

ORDER SUMMARY – Case Number: C-20-3025

Name(s): KRKABOB Incorporated
Joseph Michael Pennington

Order Number: C-20-3025-21-CO01

Effective Date: 12/10/2021

License Number: KRKABOB Incorporated NMLS No. 233989
Joseph Michael Pennington NMLS No. 213754

License Effect: KRKABOB Incorporated' Consumer Loan Company License
Revoked

Not Apply Until: 12/10/2026 – CL license

Not Eligible Until: _____

Prohibition/Ban Until: _____

Investigation Costs	\$ 1,086.91		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$ 2,413.09		Paid <input checked="" 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: _____

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-20-3025-21-CO01

CONSENT ORDER RE:

5 KRKABOB INCORPORATED,
NMLS No. 233989,
6 JOSEPH MICHAEL PENNINGTON,
NMLS No. 213754,
7 Chief Executive Officer and Director,
KENNETH JAMES PITTMAN,
8 NMLS No. 233927, Secretary, and
CHRISTOPHER MARCUS URANI,
9 NMLS No. 237924, Chief Financial Officer,

KRKABOB INCORPORATED and
JOSEPH MICHAEL PENNINGTON

Respondents.

10
11 COMES NOW the Director of the Department of Financial Institutions (Director), through his
12 designee Lucinda Fazio, Division of Consumer Services Director, and KRKABOB Incorporated (Respondent
13 KRKABOB) and Joseph Michael Pennington, Chief Executive Officer and Director of Respondent
14 KRKABOB (Respondent Pennington), and finding that the issues raised in the above-captioned matter may be
15 economically and efficiently settled, solely as to these Respondents, agree to the entry of this Consent Order.
16 This Consent Order is entered pursuant to chapter 31.04 of the Revised Code of Washington (RCW), and
17 RCW 34.05.060 of the Administrative Procedure Act, based on the following:

18 **AGREEMENT AND ORDER**

19 The Department of Financial Institutions, Division of Consumer Services (Department) and
20 Respondents KRKABOB and Pennington have agreed upon a basis for resolution of the matters alleged in
21 Statement of Charges No. C-20-3025-21-SC01 (Statement of Charges), entered February 12, 2021, (copy
22 attached hereto) solely as to those Respondents. Pursuant to chapter 31.04 RCW, the Consumer Loan Act
23 (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondents KRKABOB and Pennington
hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the

1 above-captioned matter may be economically and efficiently settled by entry of this Consent Order, solely as
2 to these Respondents. The signing parties intend this Consent Order to fully resolve the Statement of Charges
3 as it pertains to Respondents KRKABOB and Pennington, and agree that these Respondents do not admit any
4 wrongdoing by its entry. Respondents KRKABOB and Pennington are agreeing not to contest the Statement
5 of Charges in consideration of the terms of this Consent Order.

6 Based upon the foregoing:

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

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

14 **C. Consumer Loan Company License Revocation.** It is AGREED that Respondent KRKBAOB's
15 Washington Consumer Loan Company license is revoked.

16 **D. Application for License.** It is AGREED that, for a period of five (5) years from the date of entry
17 of this Consent Order, Respondents KRKABOB and Pennington shall not apply to the Department for a
18 consumer loan company license under any name. Respondent Pennington's mortgage loan originator license
19 is unaffected by this agreement. It is further AGREED that, should Respondents KRKABOB and Pennington
20 apply to the Department for any license under any name at any time from the date of entry of this Consent
21 Order, such applying Respondents shall be required to meet any and all application requirements in effect at
22 that time.

23 **E. Fine.** It is AGREED that Respondents KRKABOB and Pennington shall jointly and severally pay
24 a fine to the Department in the amount of \$2,413.09, in the form of a cashier's check made payable to the

1 “Washington State Treasurer,” upon delivery of this Consent Order to the Department, properly dated and
2 signed.

3 **F. Investigation Fee.** It is AGREED that Respondents KRKABOB and Pennington shall jointly and
4 severally pay to the Department an investigation fee of \$1,086.91, in the form of a cashier’s check made
5 payable to the “Washington State Treasurer,” upon delivery of this Consent Order to the Department, properly
6 dated and signed. The Fine and Investigation Fee shall be paid together in one \$3,500.00 cashier’s check
7 made payable to the “Washington State Treasurer.”

