

## ORDER SUMMARY – Case Number: C-16-2037

<b>Name(s):</b>	Mr. Brett Todd Green			
<b>Order Number:</b>	C-16-2037-17-CO01			
<b>Effective Date:</b>	June 19, 2017			
<b>License Number:</b>	NMLS No. 114787			
<b>License Effect:</b>	In lieu of license revocation, Mr. Green agreed to voluntarily and permanently surrender his MLO license. The Statement of Charges against Mr. Green was issued on March 31, 2017; Mr. Green's most recent employer removed its sponsorship of him on May 2, 2017, and Mr. Green's MLO license was listed as inactive. Mr. Green must surrender his MLO license on NMLS upon service of the Consent Order on him.			
<b>Not Apply Until:</b>	Shall not apply for five years for any license issued by the Department under any name.			
<b>Not Eligible Until:</b>	June 20, 2022			
<b>Investigation Costs</b>	\$ 0.00	Due: N/A	Paid: <input type="checkbox"/> Y <input type="checkbox"/> N	Date: N/A
<b>Fine</b>	\$ 0.00	Due: N/A	Paid: <input type="checkbox"/> Y <input type="checkbox"/> N	Date: N/A
<b>Assessment(s)</b>	\$ 0.00	Due: N/A	Paid: <input type="checkbox"/> Y <input type="checkbox"/> N	Date: N/A
<b>Restitution</b>	\$ 0.00	Due: N/A	Paid: <input type="checkbox"/> Y <input type="checkbox"/> N	Date: N/A
<b>Judgment</b>	\$ 0.00	Due: N/A	Paid: <input type="checkbox"/> Y <input type="checkbox"/> N	Date: N/A
<b>Satisfaction of Judgment Filed?</b>	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A			
<b>Number of Victims:</b>	N/A			

Comments:

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

4 IN THE MATTER OF DETERMINING  
5 Whether there has been a violation of the  
6 Consumer Loan Act of Washington by:

No. C-16-2037-17-CO01

7 **CONSENT ORDER AS TO**  
8 **BRETT TODD GREEN**

9 **CENTRALBANC MORTGAGE CORPORATION**, a  
10 Washington Consumer Loan Company, NMLS No. 55244;  
11 **JOHN W. DELANEY**, President and Chief Executive  
12 Officer, NMLS No. 102468;  
13 **JOHN C. DOLAN**, Executive Vice President and Mortgage  
14 Loan Originator, NMLS No. 102966;  
15 **KAREN A. REYES**, Production Manager and Mortgage  
16 Loan Originator, NMLS No. 239804; and  
17 **BRETT T. GREEN**, Mortgage Loan Originator,  
18 NMLS No. 114787.

19 Respondents.

20 COME NOW the Director of the Department of Financial Institutions (Director), through her designee  
21 Charles E. Clark, Division Director, Division of Consumer Services, and Brett Todd Green (Respondent), by and  
22 through his attorney, Aaron V. Rocke, and finding that the issues raised in the above-captioned matter may be  
23 economically and efficiently settled, agree to the entry of this Consent Order solely as to Respondent. This  
24 Consent Order is entered pursuant to chapter 31.04 of the Revised Code of Washington (RCW), and RCW  
25 34.05.060 of the Administrative Procedure Act, based on the following:

26 **AGREEMENT AND ORDER**

27 The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent  
28 have agreed upon a basis for resolution of the matters alleged in the attached Statement of Charges No. C-16-  
29 2037-17-SC01 (Statement of Charges), entered March 31, 2017. Pursuant to chapter 31.04 RCW, the Consumer  
30 Loan Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the  
31 Department's entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of  
32 Charges as to Respondent, and agree that Respondent does not admit any wrongdoing by its entry. In  
33 consideration of the terms of this Consent Order Respondent agrees not to contest the Statement of Charges.

