

ORDER SUMMARY – Case Number: C-11-0642

Name(s): Alan Ross Kilburn [ARK]
Kilburn Group, Inc. d/b/a Seattle Short Sales, Inc. [KGI]

Order Number: C-11-0642-12-CO01

Effective Date: February 7, 2013

License Number: NMLS 333817 [ARK – Mortgage Loan Originator License]
NMLS 395947 [KGI – Consumer Loan Company License Application]

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: 333817 – Revoked
395947 – Voluntarily Withdrawn

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: February 7, 2018

Investigation Costs	\$15,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 2/7/2013
Fine	\$15,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 2/7/2013
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
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
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 Mortgage Broker Practices Act of Washington,
7 and the Consumer Loan Act of Washington, and
8 INVESTIGATING the consumer loan company
9 license application under the Consumer Loan Act
10 of Washington by:

11 KILBURN GROUP, INC., d/b/a
12 SEATTLE SHORT SALES, INC., and
13 ALAN ROSS KILBURN, President, Owner, and
14 Mortgage Loan Originator,

15 Respondents.

No.: C-11-0642-12-CO01

CONSENT ORDER

16 COMES NOW the Director of the Department of Financial Institutions (Director), through his
17 designee Deborah Bortner, Division Director, Division of Consumer Services, and Respondent
18 Kilburn Group, Inc., and Respondent Alan Ross Kilburn, and finding that the issues raised in the
19 above-captioned matter may be economically and efficiently settled, agree to the entry of this
20 Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised Code of
21 Washington (RCW), the Mortgage Broker Practices Act (MBPA), chapter 31.04 RCW, the Consumer
22 Loan Act (CLA), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

23 **AGREEMENT AND ORDER**

24 The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondent Kilburn Group, Inc. and Respondent Alan Ross Kilburn have agreed upon a basis for
resolution of the matters alleged in Amended Statement of Charges No. C-11-0642-12-SC02
(Amended Statement of Charges), entered February 3, 2012, (copy attached hereto). Pursuant to the
MBPA, the CLA, and RCW 34.05.060 of the Administrative Procedure Act, Respondent Kilburn
Group, Inc. and Respondent Alan Ross Kilburn hereby agree to the Department's entry of this

1 Consent Order and further agree that the issues raised in the above-captioned matter may be
2 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent
3 Order to fully resolve the Amended Statement of Charges.

4 Based upon the foregoing:

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

7 B. **Waiver of Hearing.** It is AGREED that Respondent Kilburn Group, Inc. and Respondent
8 Alan Ross Kilburn have been informed of the right to a hearing before an administrative law judge,
9 and hereby waive their right to a hearing and any and all administrative and judicial review of the
10 issues raised in this matter, or of the resolution reached herein. Accordingly, Respondent Kilburn
11 Group, Inc., by the signatures of its representatives below, and Respondent Alan Ross Kilburn, by his
12 signature and the signatures of his representatives below, withdraw their appeal to the Office of
13 Administrative Hearings.

14 C. **No Admission of Liability.** The parties intend this Consent Order to fully resolve the
15 Amended Statement of Charges and agree that Respondents do not admit to any wrongdoing by its
16 entry.

17 D. **Mortgage Broker License Required.** It is AGREED that, pursuant to the MBPA, a
18 person may not engage in the business of a mortgage broker in the state of Washington without first
19 obtaining and maintaining a mortgage broker license from the Department in accordance with the
20 MBPA or qualifying for an exemption from licensure as delineated in the MBPA. It is further
21 AGREED that Respondent Kilburn Group, Inc. and Respondent Alan Ross Kilburn each shall not
22 engage in the business of a mortgage broker in or related to the state of Washington, including but not
23 limited to the employment of any natural person for the performance of residential mortgage loan

1 modification services including the negotiation of short sale transactions involving real property or
2 consumers located in the state of Washington, without obtaining and maintaining a mortgage broker
3 license from the Department in accordance with the MBPA, as now or hereafter amended, or
4 qualifying for an exemption from licensure as delineated in the MBPA, as now or hereafter amended.

