

## ORDER SUMMARY – Case Number: C-20-3036

**Name(s):** Quantum Equities, LLC and Carl Cook

**Order Number:** C-20-3036-22-CO01

**Effective Date:** 12/29/22

**License Number:** UL  
**Or NMLS Identifier [U/L]**

**License Effect:** N/A

**Not Apply Until:** N/A

**Not Eligible Until:** N/A

**Prohibition/Ban Until:** Permanent

<b>Investigation Costs</b>	\$ 1,000		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 12/19/22
<b>Fine</b>	\$ 11,325 (Stayed)		Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<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>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Cost of Prosecution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments:

It is AGREED and ORDERED that Respondents Quantum and Cook shall cease and desist engaging in the business of a loan originator or loan servicer.

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

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

No.: C-20-3036-22-CO01

CONSENT ORDER

5 QUANTUM EQUITIES, LLC, and  
6 CARL A. COOK, Owner and President,

7 Respondents.

8           COMES NOW the Director of the Department of Financial Institutions (Director), through his  
9 designee Lucinda Fazio, Division of Consumer Services Director, and Quantum Equities, LLC  
10 (Respondent Quantum) and Carl A. Cook, Owner and President (Respondent Cook), and finding that  
11 the issues raised in the above-captioned matter may be economically and efficiently settled, agree to  
12 the entry of this Consent Order. This Consent Order is entered pursuant to chapter 31.04 of the  
13 Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act,  
14 based upon the following:

15                                   **AGREEMENT AND ORDER**

16           The Department of Financial Institutions, Division of Consumer Services (Department) and  
17 Respondents Quantum and Cook have agreed upon a basis for resolution of the matters alleged in  
18 Statement of Charges No. C-20-3036-22-SC01 (Statement of Charges), entered August 1, 2022,  
19 (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW  
20 34.05.060 of the Administrative Procedure Act, Respondents Quantum and Cook hereby agree to the  
21 Department's entry of this Consent Order and further agree that the issues raised in the above-  
22 captioned matter may be economically and efficiently settled by entry of this Consent Order. The  
23 parties intend this Consent Order to fully resolve the Statement of Charges.

24           Based upon the foregoing:

CONSENT ORDER  
C-20-3036-22-CO01  
QUANTUM EQUITIES, LLC, and  
CARL A. COOK

1

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

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 Respondents Quantum and Cook have been  
4 informed of the right to a hearing before an administrative law judge, and hereby waive their right to  
5 a hearing and any and all administrative and judicial review of the issues raised in this matter, or of  
6 the resolution reached herein. Accordingly, Respondents Quantum and Cook, by the signatures of  
7 their representatives below, withdraw their appeal to the Office of Administrative Hearings.

8           **C. Cease and Desist.** It is AGREED and ORDERED that Respondents Quantum and Cook  
9 shall cease and desist engaging in the business of a loan originator or loan servicer.

10           **D. Prohibition from Industry.** It is AGREED and ORDERED that Respondents Quantum  
11 and Cook are prohibited from participating, in any capacity, in the conduct of the affairs of any  
12 consumer loan company licensed by the Department or subject to licensure or regulation by the  
13 Department.

14           **E. Fine and Stayed Fine.** It is AGREED and ORDERED that Respondents Quantum and  
15 Cook shall jointly and severally pay a fine to the Department in the amount of \$11,325.00. It is  
16 FURTHER AGREED that \$11,325.00 of the fine shall be stayed (Stayed Fine) for two (2) years  
17 following entry of this Consent Order contingent upon Respondents Quantum and Cook's  
18 compliance with this Consent Order. It is FURTHER AGREED that the stay may be lifted and the  
19 Stayed Fine imposed in accordance with the terms stated in Paragraph F.

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

- 21           1. If the Department determines that Respondents Quantum and Cook have  
22 not complied with the terms of this Consent Order, and the Department  
23 accordingly seeks to lift the stay and impose the Stayed Fine set forth in  
Paragraph E above, the Department will first notify Respondents  
Quantum and Cook in writing of its determination.

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

21                   **G. Investigation Fee.** It is AGREED and ORDERED that Respondents Quantum and Cook

22                   shall jointly and severally pay to the Department an investigation fee of \$1,000.00, in the form of a

23                   cashier's check made payable to the "Washington State Treasurer," upon delivery of this Consent

24                   Order to the Department, properly dated and signed.

1           **H. Change of Address.** It is AGREED that for the duration of the period this Consent Order  
2 is in effect, unless otherwise agreed to in writing by the Department, Respondents Quantum and  
3 Cook shall provide the Department with a mailing address and telephone number at which  
4 Respondents Quantum and Cook can be contacted and shall notify the Department in writing of any  
5 changes to their mailing address or telephone number within fifteen days of any such change.