1 **Based upon the foregoing:**

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

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

8 **C. Mortgage Loan Originator License Surrender.** It is AGREED that in lieu of the license revocation  
9 sought in the Statement of Charges, the Department will accept Respondent's voluntary and permanent surrender  
10 of his mortgage loan originator license. It is FURTHER AGREED and ORDERED the Respondent's mortgage  
11 loan originator license shall be surrendered electronically via NMLS upon entry of this Consent Order.

12 **D. Agreement not to Apply.** It is AGREED that Respondent shall never apply to the Department for a  
13 mortgage loan originator license. It is FURTHER AGREED and ORDERED that Respondent shall not apply to  
14 the Department for any other license issued by the Department, under any name, for a period of five years.

15 **E. Fine.** It is AGREED that the Department will not fine Respondent pursuant to the Statement of  
16 Charges.

17 **F. Change of Address.** It is AGREED and ORDERED that for one year, unless otherwise agreed to in  
18 writing by the Department, Respondent shall provide the Department with a mailing address and telephone  
19 number at which he can be contacted. It is FURTHER AGREED and ORDERED that within fifteen days of any  
20 change to his mailing address or telephone number, Respondent shall notify the Department of the changes.

21 **G. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to abide by the  
22 terms and conditions of this Consent Order may result in further legal action by the Director. In the event of such  
23 legal action, Respondent may be responsible to reimburse the Director for the state's costs and expenses in  
24 pursuing such action, including attorney fees, and for prosecuting violations of the Act.

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

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

5 **RESPONDENT:**

6 /s/ 6/13/17  
7 Brett Todd Green Date

8  
9 Approved for Entry:

10 /s/ 6/15/17  
11 Aaron V. Roche, Esq. WSBA No. 31525 Date  
12 Roche Law Group, PLLC  
Attorneys for Respondent Brett Todd Green

13 **DO NOT WRITE BELOW THIS LINE**

14 THIS ORDER ENTERED THIS 20<sup>th</sup> DAY OF JUNE, 2017.

15  
16 /s/  
17 CHARLES E. CLARK  
18 Director, Division of Consumer Services  
19 Department of Financial Institutions

20 Presented by:

Approved by:

21 /s/  
22 ANTHONY W. CARTER  
23 Senior Legal Examiner  
24 Consumer Services Enforcement Unit  
25 Department of Financial Institutions

/s/  
STEVEN C. SHERMAN  
Enforcement Chief  
Consumer Services Enforcement Unit  
Department of Financial Institutions

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  
5 Consumer Loan Act of Washington by:

6 CENTRALBANC MORTGAGE CORPORATION, a  
Washington Consumer Loan Company, NMLS No. 55244;  
7 JOHN W. DELANEY, President and Chief Executive  
Officer, NMLS No. 102468;  
8 JOHN C. DOLAN, Executive Vice President and Mortgage  
Loan Originator, NMLS No. 102966;  
9 KAREN A. REYES, Production Manager and Mortgage  
Loan Originator, NMLS No. 239804; and  
BRETT T. GREEN, Mortgage Loan Originator,  
10 NMLS No. 114787,

11 Respondents.

No. C-16-2037-17-SC01

STATEMENT OF CHARGES and NOTICE OF  
INTENT TO ENTER AN ORDER TO  
REVOKE LICENSES, PROHIBIT FROM  
INDUSTRY, IMPOSE FINES, COLLECT  
INVESTIGATION FEES, and RECOVER  
COSTS AND EXPENSES OF PROSECUTION

12 **INTRODUCTION**

13 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Washington State Department of  
14 Financial Institutions (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan  
15 Act (Act). Having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as  
16 of the date of this Statement of Charges, the Director, through her designee, Division of Consumer Services  
17 Director Charles E. Clark, institutes this proceeding and alleges as follows:

18 **I. FACTUAL ALLEGATIONS**

19 **1.1 Respondents.**

20 **A. Respondent CentralBanc Mortgage Corporation** (Respondent CentralBanc) was licensed by the  
21 Washington State Department of Financial Institutions (Department) conduct business as a consumer loan  
22 company on or about September 11, 2006, and continues to be licensed to date.

