

**ORDER SUMMARY – Case Number: C-20-2878**

**Name(s):** Prime One Mortgage Corp  
Joshua Michael Louik

**Order Number:** C-20-2878-20-CO01

**Effective Date:** 9/25/2020

**License Number:** Entity: 61522, Louik:102025  
**Or NMLS Identifier [U/L]**

**License Effect:** Suspensions for 180 days, stayed for two years

**Not Apply Until:**

**Not Eligible Until:**

**Prohibition/Ban Until:**

<b>Investigation Costs</b>	\$ 700		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/10/2020
<b>Fine</b>	\$ 15,000 (\$10,000 stayed 2 years)	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/10/2020
<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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**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  
Mortgage Broker Practices Act of Washington by:

No.: C-20-2878-20-CO01

CONSENT ORDER

PRIME ONE MORTGAGE CORP.,  
NMLS # 61522, and  
JOSHUA M. LOUIK, Owner and Designated  
Broker, NMLS # 102025,

Respondents.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Services Director, Prime One Mortgage Corp. (Respondent Prime One), and Joshua M. Louik, Owner and Designated Broker of Respondent Prime One (Respondent Louik), 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 19.146 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 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-20-2878-20-SC01 (Statement of Charges), entered April 16, 2020 (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree 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.

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 Respondents have been informed of the right to a  
5 hearing before an administrative law judge, and hereby waive their 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, Respondents, by their signatures below, withdraw their appeal to the Office of  
8 Administrative Hearings.

9 **C. Technical Assistance Examination.** It is AGREED that Respondent Prime One failed to  
10 submit accurate and complete reports to the Department as alleged in the Statement of Charges in  
11 violation of RCW 19.146.0201(8) and RCW 19.146.390. It is further AGREED that the Department  
12 may conduct a technical assistance examination of Respondent Prime One's business practices,  
13 focused on the submission of reports to the Department, and at Respondent Prime One's expense,  
14 between January 1, 2021, and March 31, 2021. This technical assistance examination is not intended  
15 to have an effect on the stayed sanctions referenced below and will not be used to lift the stays  
16 imposed pursuant to Paragraph F.

17 **D. Mortgage Broker and Mortgage Loan Originator License Suspensions (Stayed).** It is  
18 AGREED that Respondent Prime One's mortgage broker license and Respondent Louik's loan  
19 originator license are suspended for a period of 180 days. It is further AGREED that the license  
20 suspensions shall be stayed for two years from the date of this Consent Order unless the stays are  
21 lifted pursuant to Paragraph F of this Consent Order. The stayed suspensions shall expire without  
22 further action or notice by the Department if the Department does not seek to lift the stays and  
23 impose the license suspensions pursuant to Paragraph F.

1           **E. Fine (Partially Stayed).** It is AGREED that Respondents shall pay a fine to the  
2 Department in the amount of \$15,000. It is further AGREED that \$10,000 of the fine amount shall be  
3 stayed for two years from the date of this Consent Order unless the stay is lifted pursuant to  
4 Paragraph F of this Consent Order. The stayed fine shall expire without further action or notice by  
5 the Department if the Department does not seek to lift the stay and impose the stayed fine pursuant to  
6 Paragraph F.

7           **F. Lifting of Stays and Imposition of License Suspensions and Stayed Fine.** It is  
8 AGREED that:

- 9           1. The Department may conduct a compliance examination of Respondent Prime One's  
10           business practices within the two year period immediately following entry of this  
11           Consent Order, but not before the Technical Assistance Examination referenced in  
12           paragraph C. Respondent Prime One shall reimburse the Department for the cost of  
13           the compliance examination.
- 14           2. If, during the two year period of the stays, the Department determines that  
15           Respondents have violated RCW 19.14.0201(8) or RCW 19.146.390, or have not  
16           complied with this Consent Order, and the Department seeks to lift the stays and  
17           impose the license suspensions and stayed fine, the Department will first serve  
18           Respondents with a written notice of alleged noncompliance.
- 19           3. The notice will include:
  - 20           i. A description of the alleged noncompliance;
  - 21           ii. A statement that the Department seeks to lift the stays and impose the license  
22           suspensions and stayed fine;

- 1                   iii. Notice that Respondents can contest the notice of alleged noncompliance by  
2                   either requesting an adjudicative hearing before an administrative law judge  
3                   (ALJ) from the Office of Administrative Hearings or by submitting a written  
4                   response to the Department contesting the alleged noncompliance; and  
5                   iv. Notice that the process for lifting the stays applies only to this Consent Order.

