

**ORDER SUMMARY – Case Number: C-21-3117-21-CO01**Name(s): George Michael Callaham Jr.; Partners Elite Financial IncOrder Number: C-21-3117-21-CO01Effective Date: 9/22/2021License Number: 379732; 1830849

Or NMLS Identifier [U/L]

License Effect: N/ANot Apply Until: N/ANot Eligible Until: N/AProhibition/Ban Until: N/A

<b>Investigation Costs</b>	\$1,353.60		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/16/21
<b>Fine</b>	\$20,000 (stayed)	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date 9/16/21
<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>	\$1,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/16/21
<b>Cost of Prosecution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:	0		

Comments: Respondents agreed to comply with advertising laws and rules, develop and implement policies and procedures reasonably designed to prevent advertising in a manner that violates advertising laws and rules, maintain records related to its advertisements, and comply with the Department's investigative authority. \$20,000 fine stayed contingent on compliance with the order for two years.

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  
Mortgage Broker Practices Act of Washington by:

No.: C-21-3117-21-CO01

CONSENT ORDER

5 PARTNERS ELITE FINANCIAL INC,  
NMLS # 1830849,  
6 and  
7 GEORGE MICHAEL CALLAHAM JR.,  
Governor, Owner, and Designated Broker,  
NMLS # 379732,

8 Respondents.

9  
10 COMES NOW the Director of the Department of Financial Institutions (Director), through  
11 his designee Lucinda Fazio, Division of Consumer Services Director, and Partners Elite Financial Inc  
12 and George Michael Callaham Jr., governor, owner, and Designated Broker of Partners Elite  
13 Financial Inc (collectively, Respondents), and finding that the issues raised in the above-captioned  
14 matter may be economically and efficiently settled, agree to the entry of this Consent Order. This  
15 Consent Order is entered pursuant to chapter 19.146 of the Revised Code of Washington (RCW), and  
16 RCW 34.05.060 of the Administrative Procedure Act, based on the following:

17 **AGREEMENT AND ORDER**

18 The Department of Financial Institutions, Division of Consumer Services (Department) and  
19 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges  
20 No. C-21-3117-21-SC01 (Statement of Charges), entered May 17, 2021, (copy attached hereto).  
21 Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of  
22 the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this  
23 Consent Order and further agree that the issues raised in the above-captioned matter may be

1 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent  
2 Order to fully resolve the Statement of Charges.

3 Based on the foregoing:

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

6 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a  
7 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all  
8 administrative and judicial review of the issues raised in this matter, or of the resolution reached  
9 herein. Accordingly, Respondents, by their signature and the signature of their representative below,  
10 withdraw their appeal to the Office of Administrative Hearings.

11 **C. Compliance with Advertising Requirements.** It is AGREED that Respondents shall:

- 12 1. Advertise only in a manner that is compliant with the Act and chapter 208-660  
13 WAC.
- 14 2. Develop and implement policies and procedures reasonably designed to prevent  
15 advertising in a manner that violates the Act and chapter 208-660 WAC.
- 16 3. Maintain all records related to Respondents' advertising activities and keep them  
17 readily available at a location available to the Director as required by the Act and  
18 chapter 208-660 WAC.

17 **D. Compliance with Investigative Authority.** It is AGREED that Respondents shall  
18 comply with any and all subpoenas or directives issued by the Department pursuant to RCW  
19 19.146.235. It is FURTHER AGREED that, if Respondents request a reasonable extension of time to  
20 respond to a directive or subpoena before the deadline for responding to any such directive or  
21 subpoena, Respondents' request shall not be unreasonably denied.

22 **E. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of  
23 \$20,000. It is FURTHER AGREED that the \$20,000 fine shall be stayed contingent on Respondents'

1 compliance with this Consent Order for period two years from the date of this Consent Order (Stayed  
2 Fine).

3 **F. Lifting of Stay and Imposing Stayed Fine.** It is AGREED that:

- 4 1. If the Department determines that Respondents have not complied with the  
5 terms of this Consent Order, and the Department accordingly seeks to lift the  
6 stay and impose the Stayed Fine set forth in Paragraph E above, the  
7 Department will first notify Respondents in writing of its determination.
- 8 2. The Department's notification will include:
- 9 a) A description of the alleged noncompliance;
  - 10 b) A statement that, because of the noncompliance, the Department  
11 seeks to lift the stay and impose the Stayed Fine;
  - 12 c) The opportunity for Respondents to contest the Department's  
13 determination of noncompliance in an administrative hearing before  
14 an Administrative Law Judge (ALJ) of the Office of Administrative  
15 Hearings (OAH); and
  - 16 d) A copy of this Consent Order. The notification and hearing process  
17 provided in this Consent Order applies only to this Consent Order.  
18 It is solely provided in the event Respondents choose to contest the  
19 Department's determination of noncompliance.
- 20 3. Respondents will be afforded twenty business days from the date of receipt  
21 of the Department's notification to submit a written request to the  
22 Department for an administrative hearing to be held before an Administrative  
23 Law Judge (ALJ) from the Office of Administrative Hearings.
- 24 4. Respondents, in addition to a request for hearing, may provide a written  
response to include any information pertaining to the alleged noncompliance.
5. The scope and issues of the hearing are limited solely to whether or not  
Respondents are in violation of the terms of this Consent Order.
6. At the conclusion of the hearing, the ALJ will issue an initial decision.  
Either party may file a Petition for Review with the Director of the  
Department.
7. If Respondents do not request the hearing within the stated time, the  
Department will impose the Stayed Fine and pursue whatever action it deems  
necessary to enforce the Stayed Fine.