23 **B. Respondent John Wayne Delaney** (Respondent Delaney), the President and CEO of Respondent  
24 CentralBanc, has never been licensed by the Department as a Mortgage Loan Originator (MLO) or in any other  
25 capacity.

1           **C. Respondent John Carroll Dolan** (Respondent Dolan), the Executive Vice President of Respondent  
2 CentralBanc, was licensed by the Department to conduct business as a MLO for Respondent CentralBanc on or  
3 about September 13, 2010, and has been continuously licensed to date.

4           **D. Respondent Karen Aragdon Reyes** (Respondent Reyes), the Production Manager for Respondent  
5 CentralBanc, was licensed by the Department to conduct business as a MLO for Respondent CentralBanc on or  
6 about January 11, 2013, and was continuously licensed by the Department through December 31, 2016, when the  
7 Department declined to renew her MLO license for 2017.

8           **E. Respondent Brett Todd Green** (Respondent Green), was licensed by the Department to conduct  
9 business as a MLO for Respondent CentralBanc on or about May 15, 2015, and was continuously sponsored by  
10 Respondent CentralBanc through November 3, 2016, when Respondent CentralBanc removed its sponsorship.

11 **1.2 False Statements and Omissions of Material Facts.** On or about May 31, 2016, the Department notified  
12 Respondent Delaney the Department had selected Respondent CentralBanc for an examination of its business  
13 practices and that the Department would utilize a secure cloud server, Box.com, to retrieve all examination-related  
14 documents. On or about July 21, 2016, the Department identified 25 residential mortgage loan files the Department  
15 intended to review during the examination. The Department further requested that by close of business on August  
16 4, 2016, Respondent Delaney upload complete copies of each requested loan file to an account on Box.com.

17           Between July 21, 2016, and August 4, 2016, in apprehension of the Department's examination, Respondent  
18 Reyes, acting on behalf of Respondent CentralBanc, forged and altered more than 100 loan disclosure documents  
19 that were either incomplete or completely missing from the requested loan files. Respondent Reyes subsequently  
20 added the forged and altered loan disclosure documents to the loan files and uploaded the loan files to the Box.com  
21 account created by the Department for Respondent CentralBanc's use. Respondent Reyes omitted to inform the  
22 Department that she had added forged and altered loan disclosure documents to the requested loan files.

23           On November 14, 2016, the Department took the testimony of Respondent Reyes pursuant to an  
24 investigation of Respondent CentralBanc. During Respondent Reyes' testimony she admitted to forging and  
25 altering loan disclosure documents; placing those forged and altered loan disclosure documents in the loan files the

1 Department had requested and intended to review; and uploaded the loan files containing the forged and altered  
2 loan disclosure documents to the Box.com account created by the Department for Respondent CentralBanc's use.

3 **1.3 2016 Examination.** From August 8, 2016, through August 12, 2016, the Department conducted an on-site  
4 compliance examination of Respondent CentralBanc at its office in Bellevue, Washington. During the examination  
5 the Department reviewed the requested loan files and identified the loan disclosure documents Respondent Reyes  
6 had forged and altered and added to the loan files.

7 **1.4 Incomplete and Inaccurate Disclosures.** Respondent CentralBanc failed to provide borrowers with  
8 complete and accurate Rate Lock Agreements; provided borrowers with loan disclosures containing blanks; failed  
9 to provide borrowers with a complete and accurate privacy policy disclosure; and failed to provide complete  
10 disclosures to borrowers whose loan applications had been denied.

11 **1.5 Failure to Preserve Records.** Respondent Delaney and Respondent CentralBanc failed to preserve all  
12 records, documents, files, and other relevant information required to be maintained under the Act.