- 6                   **4.** Respondents have 20 days from the date of service of the notice of alleged  
7                   noncompliance to submit a written request to the Department for an adjudicative  
8                   hearing.  
9                   **5.** The scope and issues of the adjudicative hearing are limited solely to whether or not  
10                  Respondents are in violation of the terms of this Consent Order.  
11                  **6.** At the conclusion of the adjudicative hearing, the ALJ will issue an initial decision.  
12                  Any party may file a Petition for Review of that initial decision with the Director of  
13                  the Department.  
14                  **7. DEFAULT.** If Respondents do not timely request an adjudicative hearing or submit a  
15                  written response contesting the notice of alleged noncompliance, the Department may  
16                  lift the stays and impose the license suspensions and stayed fine without further notice.

17                  **G. Investigation Fee.** It is AGREED that Respondents shall pay an investigation fee to the  
18 Department in the amount of \$700. The non-stayed portion of the fine and the investigation fee shall  
19 be paid together in the form of one cashier's check for \$5,700, made payable to the "Washington  
20 State Treasurer" upon entry of this Consent Order.

21                  **H. Records Retention.** It is AGREED that Respondent Prime One, its officers, employees,  
22 and agents shall maintain records in compliance with the Act and provide the Director with the  
23 location of the books, records and other information relating to Respondent Prime One's mortgage

1 broker business, and the name, address and telephone number of the individual responsible for  
2 maintenance of such records in compliance with the Act.

3 **I. Authority to Execute Order.** It is AGREED that the undersigned have represented and  
4 warranted that they have the full power and right to execute this Consent Order on behalf of the  
5 parties represented.

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

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

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

14 **RESPONDENTS:**

15 PRIME ONE MORTGAGE CORP.

16 By:

17 /s/

18 JOSHUA M. LOUIK  
Owner and Designated Broker

9/3/2020

Date

19 /s/

20 JOSHUA M. LOUIK  
Individually

9/3/2020

Date

21 Approved for Entry:

22 /s/

23 Jessica M. Creager, WSBA No. 42183  
Seattle Litigation Group, PLLC

9/3/2020

Date







1           **B. Joshua M. Louik (Respondent Louik)** is an owner and the designated broker of  
2 Respondent Prime One. Respondent Louik was licensed by the Department to conduct business as a  
3 loan originator in or around January 2007, and continues to be licensed to date.

4           **1.2 Examinations.** From February 3, 2020, to February 7, 2020, the Department conducted an  
5 examination of Respondent Prime One’s mortgage broker business practices for the period of August  
6 1, 2017, through January 31, 2020, and issued a report of examination on or about March 18, 2020.  
7 The Department observed several violations of the Act and related rules as described below. The  
8 Department previously examined Respondent Prime One’s mortgage broker business practices and  
9 issued a report of examination on or about January 31, 2016. The 2020 report of examination cited  
10 several violations previously cited in the 2016 report of examination.

11           **1.3 Failed to Timely Submit Financial Condition Reports.** Respondent Prime One was  
12 required to submit a financial condition report to the Department for the year 2017 by March 31,  
13 2018. Respondent Prime One did not submit the report until April 4, 2018. Respondent Prime One  
14 was required to submit a financial condition report to the Department for the year 2018 by March 31,  
15 2019. Respondent Prime One did not submit the report until October 2, 2019. This is a repeat  
16 violation from the 2016 report of examination.

17           **1.4 Failed to Submit Accurate and Complete Residential Mortgage Loan Activity Reports.**  
18 Respondent Prime One submitted inaccurate and incomplete residential mortgage loan activity  
19 reports to the Department for each quarter between the second quarter of 2017 and the third quarter of  
20 2019. This is a repeat violation from the 2016 report of examination.

21           **1.5 Failed to Disclose Required Information in Advertisements.** Respondent Prime One failed  
22 to include its main license number on two websites it used to advertise its services, yelp.com and  
23 zillow.com. This is a repeat violation from the 2016 report of examination.

1 **1.6 Prohibited Acts.** Respondent Louik created a disclosure with false information on behalf of  
2 Respondent Prime One and presented it to the Department in connection with the 2020 examination.  
3 Respondent Louik admitted to the Department that he knowingly created and signed the document  
4 with false information and submitted it to the Department because he did not keep a record of the  
5 original copy of the document.