8 **G. Complete Cooperation with the Department.** It is AGREED that, upon written request by the
9 Department, Respondent Pennington shall provide the Department truthful and complete sworn statements
10 outlining his activities with respect to Respondent KRKABOB and any and all persons involved or in any way
11 associated with Respondent KRKABOB, including but not limited to owners, employees, independent
12 contractors, agents, businesses and persons with whom Respondent KRKABOB dealt, communicated, or
13 otherwise related. The “sworn statements” may take the form of affidavits, declarations, or deposition
14 testimony, at the Department’s discretion. A failure to cooperate fully, truthfully, and completely is a breach
15 of this Consent Order. In addition to providing sworn statements, it is AGREED that, upon written request by
16 the Department, Respondent Pennington shall cooperate fully, truthfully, and completely with the Department
17 and provide any and all information known to him relating in any manner to Respondent KRKABOB and any
18 and all persons involved or in any way associated with Respondent KRKABOB, including but not limited to
19 owners, employees, independent contractors, agents, businesses and persons with whom Respondent
20 KRKABOB dealt, communicated, or otherwise related. It is further AGREED that, upon written request by
21 the Department, Respondent Pennington shall provide any and all documents, writings or materials, or objects
22 or things of any kind in his possession or under his care, custody, or control that he is authorized to possess,
23 obtain, or distribute relating directly or indirectly to all areas of inquiry and investigation. It is further
24 AGREED that Respondent Pennington shall testify fully, truthfully, and completely at any and all proceedings
related to any Department investigation or enforcement action or both related to any and all persons involved

1 or in any way associated with Respondent KRKABOB and any Respondents named therein. A failure to
2 cooperate fully, truthfully, and completely is a breach of this Consent Order.

3 **H. Records Retention.** It is AGREED that Respondent KRKABOB, its officers, employees, and
4 agents shall maintain records in compliance with the Act and provide the Director with the location of the
5 books, records and other information relating to Respondent KRKABOB's consumer loan company business,
6 and the name, address, and telephone number of the individual responsible for maintenance of such records in
7 compliance with the Act.

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

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

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

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

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

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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:

7 **KRKABOB INCORPORATED,**
8 NMLS No. 233989,
9 **JOSEPH MICHAEL PENNINGTON,**
10 NMLS No. 213754,
11 Chief Executive Officer and Director,
12 **KENNETH JAMES PITTMAN,**
13 NMLS No. 233927, Secretary, and
14 **CHRISTOPHER MARCUS URANI,**
15 NMLS No. 237924, Chief Financial Officer,

16 Respondents.

No. C-20-3025-21-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST, REVOKE
LICENSE, PROHIBIT FROM INDUSTRY,
FILE ANNUAL REPORTS, COLLECT
ANNUAL ASSESSMENT, ASSESS LATE
PENALTIES, IMPOSE FINE, COLLECT
INVESTIGATION FEE, and RECOVER
COSTS AND EXPENSES

17 **INTRODUCTION**

18 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
19 Institutions of the State of Washington (Director) is responsible for the administration of chapter
20 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
21 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the
22 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this
23 proceeding and finds as follows:

24 **I. FACTUAL ALLEGATIONS**

1.1 Respondents.

A. **KRKABOB Incorporated (Respondent KRKABOB)** was licensed by the
Department of Financial Institutions of the State of Washington (Department) to conduct business as
a consumer loan company on or about September 18, 2014, and continued to be licensed until its
license expired on April 20, 2020.

1 **B. Joseph Michael Pennington (Respondent Pennington)** is Chief Executive Officer
2 and Director of Respondent KRKABOB. Respondent Pennington has never been licensed by the
3 Department to conduct business as a mortgage loan originator.

4 **C. Kenneth James Pittman (Respondent Pittman)** is Secretary of Respondent
5 KRKABOB. Respondent Pittman was licensed by the Department to conduct business as a mortgage
6 loan originator on or about April 11, 2017, and continued to be licensed until his license expired on
7 January 1, 2020.

8 **D. Christopher Marcus Urani (Respondent Urani)** is Chief Financial Officer, Primary
9 Company Contact, and Primary Regulator Contact of Respondent KRKABOB. Respondent Urani
10 has never been licensed by the Department to conduct business as a mortgage loan originator.

11 **1.2 Failure to File Annual Assessment Reports.** Respondent KRKABOB was required to file
12 its 2019 Consumer Loan Annual Assessment Report and Consolidated Annual Report (2019
13 Consumer Loan Annual Assessment Reports) on or before March 1, 2020, or within thirty (30) days
14 of closure. Respondent KRKABOB did not file its 2019 Consumer Loan Annual Assessment
15 Reports on or before March 1, 2020, or within thirty (30) days of a closure.