1           **G. Financial Literacy Payment.** Pursuant to 19.146.218, the Director may accept payments  
2 to the Department for purposes of financial literacy and education programs as authorized under  
3 RCW 43.320.150. Accordingly, it is AGREED that Respondents shall pay \$1,000 to the Department  
4 for purposes of financial literacy and education programs (Financial Literacy Payment). It is  
5 FURTHER AGREED that Respondents shall not advertise the Financial Literacy Payment.

6           **H. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an  
7 investigation fee of \$1,353.60. It is FURTHER AGREED that the Investigation Fee and the  
8 Financial Literacy Payment shall be paid together in one \$2,353.60 cashier’s check made payable to  
9 the “Washington State Treasurer,” upon delivery of this Consent Order to the Department, properly  
10 dated and signed.

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

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

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

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

22 //

23 //

1 **RESPONDENTS:**

2 Partners Elite Financial Inc

3 By:

4 /s/ \_\_\_\_\_  
George Michael Callaham Jr.  
5 Governor, Owner, and Designated Broker

9/3/21  
Date

6  
7  
8 /s/ \_\_\_\_\_  
George Michael Callaham Jr.  
9 Individually

9/3/21  
Date

10 **DO NOT WRITE BELOW THIS LINE**

11 THIS ORDER ENTERED THIS 22<sup>nd</sup> DAY OF September, 2021

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

16 Presented by:

17  
18 /s/ \_\_\_\_\_  
AMANDA J. HERNDON  
19 Financial Legal Examiner



1 Respondent Callaham was licensed by the Department to conduct business as a loan originator on or  
2 about July 7, 2017, and continues to be licensed to date.

3 **1.2 Department’s Limited-Scope Investigation.**

4 **A. Complaint.** On or about October 26, 2020, the Department received a complaint  
5 about Respondent PEF. The complaint alleged that Respondent PEF was advertising in a manner that  
6 violated the Act and chapter 208-660 WAC. The Department commenced a limited-scope  
7 investigation to determine whether Respondents had violated the Act and chapter 208-660 WAC.

8 **B. Department’s Directive.** On or about November 10, 2020, the Department served a  
9 Directive to Provide Documents and Explanation (Directive) on Respondents PEF and Callaham  
10 (collectively Respondents). The Directive required Respondents to provide a complete response to  
11 the Directive no later than November 20, 2020. In the cover letter accompanying the Directive, the  
12 Department stated, “Not complying with the directive may result in formal enforcement action.” On  
13 or about November 16, 2020, Respondents confirmed receipt of the Directive and the Department  
14 agreed to extend the deadline for responding to the Directive to November 30, 2020. Respondents  
15 later told the Department they would respond to the Directive by January 18, 2021. To date,  
16 Respondents have not provided a complete response to the Directive.

17 **C. Department’s Resolution and Request for Action.** On or about February 2, 2021,  
18 the Department issued a Resolution and Request for Action (Resolution) to Respondents. In the  
19 Resolution, the Department notified Respondents of the violations described in section 1.3 below and  
20 asked Respondents to provide proof of remedial action no later than March 2, 2021. The Resolution  
21 stated, “If Respondents fail to take the remedial action requested . . . by March 2, 2021, the  
22 Department may take enforcement action, which may include sanctions such as license revocation  
23 and fines of up to \$100 per day per violation.” As of May 12, 2021, Respondents have not responded  
24 to the Resolution or taken the remedial action requested.



1 **1.3 Advertising Issues.**

2 **A. Use of “Best” and “Lowest.”** Between approximately October 26, 2020, and May  
3 12, 2021, Respondents’ website [www.mymortgageloanguy.com](http://www.mymortgageloanguy.com) advertised that Respondent PEF  
4 offered the “best loan,” “best interest rate,” and the opportunity to pay “zero lender fees.”

5 **B. Failing to Provide Loan Officer Information.** Loan originator Kevin Lane has been  
6 employed by Respondent PEF since on or about April 12, 2019. Between approximately October 26,  
7 2020, and May 12, 2021, Mr. Lane advertised at [www.mortgagenewsdaily.com](http://www.mortgagenewsdaily.com) that he was a branch  
8 manager for a consumer loan company when the consumer loan company did not actually employ  
9 him. During that time, Mr. Lane also advertised at [www.mortgagenewsdaily.com](http://www.mortgagenewsdaily.com) without his license  
10 number closely following his name.

