

ORDER SUMMARY – Case Number: C-20-3025

Name: Kenneth James Pittman

Order Number: C-20-3025-22-FO01

Effective Date: 4/6/22

License Number: NMLS No. 233927
Or NMLS Identifier [U/L]

License Effect: MLO License Revoked

Not Apply Until: _____

Not Eligible Until: _____

Prohibition/Ban Until: 4/6/27

Investigation Costs	\$ 1,086.91		Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$ 4,850.00		Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$ TBD		Paid <input type="checkbox"/> Y <input checked="" 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
5 Whether there has been a violation of the
6 Consumer Loan Act of Washington by:

No.: C-20-3025-22-FO01

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,

FINAL ORDER RE:

KENNETH JAMES PITTMAN

Respondents.

16 **I. DIRECTOR'S CONSIDERATION**

17 A. Default. This matter has come before the Director of the Washington State
18 Department of Financial Institutions (Director), through his designee, Consumer Services Division
19 Director Lucinda Fazio (Director's designee), pursuant to RCW 34.05.440(1). On February 12, 2021,
20 the Director, through the Director's designee, issued a Statement of Charges and Notice of Intent to
21 Enter an Order to Cease and Desist, Revoke License, Prohibit from Industry, File Annual Reports,
22 Collect Annual Assessment, Assess Late Penalties, Impose Fine, Collect Investigation Fee, and
23 Recover Costs And Expenses (Statement of Charges) against Kenneth James Pittman (Respondent
24 Pittman). A copy of the Statement of Charges is attached and incorporated into this order by this
reference. The Statement of Charges was accompanied by a cover letter dated February 18, 2021, a
Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for
Adjudicative Hearing for Respondent Pittman (collectively, accompanying documents).

1 On February 18, 2021, the Washington State Department of Financial Institutions
2 (Department) served Respondent Pittman with the Statement of Charges and accompanying
3 documents by First-Class mail and Federal Express overnight delivery. On February 19, 2021, the
4 documents sent by Federal Express overnight delivery were delivered. The documents sent by First-
5 Class mail were not returned to the Department by the United States Postal Service.

6 Respondent Pittman did not request an adjudicative hearing within twenty calendar days after
7 the Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided
8 for in WAC 208-08-050(2).

9 B. Record Presented. The record presented to the Director's designee for his review and
10 for entry of a final decision included the Statement of Charges, cover letter dated February 18, 2021,
11 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for
12 Adjudicative Hearing for Respondent, with documentation for service.

13 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the
14 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

15 II. FINAL ORDER

16 Based upon the foregoing, and the Director's designee having considered the record and being
17 otherwise fully advised, NOW, THEREFORE:

18 A. IT IS HEREBY ORDERED, That:

- 19 1. Respondent Kenneth James Pittman cease and desist all consumer loan company
20 and/or mortgage loan originator activity.
- 21 2. Respondent Kenneth James Pittman's license to conduct the business of a
22 mortgage loan originator is revoked.
- 23 3. Respondent Kenneth James Pittman is prohibited from participation in the conduct
24 of the affairs of any consumer loan company subject to licensure by the Director,
in any manner, for a period of five years.

- 1 4. Respondent Kenneth James Pittman provide the Department with the completed
2 2019 Consumer Loan Annual Assessment Reports.
- 3 5. Respondent Kenneth James Pittman pay the 2019 Annual Assessment Fee, as
4 calculated in accordance with the Act, which shall be paid jointly and severally
5 with KRKABOB Incorporated, Joseph Michael Pennington, and Christopher
6 Marcus Urani if KRKABOB Incorporated, Joseph Michael Pennington, or
7 Christopher Marcus Urani are ordered to pay the 2019 Annual Assessment Fee.
- 8 6. Respondent Kenneth James Pittman pay a fine of \$4,850.00, which shall be paid
9 jointly and severally with KRKABOB Incorporated, Joseph Michael Pennington,
10 and Christopher Marcus Urani if KRKABOB Incorporated, Joseph Michael
11 Pennington, or Christopher Marcus Urani are ordered to pay such a fine.
- 12 7. Respondent Kenneth James Pittman pay an investigation fee of \$1,086.91, which
13 shall be paid jointly and severally with KRKABOB Incorporated, Joseph Michael
14 Pennington, and Christopher Marcus Urani if KRKABOB Incorporated, Joseph
15 Michael Pennington, or Christopher Marcus Urani are ordered to pay an
16 investigation fee.
- 17 8. Respondent Kenneth James Pittman maintain records in compliance with the Act
18 and provide the Director with the location of the books, records, and other
19 information relating to Respondent KRKABOB Incorporated's consumer loan
20 business, and the name, address, and telephone number of the individual
21 responsible for maintenance of such records in compliance with the Act.

22 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent Pittman has the right to
23 file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The
24 Petition must be filed in the Office of the Director of the Department of Financial Institutions by
courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200,
Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon
Respondent Pittman. The Petition for Reconsideration shall not stay the effectiveness of this order
nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
written notice specifying the date by which it will act on a petition.

1 C. Stay of Order. The Director's designee has determined not to consider a Petition to
2 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
3 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

4 D. Judicial Review. Respondent Pittman has the right to petition the superior court for
5 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the
6 requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

7 E. Non-compliance with Order. If you do not comply with the terms of this order,
8 **including payment of any amounts owed within 30 days of receipt of this order**, the Department
9 may seek its enforcement by the Office of the Attorney General to include the collection of the fines,
10 assessments, late penalties, and fees, imposed herein. The Department also may assign the amounts
11 owed to a collection agency for collection.

12 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
13 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
14 attached hereto.

15 DATED this 6th day of April, 2022.



17 STATE OF WASHINGTON
18 DEPARTMENT OF FINANCIAL INSTITUTIONS

19 /s/
20 _____
LUCINDA FAZIO, Director
21 Division of Consumer Services

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 **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.

11
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