16 **1.3 Failure to Pay Annual Assessment Fee.** Respondent KRKABOB was required to pay to the
17 director its 2019 Annual Assessment Fee for activity during the reporting year on or before March 1,
18 2020, or within thirty (30) days of closure. Respondent KRKABOB did not pay its 2019 Annual
19 Assessment Fee on or before March 1, 2020, or within thirty (30) days of a closure.

20 **1.4 Failure to Comply with Department's Authority.** On March 13, 2020, the Department sent
21 Respondents a Late Letter notifying Respondents that if the Department did not receive the 2019
22 Consumer Loan Annual Assessment Reports and Annual Assessment Fee, including any applicable
23 late fee due, by April 2, 2020, the Department would send a final letter notifying Respondents of

1 pending license expiration. On April 3, 2020, the Department sent Respondents a Notice of Pending
2 License Expiration, notifying Respondents that if the Department did not receive the 2019 Consumer
3 Loan Annual Assessment Reports and Annual Assessment Fee, including any applicable late fee due,
4 within 15 days, Respondent KRKABOB's license would expire. The Department did not receive a
5 response and the matter was referred to the Department's Enforcement Unit.

6 On June 18, 2020, the Department sent Respondents an Enforcement Letter directing
7 Respondent KRKABOB to file the 2019 Consumer Loan Annual Assessment Reports and Annual
8 Assessment Fee, including any applicable late fee due, by July 6, 2020. On August 3, 2020, the
9 Department sent Respondents a second Enforcement Letter directing Respondent KRKABOB to file
10 the 2019 Consumer Loan Annual Assessment Reports and Annual Assessment Fee, including any
11 applicable late fee due, by August 18, 2020. On November 6, 2020, and November 10, 2020, the
12 Department sent Respondents a third Enforcement Letter directing Respondent KRKABOB to file
13 the 2019 Consumer Loan Annual Assessment Reports and Annual Assessment Fee, including any
14 applicable late fee due, by November 25, 2020. As of the date of this Statement of Charges,
15 Respondents have failed to file the 2019 Consumer Loan Annual Assessment Reports and pay the
16 Annual Assessment Fee, including any applicable late fee due, or otherwise respond to the
17 Department's communications.

18 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
19 Act by Respondents continues to date.

20 II. GROUNDS FOR ENTRY OF ORDER

21 **2.1 Requirement to File Annual Assessment Reports.** Based on the Factual Allegations set
22 forth in Section I above, Respondents are in apparent violation of RCW 31.04.155, WAC 208-620-
23 430(1), WAC 208-620-460(1), and WAC 208-620-499(2) for failing to file Respondent

1 KRKABOB's 2019 Consumer Loan Annual Assessment Reports on or before March 1, 2020, or
2 within thirty (30) days of closure.

3 **2.2 Requirement to Pay Annual Assessment Fee.** Based on the Factual Allegations set forth in
4 Section I above, Respondents are in apparent violation of RCW 31.04.085, WAC 208-620-430(1),
5 WAC 208-620-460(1), and WAC 208-620-499(2) for failing to pay Respondent KRKABOB's 2019
6 Annual Assessment Fee on or before March 1, 2020, or within thirty (30) days of closure.

7 **2.3 Requirement to Comply with the Department's Authority.** Based on the Factual
8 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.145
9 for failing to comply with the Department's March 13, 2020, April 3, 2020, June 18, 2020, August 3,
10 2020, November 6, 2020, and November 10, 2020, Notices and Enforcement Letters.

11 III. AUTHORITY TO IMPOSE SANCTIONS

12 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the
13 Director may issue orders directing a licensee, its employee, loan originator, or other person subject
14 to the Act to cease and desist from conducting business in a manner that is injurious to the public or
15 violates any provision of the Act.

16 **3.2 Authority to Revoke License.** Pursuant to RCW 31.04.093(3), the Director may revoke a
17 license for failure to pay any fee due to the state of Washington, failure to maintain the required
18 surety bond, failure to comply with any specific order or demand, or failure to comply with any
19 directive, order, or subpoena issued by the Director under the Act.

20 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
21 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
22 employee, mortgage loan originator, or any other person subject to the Act for a violation of RCW
23 RCW 31.04.155.