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

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

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

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

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

1 **RESPONDENTS:**

2 /s/ \_\_\_\_\_  
3 Quantum Equities, LLC by  
4 Carl A. Cook, Owner and President

9 Dec 2022

\_\_\_\_\_  
Date

5 /s/ \_\_\_\_\_  
6 Carl A. Cook  
7 Individually

9 Dec 2022

\_\_\_\_\_  
Date

8 Approved for Entry:

9 \_\_\_\_\_  
10 Michele K. McNeill, WSBA No. 32052  
11 Skyline Law Group, PLLC  
12 Attorney for Respondents

\_\_\_\_\_  
Date

DO NOT WRITE BELOW THIS LINE

11 THIS ORDER ENTERED THIS 29th DAY OF December, 2022.



13 /s/ \_\_\_\_\_  
14 LUCINDA FAZIO, Director  
15 Division of Consumer Services  
16 Department of Financial Institutions

17 Presented by:

18 /s/ \_\_\_\_\_  
19 AMANDA B. STARNES  
20 Financial Legal Examiner

21 Approved by:

22 /s/ \_\_\_\_\_  
23 JACK McCLELLAN  
24 Enforcement Chief

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 QUANTUM EQUITIES, LLC, and  
8 CARL A. COOK, Owner and President,

9 Respondents.

No. C-20-3036-22-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO CEASE AND DESIST,  
PROHIBIT FROM INDUSTRY, IMPOSE  
FINE, COLLECT INVESTIGATION FEE and  
RECOVER COSTS AND EXPENSES

10 **INTRODUCTION**

11 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial  
12 Institutions of the State of Washington (Director) is responsible for the administration of chapter  
13 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to  
14 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the  
15 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this  
16 proceeding and finds as follows:

17 **I. FACTUAL ALLEGATIONS**

18 **1.1 Respondents.**

19 **A. Respondent Quantum Equities, LLC (Respondent Quantum)** has never been  
20 licensed by the Department of Financial Institutions of the State of Washington (Department) to  
21 conduct business as a consumer loan company.

22 **B. Respondent Carl A. Cook (Respondent Cook)** is Owner and President of  
23 Respondent Quantum. Respondent Cook has never been licensed by the Department to conduct  
24 business as a loan originator.

**1.2 Unlicensed Activity.** On or about June 28, 2019, Respondents and Washington consumer  
C.T. executed a Note secured by a Deed of Trust on C.T.'s primary residence (second mortgage).

1 Respondents agreed to pay on C.T.'s first mortgage to stop an impending foreclosure sale. The  
2 Agreement required C.T. to remain current on the first mortgage. In return, C.T. would "pay  
3 principal and interest totaling One Hundred Thirty-Two Thousand Six Hundred Eighty-Four and  
4 53/100 Dollars (U.S. \$132,684.53), to the order of the Lender...upon maturity of the loan."  
5 Respondents wired the funds to C.T.'s first mortgage servicer on June 28, 2019, which brought the  
6 account current, and advanced the due date to August 1, 2019. On or about August 17, 2019,  
7 Respondents received information that C.T. had not made the August payment on the first mortgage.  
8 On or about September 23, 2019, Respondents initiated foreclosure proceedings on the second  
9 mortgage.

10 On or about April 24, 2020, Respondents' foreclosure trustee sold C.T.'s residence to  
11 Respondents at public auction. Respondents initiated an unlawful detainer suit in Snohomish County  
12 Superior Court (SCSC) against C.T. SCSC found that the foreclosure sale was invalid, that  
13 Respondents' foreclosure trustee was not a qualified to serve as trustee, and Respondents failed to  
14 follow the procedural and notice requirements of the Washington Deeds of Trust Act.

15 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to  
16 make or service residential mortgage loans or omitted disclosing that they were not licensed to make  
17 or service residential mortgage loans.

18 **1.4 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 Definition of Mortgage Loan Originator.** Pursuant to RCW 31.04.015(17)(a), "Mortgage  
22 loan originator" means an individual who for compensation or gain (i) takes a residential mortgage  
23 loan application, or (ii) offers or negotiates terms of a residential mortgage loan.



1 **2.2 Definition of Borrower.** Pursuant to RCW 31.04.015(4), "Borrower" means any person who  
2 consults with or retains a licensee or person subject to this chapter in an effort to obtain or seek  
3 information about obtaining a loan, regardless of whether that person actually obtains such a loan.

4 **2.3 Definition of Service or Servicing a Loan.** Pursuant to RCW 31.04.015(29) "Service or  
5 servicing a loan" means on behalf of the lender or investor of a residential mortgage loan: (a)  
6 Collecting or receiving payments on existing obligations due and owing to the lender or investor,  
7 including payments of principal, interest, escrow amounts, and other amounts due; (b) collecting fees  
8 due to the servicer; (c) working with the borrower and the licensed lender or servicer to collect data  
9 and make decisions necessary to modify certain terms of those obligations either temporarily or  
10 permanently; (d) otherwise finalizing collection through the foreclosure process; or (e) servicing a  
11 reverse mortgage loan.