13 **1.6 Unlicensed Activity.** While Respondent Green was sponsored by Respondent CentralBanc as a MLO,  
14 Respondent Green resided on the Kitsap Peninsula some 40 miles across Puget Sound from Respondent  
15 CentralBanc's office in Bellevue. Respondent Green originated more than 20 residential mortgage loans for  
16 Respondent CentralBanc from his home, an unlicensed location.

17 **1.7 Aiding and Abetting Unlicensed Activity.** Respondent Delaney, Respondent CentralBanc, and Respondent  
18 Dolan aided and abetted Respondent Green's unlicensed activity by permitting Respondent Green to originate  
19 residential mortgage loans from an unlicensed location, and by making loans to the borrowers contacted by  
20 Respondent Green from the unlicensed location.

21 **1.8 Failure to Properly Supervise.** Respondent Delaney and/or Respondent Dolan failed to properly supervise  
22 Respondent Reyes and Respondent Green.

23 **1.9 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
24 Respondents continues to date.

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

2 **2.1 Definitions.**

3 **A. Borrower.** Pursuant to RCW 31.04.015(3) and WAC 208-620-010, a “borrower” means in part any  
4 person who retains a licensee in an effort to obtain a loan, regardless of whether that person actually obtains a loan.

5 **B. Making a Loan.** Pursuant to RCW 31.04.015(15) and WAC 208-620-010, "making a loan" means  
6 advancing, offering to advance, or making a commitment to advance funds to a borrower for a loan.

7 **C. Mortgage Loan Originator.** Pursuant to RCW 31.04.015(17) and WAC 208-620-010, "mortgage loan  
8 originator" means in part an individual who for compensation or gain (i) takes a residential mortgage loan  
9 application, or (ii) offers or negotiates terms of a residential mortgage loan.

10 **D. Residential Mortgage Loan.** Pursuant to RCW 31.04.015(25) and WAC 208-620-010, "residential  
11 mortgage loan" means in part any loan primarily for personal, family, or household use that is secured by a  
12 mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or residential real estate  
13 upon which is constructed or intended to be constructed a dwelling.

14 **2.2 Responsibility and Liability for Violations.** Pursuant to WAC 208-620-378, Respondent Delaney,  
15 Respondent CentralBanc, and Respondent Dolan are responsible for ensuring their MLOs have sufficient  
16 knowledge and understanding of the Act and related rules, and pursuant to WAC 208-620-372 are liable for any  
17 violations of the Act and related rules by their MLOs.

18 **2.3 False Statements and Omissions of Material Facts.** Based on the Factual Allegations set forth in Section I  
19 above, Respondent CentralBanc and Respondent Reyes are in apparent violation of RCW 31.04.027(1), (2), (1),  
20 (8), and WAC 208-620-550(6) for negligently making any false statement, or knowingly and willfully making any  
21 omission of material fact, in connection with an examination conducted by the Department.

22 **2.4 Failure to Make Required Disclosures.** Based on the Factual Allegations set forth in Section I above,  
23 Respondent CentralBanc is in apparent violation of RCW 31.04.027(6), WAC 208-620-550(8), and WAC 208-  
24 620-550(16), for failing to make disclosures to borrowers as required by RCW 31.04.102 and any other applicable  
25 state or federal law.



1 **2.5 Failure to Preserve Records.** Based on the Factual Allegations set forth in Section I above, Respondent  
2 Delaney, Respondent CentralBanc, and Respondent Dolan are in apparent violation of RCW 31.04.155 and  
3 WAC 208-620-520(1), for failing to preserve all records, papers, documents, files, and other information relevant  
4 to loans required to be maintained under the Act.

