Pursuant to RCW
10 31.04.093(2), the Director may deny applications for licenses. Pursuant to RCW 31.04.247(2), the
11 Director shall not issue a mortgage loan originator license if the director finds the conditions of RCW
12 31.04.247 have not been met.

13 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 31.04.093(6)(e), the Director may
14 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
15 employee, mortgage loan originator, or any other person subject to the Act for any violation of RCW
16 31.04.027.

17 **3.3 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
18 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 Peter Cha’s application for a mortgage loan originator license be denied.
- 7 4.2 Respondent Peter Cha be prohibited from participation in the affairs of any mortgage
8 broker or consumer loan company subject to licensure or regulation by the
Department, in any manner, for a period of seven years.
- 9 4.3 Respondent Peter Cha pay the Department’s costs and expenses for prosecuting
10 violations of the Act in an amount to be determined at hearing or by 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 and Recover Costs and Expenses (Statement of Charges) is issued pursuant to the
4 provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject
5 to the provisions of chapter 34.05 RCW, the Administrative Procedure Act. Respondent may make a
6 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY FOR
7 ADJUDICATIVE HEARING AND TO DEFEND accompanying this Statement of Charges.
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9 Dated this 13th day of January, 2020.
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11 /s/
12 Lucinda Fazio, Director
13 Division of Consumer Services
Department of Financial Institutions

14 Presented by:

15 /s/
16 AMANDA B. STARNES
17 Financial Legal Examiner

18 Approved by:

19 /s/
20 STEVEN C. SHERMAN
21 Enforcement Chief
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