12 **2.4 Unlicensed Loan Originator.** Based upon the Factual Allegations set forth in Section I  
13 above, Respondents are in apparent violation of RCW 31.04.027(1)(b) and RCW 31.04.221 for  
14 engaging in the business of a mortgage loan originator without first obtaining a license.

15 **2.5 Unlicensed Loan Servicer.** Based upon the Factual Allegations set forth in Section I above,  
16 Respondents are in apparent violation of RCW 31.04.027(1)(b) and RCW 31.04.035 for engaging in  
17 the business of a residential loan servicer without first obtaining a license.

18 **2.6 Unfair or Deceptive Practice.** Based upon the Factual Allegations set forth in Section I  
19 above, Respondents are in apparent violation of RCW 31.04.027(1)(b) for directly or indirectly  
20 engaging in any unfair or deceptive practice toward any person.

21 **2.7 Obtaining Property by Fraud or Misrepresentation.** Based upon the Factual Allegations  
22 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(1)(c) for  
23 directly or indirectly obtaining property by fraud or misrepresentation.

24 //

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the  
3 Director may issue orders directing a licensee, its employee, loan originator, or other person subject  
4 to the Act to cease and desist from conducting business in a manner that is injurious to the public or  
5 violates any provision of the Act.

6 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may  
7 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,  
8 employee, mortgage loan originator, or any other person subject to the Act for (a) False statements or  
9 omission of material information from an application for a license that, if known, would have allowed  
10 the director to deny the original application for a license; (b) Conviction of a gross misdemeanor  
11 involving dishonesty or financial misconduct or a felony; (c) Suspension or revocation of a license to  
12 engage in lending or residential mortgage loan servicing, or perform a settlement service related to  
13 lending or residential mortgage loan servicing in this state or another state; (d) Failure to comply with  
14 any order or subpoena issued under this chapter; (e) A violation of RCW 31.04.027, RCW 31.04.102,  
15 RCW 31.04.155, or RCW 31.04.221; or (f) Failure to obtain a license for activity that requires a  
16 license.

17 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of  
18 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or  
19 any other person subject to the Act for any violation of the Act or failure to comply with any order or  
20 subpoena issued by the Director under the Act.

21 **3.4 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-  
22 590, WAC 208-620-610(7), every licensee examined or investigated by the Director or the Director's  
23 designee shall pay for the cost of the examination or investigation, calculated at the rate of \$69.01 per  
24

1 staff hour devoted to the examination or investigation, and shall pay travel costs if the licensee  
2 maintains its records outside the state.

3 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director  
4 may recover the state's costs and expenses for prosecuting violations of the Act.

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

6 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,  
7 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
8 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW  
9 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 10 **4.1** Respondents Quantum Equities, LLC and Carl A. Cook cease and desist from any and  
11 all violations of the Act.
- 12 **4.2** Respondent Quantum Equities, LLC be prohibited from participation in the conduct of  
13 the affairs of any consumer loan company subject to licensure by the Director.
- 14 **4.3** Respondent Carl A. Cook be prohibited from participation in the conduct of the affairs  
15 of any consumer loan company subject to licensure by the Director, in any manner.
- 16 **4.4** Respondents Quantum Equities, LLC and Carl A. Cook jointly and severally pay a  
17 fine. As of the date of this Statement of Charges, the fine totals \$11,325.00.
- 18 **4.5** Respondents Quantum Equities, LLC and Carl A. Cook jointly and severally pay an  
19 investigation fee. As of the date of this Statement of Charges, the investigation fee  
20 totals \$4,389.00.
- 21 **4.6** Respondents Quantum Equities, LLC and Carl A. Cook maintain records in  
22 compliance with the Act and provide the Department with the location of the books,  
23 records, and other information relating to Respondents' consumer loan business, and  
24 the name, address and telephone number of the individual responsible for maintenance  
of such records in compliance with the Act.
- 4.7** Respondent Quantum Equities, LLC and Carl A. Cook pay the 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 and Notice of Intent to Enter an Order to Cease and Desist,  
3 Prohibit from Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses  
4 (Statement of Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165,  
5 RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The  
6 Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in  
7 the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND  
8 accompanying this Statement of Charges.

9  
10 Dated this 1st day of August, 2022.



15  
16  
17  
18

*/s/*  
\_\_\_\_\_  
LUCINDA FAZIO, Director  
Division of Consumer Services  
Department of Financial Institutions

19 Presented by:

20  
21  
22

*/s/*  
\_\_\_\_\_  
AMANDA B. STARNES  
Financial Legal Examiner

23 Approved by:

24

*/s/*  
\_\_\_\_\_  
JACK McCLELLAN  
Enforcement Chief