5 **E. Mortgage Loan Originator License Required.** It is AGREED that, pursuant to the
6 MBPA, a natural person may not engage in the business of a mortgage loan originator in the state of
7 Washington without first obtaining and maintaining an active and sponsored mortgage loan originator
8 license from the Department in accordance with the MBPA or qualifying for an exemption from
9 licensure as delineated in the MBPA. It is further AGREED that Respondent Alan Ross Kilburn shall
10 not engage in the business of a mortgage loan originator in or related to the state of Washington,
11 including but not limited to the performance of residential mortgage loan modification services
12 including the negotiation of short sale transactions involving real property or consumers located in
13 the state of Washington, without obtaining and maintaining an active and sponsored mortgage loan
14 originator license from the Department in accordance with the MBPA, as now or hereafter amended,
15 or qualifying for an exemption from licensure as delineated in the MBPA, as now or hereafter
16 amended.

17 **F. Consumer Loan Company License Application Withdrawal.** It is AGREED that,
18 upon entry of this Consent Order, Respondent Kilburn Group, Inc.'s application for a consumer loan
19 company license is voluntarily withdrawn.

20 **G. Mortgage Loan Originator License Revocation.** It is AGREED that, upon entry of this
21 Consent Order, Respondent Alan Ross Kilburn's mortgage loan originator license is revoked.

22 **H. Prohibition from Industry.** It is AGREED that, for a period of five years from the date
23 of entry of this Consent Order, Respondent Kilburn Group, Inc. is prohibited from participating in the

1 conduct of the affairs of any mortgage broker or consumer loan company licensed by the Department
2 or subject to licensure or regulation by the Department, in any manner. It is further AGREED that,
3 for a period of five years from the date of entry of this Consent Order, Respondent Alan Ross Kilburn
4 is prohibited from participating in the conduct of the affairs of any mortgage broker or consumer loan
5 company licensed by the Department or subject to licensure or regulation by the Department, in any
6 manner.

7 I. **Fine.** It is AGREED that Respondent Kilburn Group, Inc. and Respondent Alan Ross
8 Kilburn shall jointly pay a fine to the Department in the amount of \$15,000, in the form of a cashier's
9 check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

10 J. **Investigation Fee.** It is AGREED that Respondent Kilburn Group, Inc. and Respondent
11 Alan Ross Kilburn shall jointly pay to the Department an investigation fee of \$15,000, in the form of
12 a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent
13 Order. The Fine and Investigation Fee may be paid together in one \$30,000 cashier's check made
14 payable to the "Washington State Treasurer."

15 K. **Records Retention.** It is AGREED that Respondent Kilburn Group, Inc., its officers,
16 employees, and agents, and Respondent Alan Ross Kilburn, shall maintain records in compliance
17 with the MBPA, to the extent it applies, and provide the Director with, and keep the Director
18 informed of, the location of the books, records and other information relating to Respondent Kilburn
19 Group Inc.'s mortgage broker business, and the name, address and telephone number of the
20 individual responsible for maintenance of such records in compliance with the MBPA, to the extent it
21 applies. It is further AGREED that the MBPA applies to any and all records related to any period
22 that Respondent Kilburn Group Inc.'s mortgage broker business did not qualify for exemption from
23 licensing under the MBPA.

1 L. **Authority to Execute Order.** It is AGREED that the undersigned have represented and
2 warranted that they have the full power and right to execute this Consent Order on behalf of the
3 parties represented.¹

4 M. **Non-Compliance with Order.** It is AGREED that Respondent Kilburn Group, Inc. and
5 Respondent Alan Ross Kilburn understand that failure to abide by the terms and conditions of this
6 Consent Order may result in further legal action by the Director. In the event of such legal action,
7 Respondent Kilburn Group, Inc. and Respondent Alan Ross Kilburn may be responsible to reimburse
8 the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

9 N. **Voluntarily Entered.** It is AGREED that Respondent Kilburn Group, Inc. and
10 Respondent Alan Ross Kilburn have voluntarily entered into this Consent Order, which is effective
11 when signed by the Director's designee.

12 O. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent Kilburn
13 Group, Inc. and Respondent Alan Ross Kilburn have read this Consent Order in its entirety and fully
14 understand and agree to all of the same.

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22 ¹ Lambros Andreas Politis has provided the Department with a declaration stating he purchased
23 Respondent Kilburn Group, Inc. on July 10, 2012, and stating he is currently the sole owner of
24 Respondent Kilburn Group, Inc.

1 **RESPONDENTS:**

2 **Kilburn Group, Inc.**

3 By:

4 /s/ _____
5 Alan Ross Kilburn
6 Manager

1/21/13 _____
Date

7 /s/ _____
8 Lambros Andreas Politis, WSBA #42626
9 Owner of Respondent Kilburn Group, Inc.