11 **C. Failing to Provide Link to NMLS Consumer Access Page.** Between  
12 approximately October 26, 2020, and May 12, 2021, Respondents’ landing pages at  
13 [www.mymortgageloanguy.com](http://www.mymortgageloanguy.com) and [www.michaelcallahammortgage.com](http://www.michaelcallahammortgage.com) advertised Respondents  
14 without providing a link to Respondent PEF’s page at the Nationwide Multistate Licensing System  
15 (NMLS) Consumer Access website ([www.nmlsconsumeraccess.com](http://www.nmlsconsumeraccess.com)).

16 **1.4 On-Going Investigation.** The Department’s investigation into the alleged violations of the  
17 Act by Respondents continues to date.

18 **II. GROUNDS FOR ENTRY OF ORDER**

19 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed  
20 mortgage broker is liable for any conduct violating the Act by the designated broker, a loan originator  
21 while employed or engaged by the licensed mortgage broker.

22 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed  
23 mortgage broker must at all times have a designate broker responsible for all activities of the  
24 mortgage broker in conducting the business of a mortgage broker. A designated broker, who has

1 supervisory authority over a mortgage broker, is responsible for a licensee's, employee's, or  
2 independent contractor's violations of the Act if: the designated broker directs or instructs the  
3 conduct or, with knowledge of the specific conduct, approves or allows the conduct; or the designated  
4 broker knows or by the exercise of reasonable care and inquiry should have known of the conduct, at  
5 a time when its consequences can be avoided or mitigated and fails to take reasonable remedial  
6 action.

7 **2.3 Failing to Comply with the Department's Investigative Authority.** Based on the Factual  
8 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.235(1)  
9 and (2)(b) and RCW 19.146.220(2)(d) and (4)(d) for not cooperating with the Department's  
10 investigation of violations or complaints arising under the Act, including failing to comply with any  
11 directive of the Director.

12 **2.4 Deceptive Advertising.** Based on the Factual Allegations set forth in Section I above,  
13 Respondents are in apparent violation of RCW 19.146.0201(2) and (7) and WAC 208-660-440(3) and  
14 (7) for advertising the "best" rates, using the term "free" or other similar terms or phrases that imply  
15 there is no cost to the loan applicant, and allowing an employee to advertise untrue information about  
16 himself.

17 **2.5 Failing to Provide Information in Advertisements as Required.** Based on the Factual  
18 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.201(2)  
19 and WAC 208-660-446(1) and (2) for failing to display a link to the company's NMLS consumer  
20 access webpage on the company's primary landing page and failing to display a loan originator's  
21 license number closely following his name on a webpage.

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(3), the  
3 Director may issue orders directing a licensee to cease and desist from conducting business or take  
4 such other affirmative action as is necessary to comply with this chapter.

5 **3.2 Authority to Issue an Order Affirmative Action.** Pursuant to RCW 19.146.220(3), the  
6 Director may issue orders directing a licensee to take such other affirmative action as is necessary to  
7 comply with this chapter.

8 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
9 against a licensee failure to comply with any directive of the Director or any violation of the Act.

10 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-  
11 520(9) and (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per  
12 hour for an examiner’s time devoted to an investigation.

13 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director  
14 may recover the state’s costs and expenses for prosecuting violations of the Act.

15 **IV. NOTICE OF INTENT TO ENTER ORDER**

16 Respondents’ violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,  
17 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
18 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and  
19 RCW 19.146.223. Therefore, it is the Director’s intent to ORDER that:

20 **4.1** Respondents Partners Elite Financial Inc and George Michael Callaham Jr. cease and  
21 desist from advertising in a manner that violates the Act and chapter 208-660 WAC.

22 **4.2** Respondents Partners Elite Financial Inc and George Michael Callaham Jr.’s provide a  
23 complete response to the Department’s directive issued on or about November 10,  
2021, and provide proof that the remedial action requested in the Department’s  
24 Resolution and Request for Action issued on or about February 2, 2021.

1           **4.3**     Respondents Partners Elite Financial Inc and George Michael Callaham Jr. jointly and  
2                     severally pay a fine. As of the date of this Statement of Charges, the fine totals  
                           \$20,000.

3           **4.4**     Respondents Partners Elite Financial Inc and George Michael Callaham Jr. jointly and  
4                     severally pay an investigation fee. As of the date of this Statement of Charges, the  
                           investigation fee totals \$1,353.60.

5           **4.5**     Respondents Partners Elite Financial Inc and George Michael Callaham Jr. pay the  
6                     Department's costs and expenses for prosecuting 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 is entered pursuant to the provisions of RCW 19.146.220, RCW  
3 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter  
4 34.05 RCW (the Administrative Procedure Act). Respondents may make a written request for a  
5 hearing as set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND  
6 TO DEFEND accompanying this Statement of Charges.

7  
8 Dated this 17th day of May, 2021.

9  
10 /s/  
11 Lucinda Fazio, Director  
12 Division of Consumer Services  
13 Department of Financial Institutions

14 Presented by:

15  
16 /s/  
17 AMANDA J. HERNDON  
18 Financial Legal Examiner

19 Approved by:

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