5 **2.6 Unlicensed Location.** Based on the Factual Allegations set forth in Section I above, Respondent  
6 CentralBanc and Respondent Green are in apparent violation of RCW 31.04.027(14), RCW 31.04.035, and  
7 RCW 31.04.075 for originating and making residential mortgage loans from an unlicensed branch without first  
8 obtaining and maintaining the required branch license. Additionally, Respondent CentralBanc and Respondent  
9 Dolan are in apparent violation of RCW 31.04.175 for aiding and abetting Respondent Green's unlicensed activity.

10 **2.7 Failure to Properly Supervise.** Based on the Factual Allegations set forth in Section I above, Respondent  
11 Delany and/or Respondent Dolan are in apparent violation of RCW 31.04.027(2) for failing to properly supervise  
12 Respondent Green and Respondent Reyes.

### 13 III. AUTHORITY TO IMPOSE SANCTIONS

14 **3.1 Authority to Revoke Licenses.** Pursuant to RCW 31.04.093(3), the Director may revoke licenses issued  
15 under the Act for any knowing or negligent violation of any provision of the Act or the rules adopted thereunder.

16 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may issue an order  
17 prohibiting from participation in the affairs of any licensee, any officer, principal, employee, or MLO of a licensee  
18 for a violation of RCW 31.04.027, RCW 31.04.102, or RCW 31.04.155.

19 **3.3 Authority to Impose Fines.** Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one  
20 hundred dollars per day, per violation, upon licensees, employees, and MLOs for any violation of the Act.

21 **3.4 Authority to Charge and Collect Investigation Fees.** Pursuant to RCW 31.04.145(3) and WAC 208-620-  
22 590, every licensee investigated by the Director or the Director's designee shall pay for the cost of the  
23 investigation calculated at the rate of \$69.01 per staff hour devoted to the investigation.

24 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director may recover the  
25 state's costs and expenses for prosecuting violations of the Act.

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

2 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set forth in  
3 the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis  
4 for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW 31.04.205. Therefore, it is the  
5 Director's intent to ORDER that:

- 6 **4.1** Respondent CentralBanc Mortgage Corporation's license to conduct the business of a  
7 consumer loan company under the Act be revoked.
- 8 **4.2** Respondent John C. Dolan's license to conduct the business of a mortgage loan originator  
9 under the Act be revoked.
- 10 **4.3** Respondent Karen A. Reyes' license to conduct the business of a mortgage loan originator  
11 under the Act be revoked.
- 12 **4.4** Respondent Brett T. Green's license to conduct the business of a mortgage loan originator  
13 under the Act be revoked.
- 14 **4.5** Respondent John W. Delaney be prohibited from participation in the conduct of the affairs  
15 of any consumer loan company licensed by, or subject to licensure by, the Director, in any  
16 manner, for a period of five (5) years.
- 17 **4.6** Respondent John C. Dolan be prohibited from participation in the conduct of the affairs of  
18 any consumer loan company licensed by, or subject to licensure by, the Director, in any  
19 manner, for a period of five (5) years.
- 20 **4.7** Respondent Karen A. Reyes be prohibited from participation in the conduct of the affairs of  
21 any consumer loan company licensed by, or subject to licensure by, the Director, in any  
22 manner, for a period of ten (10) years.
- 23 **4.8** Respondent Brett T. Green be prohibited from participation in the conduct of the affairs of  
24 any consumer loan company licensed by, or subject to licensure by, the Director, in any  
25 manner, for a period of five (5) years.
- 4.9** Respondent John W. Delaney, Respondent CentralBanc Mortgage Corporation, and  
Respondent John C. Dolan jointly and severally pay a fine. As of the date of this Statement  
of Charges the fine totals \$350,000.
- 4.10** Respondent Karen A. Reyes pay a fine of \$50,000.
- 4.11** Respondent Brett T. Green pay a fine of \$30,000.
- 4.12** Respondent John W. Delaney, Respondent CentralBanc Mortgage Corporation, and  
Respondent John C. Dolan jointly and severally pay an investigation fee. As of the date of  
this Statement of Charges the investigation fee totals \$4,600.

