

Terms Completed

ORDER SUMMARY – Case Number: C-20-2874

Name(s): HBC Seattle, LLC; Kenneth Hathaway; and Jennifer Hathaway

Order Number: C-20-2874-20-CO01

Effective Date: 10/26/2020

NMLS Identifier: HBC: 2067592, KH: 2067597, JH: 2067598

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	N/A		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	N/A		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Financial Literacy and Education	\$N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments: _____

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:

No.: C-20-2874-20-CO01

CONSENT ORDER

5 HBC SEATTLE, LLC,
6 KENNETH HATHAWAY,
Member,
and
7 JENNIFER HATHAWAY,
Member,

8 Respondents.

9
10 COMES NOW the Director of the Department of Financial Institutions (Director), through
11 his designee Lucinda Fazio, Director, Division of Consumer Services, and HBC Seattle, LLC,
12 Kenneth Hathaway, and Jennifer Hathaway (Respondents), and finding that the issues raised in the
13 above-captioned matter may be economically and efficiently settled, agree to the entry of this
14 Consent Order. This Consent Order is entered pursuant to Revised Code of Washington (RCW)
15 31.04, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative Procedure Act,
16 based on the following:

17 **FINDINGS OF FACT**

18 **1.1 Respondents.**

19 **A.** Respondent HBC Seattle, LLC, has never obtained a consumer loan license in
20 accordance with the Act from the Department.

21 **B.** Respondent Kenneth Hathaway and Respondent Jennifer Hathaway are the sole
22 members of Respondent HBC Seattle, LLC.

1 **1.2** From February 1, 2019, to May 1, 2019, Respondent HBC Seattle made two residential
2 mortgage loans to one borrower secured by real property located in the state of Washington.

3 **CONCLUSIONS OF LAW**

4 **2.1** Based on the above Findings of Fact, Respondents violated RCW 31.04.035 by engaging in
5 the business of a consumer loan company in the state of Washington without first obtaining and
6 maintaining a license in accordance with the Act or meeting an exclusion from the Act under RCW
7 31.04.025.

8 **AGREEMENT AND ORDER**

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

15 Based upon the foregoing:

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

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

21 **C. Consumer Loan License Required.** It is AGREED that Respondents understand that in
22 order to make loans to Washington State residents, Respondents must obtain a consumer loan license
23 in accordance with the Act or qualify for an exemption from licensing as delineated in the Act. It is

1 further AGREED that Respondents will cease and desist making residential mortgage loans to
2 Washington residents until such time as Respondents obtain a license in accordance with the Act or
3 qualify for an exemption from licensing as delineated in the Act.

4 **D. Origination Fees.** It is AGREED that Respondents shall not collect any non-third party fees
5 charged in connection with the origination of the residential mortgage loans described in paragraph
6 1.2, excluding interest charges. It is FURTHER AGREED that Respondents will reduce the
7 residential mortgage loans described in paragraph 1.2 to the actual principal amount loaned and will
8 not collect any fees, excluding interest charges.

9 **E. Loan Interest.** It is AGREED that Respondents shall not charge interest on the residential
10 mortgage loans described in paragraph 1.2 in excess of the interest permitted under Washington State
11 usury law pursuant to RCW 19.52.

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

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

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

20 **I. Authority to Execute Order.** It is AGREED that the undersigned authorized representatives
21 have represented and warranted that they have the full power and right to execute this Consent Order
22 on behalf of Respondent HBC Seattle, LLC.

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

1 **RESPONDENTS:**

2 HBC Seattle, LLC

3 By:

4 /s/
KENNETH HATHAWAY, Member

10-21-2020
Date

6 /s/
KENNETH HATHAWAY, Individually

10-21-2020
Date

8 /s/
JENNIFER HATHAWAY, Individually

10-21-2020
Date

9 **DO NOT WRITE BELOW THIS LINE**

10 THIS ORDER ENTERED THIS 26th DAY OF October, 2020.

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

15 Presented by:

16 /s/
17 KENDALL H. FREED
Financial Legal Examiner

18 Approved by:

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