1 **3.4 Authority to Order Affirmative Action.** Pursuant to RCW 31.04.093(5)(b), the Director may
2 issue an order directing a licensee, its employee or loan originator, or any other person subject to the
3 Act to take such affirmative action as is necessary to comply with the Act.

4 **3.5 Authority to Collect Annual Assessment Fee.** Pursuant to RCW 31.04.085 and WAC 208-
5 620-430, a licensee shall, on or before the first day of each March or within thirty (30) days of
6 ceasing Washington operations, pay to the director an annual assessment fee for the previous calendar
7 year if the licensee had a license for any time during the preceding calendar year.

8 **3.6 Authority to Assess Late Penalties.** Pursuant to RCW 31.04.155 and WAC 208-620-430(2),
9 a licensee that fails to submit the required annual assessment reports and annual assessment fee by
10 the due date is subject to a penalty of fifty dollars for each item for each day of delay. The maximum
11 late penalty that will be assessed is five thousand dollars per reporting year.

12 **3.7 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
13 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
14 any other person subject to the Act for any violation of the Act or failure to comply with any order or
15 subpoena issued by the Director under the Act.

16 **3.8 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
17 590, WAC 208-620-610(7), every licensee investigated by the Director or the Director's designee
18 shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour devoted to the
19 investigation.

20 **3.9 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
21 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 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 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 6 **4.1** Respondents KRKABOB Incorporated, Joseph Michael Pennington, Kenneth James
7 Pittman, and Christopher Marcus Urani cease and desist all consumer loan company
and/or mortgage loan originator activity.
- 8 **4.2** Respondent KRKABOB Incorporated license to conduct the business of a
9 consumer loan company be revoked.
- 10 **4.3** Respondent Kenneth James Pittman license to conduct the business of a mortgage loan
originator be revoked.
- 11 **4.4** Respondents KRKABOB Incorporated, Joseph Michael Pennington, Kenneth James
12 Pittman, and Christopher Marcus Urani be prohibited from participation in the conduct
of the affairs of any consumer loan company subject to licensure by the Director, in
13 any manner, for a period of five years.
- 14 **4.5** Respondents KRKABOB Incorporated, Joseph Michael Pennington, Kenneth James
15 Pittman, and Christopher Marcus Urani provide the Department with the completed
2019 Consumer Loan Annual Assessment Reports.
- 16 **4.6** Respondents KRKABOB Incorporated, Joseph Michael Pennington, Kenneth James
17 Pittman, and Christopher Marcus Urani jointly and severally pay the 2019 Annual
Assessment Fee, as calculated in accordance with the Act.
- 18 **4.7** Respondents KRKABOB Incorporated, Joseph Michael Pennington, Kenneth James
19 Pittman, and Christopher Marcus Urani jointly and severally pay a \$5,000 Late
Penalty for failing to timely file Respondent KRKABOB Incorporated's 2019
Consumer Loan Annual Assessment Reports and pay the Annual Assessment Fee.
- 20 **4.8** Respondents KRKABOB Incorporated, Joseph Michael Pennington, Kenneth James
21 Pittman, and Christopher Marcus Urani jointly and severally pay a fine. As of the date
of this Statement of Charges, the fine totals \$4,850.00.
- 22 **4.9** Respondents KRKABOB Incorporated, Joseph Michael Pennington, Kenneth James
23 Pittman, and Christopher Marcus Urani jointly and severally pay an investigation fee.
As of the date of this Statement of Charges, the investigation fee totals \$1,086.91.

1 **4.10** Respondents KRKABOB Incorporated, Joseph Michael Pennington, Kenneth James
2 Pittman, and Christopher Marcus Urani jointly and severally pay the Department’s
3 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
 Respondents.

4 **4.11** Respondents KRKABOB Incorporated, Joseph Michael Pennington, Kenneth James
5 Pittman, and Christopher Marcus Urani maintain records in compliance with the Act
6 and provide the Department with the location of the books, records, and other
7 information relating to Respondent KRKABOB Incorporated’s consumer loan
 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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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Revoke
3 License, Prohibit from Industry, File Annual Reports, Collect Annual Assessment, Assess Late
4 Penalties, Impose Fine, Collect Investigation Fee, and Recover Costs And Expenses (Statement of
5 Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202,
6 and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative
7 Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE
8 OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND accompanying this
9 Statement of Charges.

10 Dated this 12th day of February, 2021.

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

15 Presented by:

16
17 /s/
18 KRISTINA M. SHENEFELT
19 Financial Legal Examiner

20 Approved by:

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