

Terms Completed

ORDER SUMMARY – Case Number: C-20-3039

Name(s): John Andrew Majorek

Order Number: C-20-3039-21-CO01

Effective Date: 10/15/2021

License Number: 138352
Or NMLS Identifier [U/L]

License Effect: Surrender

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until:

Investigation Costs	\$ 500		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$ 2,000	Due	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:

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING:
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

JOHN MAJOREK, NMLS # 138352,

Respondent.

No.: C-20-3039-21-CO01

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Services Director, and John Majorek (Respondent), 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 Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-20-3039-21-SC01 (Statement of Charges), entered February 16, 2021, (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, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees 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.

Based upon the foregoing:

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

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

8 **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the
9 Statement of Charges and agree that Respondent does not admit to any wrongdoing by its entry.

10 **D. Mortgage Loan Originator License Surrender.** It is AGREED that Respondent's
11 mortgage loan originator license is surrendered.

12 **E. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
13 \$2,000.

14 **F. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the
15 Department in the amount of \$500. The Fine and Investigation Fee may be paid together in one
16 cashier's check in the amount of \$2,500 made payable to the "Washington State Treasurer."

17 **G. Change of Address.** It is AGREED that for the duration of the period this Consent Order
18 is in effect, unless otherwise agreed to in writing by the Department, Respondent shall provide the
19 Department with a mailing address and telephone number at which Respondent can be contacted and
20 Respondent shall notify the Department in writing of any changes to their mailing address or
21 telephone number within fifteen days of any such change.

22 **H. Complete Cooperation with the Department.** It is AGREED that, upon written request
23 by the Department, Respondent shall provide the Department truthful and complete sworn statements

1 outlining their activities with respect to Secure Lending, Inc. (Secure) and any and all persons
2 involved or in any way associated with Secure, including but not limited to owners, employees,
3 independent contractors, agents, businesses and persons with whom Secure dealt, communicated, or
4 otherwise related. The “sworn statements” may take the form of affidavits, declarations, or
5 deposition testimony, at the Department’s discretion. A failure to cooperate fully, truthfully, and
6 completely is a breach of this Consent Order. In addition to providing sworn statements, it is
7 AGREED that, upon written request by the Department, Respondent shall cooperate fully, truthfully,
8 and completely with the Department and provide any and all information known to them relating in
9 any manner to Secure and any and all persons involved or in any way associated with Secure,
10 including but not limited to owners, employees, independent contractors, agents, businesses and
11 persons with whom Secure dealt, communicated, or otherwise related. It is further AGREED that,
12 upon written request by the Department, Respondent shall provide any and all documents, writings or
13 materials, or objects or things of any kind in their possession or under their care, custody, or control
14 that they are authorized to possess, obtain, or distribute relating directly or indirectly to all areas of
15 inquiry and investigation. It is further AGREED that Respondent shall testify fully, truthfully, and
16 completely at any and all proceedings related to any Department investigation or enforcement action
17 or both related to any and all persons involved or in any way associated with Secure, and any
18 respondents named therein. A failure to cooperate fully, truthfully, and completely is a breach of this
19 Consent Order.

20 **I. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to
21 abide by the terms and conditions of this Consent Order may result in further legal action by the
22 Director. In the event of such legal action, Respondent may be responsible to reimburse the Director
23 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

1 **B. Mehedi Hassan (Respondent Hassan)** is President and Owner of Respondent Secure.
2 Respondent Hassan was licensed by the Department to conduct business as a loan originator on or
3 about July 10, 2015, and continues to be licensed to date.

4 **C. John Majorek (Respondent Majorek)** was named as Designated Broker of
5 Respondent Secure on or about March 17, 2015. On or about October 4, 2018, Respondent Majorek
6 ceased to be Designated Broker of Respondent Secure. On or about October 16, 2019, Respondent
7 Majorek was again named as Designated Broker of Respondent Secure and on or about September
8 27, 2020, was removed from that designation. Respondent Majorek was licensed by the Department
9 to conduct business as a loan originator on or about February 3, 2009, and continues to be licensed to
10 date.

11 **1.2 Examination.** Between July 21, 2020, and August 26, 2020, the Department conducted an
12 examination of Respondent Secure’s business practices for the period of September 1, 2017, through
13 June 30, 2020. The Department determined that Respondents violated the Act and related rules as
14 described below.