6 **1.7 Failure to Comply with Federal Laws.** Respondent Prime One failed to provide at least 11  
7 borrowers with accurate privacy policy notices as required by 12 CFR 1016.4. In each case, the  
8 borrower either did not receive a privacy policy notice or received a notice that did not contain the  
9 required information. Respondent Prime One failed to design and implement an anti-money  
10 laundering program as required by 31 CFR 1029.210. Respondent Prime One's anti-money  
11 laundering program contained information and processes that were not applicable to its business  
12 model, had not been updated since 2012, and had not been independently tested.

13 **1.8 On-Going Investigation.** The Department's investigation into the alleged violations of the  
14 Act by Respondents continues to date.

## 15 II. GROUNDS FOR ENTRY OF ORDER

16 **2.1 Responsibility for Conduct of Designated Broker and Loan Originators.** Pursuant to  
17 RCW 19.146.245, a licensed mortgage broker is liable for any conduct violating the Act by the  
18 designated broker, a loan originator, or other licensed mortgage broker while employed or engaged  
19 by the licensed mortgage broker.

20 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed  
21 mortgage broker must at all times have a designated broker responsible for all activities of the  
22 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or  
23 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,

24 employee's, or independent contractor's violations of the Act if: the designated broker, principal, or

1 owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows  
2 the conduct; or the designated broker, principal, or owner who has supervisory authority over the  
3 licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known  
4 of the conduct, at a time when its consequences can be avoided or mitigated and fails to take  
5 reasonable remedial action.

6 **2.3 Requirement to Submit Reports.** Based on the Factual Allegations set forth in Section I  
7 above, Respondents are in apparent violation of RCW 19.146.390 and WAC 208-660-400(1) for  
8 failing to submit reports through the nationwide mortgage licensing system and registry in a form and  
9 containing the information as prescribed by the Director or as deemed necessary by the nationwide  
10 mortgage licensing system and registry.

11 **2.4 Requirement to Include Information in Advertisements.** Based on the Factual Allegations  
12 set forth in Section I above, Respondents are in apparent violation of WAC 208-660-446(1) for  
13 failing to include their main license number in internet advertisements.

14 **2.5 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
15 are in apparent violation of RCW 19.146.0201(2), (8), and (11) for engaging in an unfair or deceptive  
16 practice toward any person, negligently making a false statement or knowingly and willfully making  
17 an omission of material fact in connection with any reports filed by a licensee or in connection with  
18 an investigation conducted by the Department, and failing to comply with federal laws applicable to  
19 the activities governed by the Act.

20 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
21 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
22 location that is on file with and readily available to the Department until at least three years have  
23 elapsed following the effective period to which the books and records relate.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke  
3 licenses for any violation of the Act.

4 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(4), the Director may  
5 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a  
6 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed  
7 mortgage broker or any person subject to licensing under the Act for any violation of the Act.

8 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
9 against a licensee, employees, independent contractors, agents of licensees, or other persons subject  
10 to the Act for any violation of the Act.

11 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-  
12 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour  
13 for an examiner’s time devoted to an investigation.

14 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director  
15 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 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 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 19.146.220, RCW 19.146.221, and  
5 RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

- 6 **4.1** Respondent Prime One Mortgage Corp.'s license to conduct the business of a  
7 mortgage broker be revoked.
- 8 **4.2** Respondent Joshua M. Louik's license to conduct the business of a loan originator be  
9 revoked.
- 10 **4.3** Respondents Prime One Mortgage Corp and Joshua M. Louik be prohibited from  
11 participation in the conduct of the affairs of any mortgage broker subject to licensure  
12 by the Director, in any manner, for a period of five years.
- 13 **4.4** Respondents Prime One Mortgage Corp. and Joshua M. Louik jointly and severally  
14 pay a fine. As of the date of this Statement of Charges, the fine totals \$35,000.
- 15 **4.5** Respondents Prime One Mortgage Corp and Joshua M. Louik jointly and severally  
16 pay an investigation fee. As of the date of this Statement of Charges, the investigation  
17 fee totals \$700.
- 18 **4.6** Respondents Prime One Mortgage Corp and Joshua M. Louik pay the Department's  
19 costs and expenses for prosecuting violations of the Act in an amount to be determined  
20 at hearing or by declaration with supporting documentation in event of default by  
21 Respondents.
- 22 **4.7** Respondent Prime One Mortgage Corp. maintain records in compliance with the Act  
23 and provide the Department with the location of the books, records and other  
24 information relating to Respondent Prime One Mortgage Corp.'s mortgage broker  
business, and the name, address and telephone number of the individual responsible  
for maintenance of such records in compliance with the Act.

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