15 **1.3 Prohibited Acts.** Between March 17, 2015, and June 30, 2020, Respondents made or funded
16 at least three residential mortgage loans.

17 **1.4 Designated Broker.** Between October 4, 2018, and October 16, 2019, and again from
18 September 27, 2020, to December 31, 2020, Respondents Secure and Hassan operated without a
19 Designated Broker.

20 **1.5 Inaccurate or Incomplete Reports.** Respondents failed to file accurate and complete reports
21 to the Department for the third quarter of 2017; the fourth quarter of 2018; and the first, third, and
22 fourth quarters of 2019.

1 **1.6 Mortgage Loan Originator Compensation.** On at least four occasions between September
2 1, 2017, and June 30, 2020, Respondents made payments to loan originators based on the terms of a
3 transaction.

4 **1.7 Anti-Money Laundering Program.** Respondents failed to develop and implement a
5 compliant anti-money laundering program.

6 **1.8 Identity Theft Prevention Program.** Respondents failed to develop and implement a
7 compliant identity theft prevention program.

8 **1.9 On-Going Investigation.** The Department's investigation into the alleged violations of the
9 Act by Respondents continues to date.

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

11 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed
12 mortgage broker is liable for any conduct violating the Act by the designated broker, a loan
13 originator, or other licensed mortgage broker while employed or engaged by the licensed mortgage
14 broker.

15 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed
16 mortgage broker must at all times have a designated broker responsible for all activities of the
17 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or
18 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,
19 employee's, or independent contractor's violations of the Act if: the designated broker, principal, or
20 owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows
21 the conduct; or the designated broker, principal, or owner who has supervisory authority over the
22 licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known
23 of the conduct, at a time when its consequences can be avoided or mitigated and fails to take
24 reasonable remedial action.

1 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
2 are in apparent violation of RCW 19.146.0201(2) and (18) for engaging in an unfair or deceptive
3 practice toward any person and making a residential mortgage loan by means other than table
4 funding.

5 **2.4 Failure to Operate with a Designated Broker.** Based on the Factual Allegations set forth in
6 Section I above, Respondents are in apparent violation of RCW 19.146.200 for failing to operate with
7 a Designated Broker.

8 **2.5 Failure to File Accurate and Complete Reports.** Based on the Factual Allegations set forth
9 in Section I above, Respondents are in apparent violation of RCW 19.146.390 for failing to file
10 accurate and complete reports to the Department.

11 **2.6 Unlawful MLO Compensation.** Based on the Factual Allegations set forth in Section I
12 above, Respondents are in apparent violation of RCW 19.146.0201(11) and 12 CFR 1026.36(d)(1)(i)
13 of the Truth in Lending Act for compensating MLOs based upon the terms of a transaction.

14 **2.7 Failure to Develop Anti-Money Laundering Program.** Based on the Factual Allegations set
15 forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(11) and 31 CFR
16 1029.210 for failing to develop a compliant AML program.

17 **2.8 Failure to Develop ID Theft Prevention Program.** Based on the Factual Allegations set
18 forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(11) and 16 CFR
19 681.1(b)(3)(i) for failing to develop a compliant Identity Theft Prevention program.

20 III. AUTHORITY TO IMPOSE SANCTIONS

21 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke
22 licenses for any violation of the Act.

23 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(4), the Director may
24 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a

1 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
2 mortgage broker or any person subject to licensing under the Act for any violation of the Act.

3 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
4 against a licensee, employees, independent contractors, agents of licensees, or other persons subject
5 to the Act for any violation of the Act.

6 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
7 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour
8 for an examiner's time devoted to an investigation.

9 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director
10 may recover the state's costs and expenses for prosecuting violations of the Act.

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

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

16 **4.1** Respondent Secure Lending Inc.'s license to conduct the business of a mortgage
17 broker be revoked.

18 **4.2** Respondent Mehedi Hassan's license to conduct the business of a loan originator be
19 revoked.

20 **4.3** Respondent John Majorek's license to conduct the business of a loan originator be
21 revoked.

22 **4.4** Respondent Secure Lending, Inc. be prohibited from participation in the conduct of
23 the affairs of any mortgage broker subject to licensure by the Director, in any manner,
24 for a period of five years.

4.5 Respondent Mehedi Hassan be prohibited from participation in the conduct of the
affairs of any mortgage broker subject to licensure by the Director, in any manner, for
a period of five years.