1/21/13 _____
Date

10 /s/ _____
11 Alan Ross Kilburn
12 Individually

1/21/13 _____
Date

13 /s/ _____
14 Seth Alan Rosenberg, WSBA No. 41660
15 Attorney for Respondents Alan Ross Kilburn and Kilburn Group, Inc.

2/1/13 _____
Date

16 /s/ _____
17 Aaron V. Roche, WSBA No. 31525
18 Attorney for Respondents Alan Ross Kilburn and Kilburn Group, Inc.

2/1/13 _____
Date

19 **DO NOT WRITE BELOW THIS LINE**

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THIS ORDER ENTERED THIS 7th DAY OF February, 2013

/s/
DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

/s/
MARK T. OLSON
Financial Legal Examiner

Approved by:

/s/
CHARLES E. CLARK
Enforcement Chief

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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,
and the Consumer Loan Act of Washington, and
INVESTIGATING the consumer loan company
license application under the Consumer Loan Act
of Washington by:

KILBURN GROUP, INC., d/b/a
SEATTLE SHORT SALES, INC., and
ALAN ROSS KILBURN, President, Owner, and
Mortgage Loan Originator,

Respondents.

No. C-11-0642-12-SC02

AMENDED STATEMENT OF CHARGES
and NOTICE OF INTENTION TO ENTER
AN ORDER TO CEASE AND DESIST,
DENY CONSUMER LOAN COMPANY
LICENSE APPLICATION, REVOKE
MORTGAGE LOAN ORIGINATOR
LICENSE, PROHIBIT FROM INDUSTRY,
IMPOSE FINE, AND COLLECT
INVESTIGATION FEE

INTRODUCTION

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of
Financial Institutions of the State of Washington (Director) is responsible for the administration of
chapter 19.146 RCW, the Mortgage Broker Practices (MBPA). Pursuant to RCW 31.04.093 and
RCW 31.04.165, the Director is responsible for the administration of chapter 31.04 RCW, the
Consumer Loan Act (CLA).

After having conducted an investigation pursuant to RCW 19.146.235, RCW 31.04.055, and
RCW 31.04.145, and based upon the facts available as of July 8, 2011, the Director, through his
designee, Division of Consumer Services Director Deborah Bortner (Division Director Bortner),
issued Statement of Charges C-11-0642-11-SC01 (Statement of Charges SC01) on July 8, 2011.
Respondents were each served with Statement of Charges SC01 and each filed an Application for
Adjudicative Hearing with the Department of Financial Institutions (Department). After the issuance
of Statement of Charges SC01, information came to the attention of the Department that requires the
amendment of Statement of Charges SC01. Based upon the facts available as of the date of this

1 Amended Statement of Charges, the Director, through Division Director Bortner, now proceeds to
2 amend Statement of Charges SC01 by issuing Amended Statement of Charges C-11-0642-12-SC02.
3 This Amended Statement of Charges includes the following modifications: addition of factual
4 allegations, addition of grounds for entry of order, modification of cease and desist sanction as to
5 Respondent Kilburn to reflect the current expired status of his mortgage loan originator license,
6 modification of the prohibition sanctions as to both Respondents, and updating the investigation costs
7 as of the date of this Amended Statement of Charges.

8 I. FACTUAL ALLEGATIONS

9 1.1 Respondents.

10 A. **Kilburn Group, Inc., d/b/a Seattle Short Sales, Inc. (Respondent Kilburn Group)**
11 was incorporated in the state of Washington in or around February 2005. Respondent Kilburn Group
12 conducted business under the name "Seattle Short Sales, Inc." at least since registering it as a trade
13 name with the Washington State Department of Licensing Master License Service on or about May
14 24, 2010, until at least August 1, 2011.¹ Respondent Kilburn Group has never been licensed by the
15 Department of Financial Institutions of the State of Washington (Department) to conduct the business
16 of a mortgage broker or a consumer loan company. On or about May 13, 2011, Respondent Kilburn
17 Group submitted an application for a consumer loan company license to the Department on-line
18 through the Nationwide Mortgage Licensing System and Registry (NMLSR).

19 B. **Alan Ross Kilburn (Respondent A. Kilburn)** has been the president and owner of
20 Respondent Kilburn Group since its incorporation in or around February 2005. Respondent A.
21 Kilburn was licensed by the Department to conduct business as a mortgage loan originator on or
22 about July 21, 2010 (NMLSR ID 333817), and continued to be licensed until the expiration of his

23 ¹ Respondents claim the Seattle Short Sales business was sold August 1, 2011. See paragraph 1.3 of this Amended
Statement of Charges.

1 mortgage loan originator license on December 31, 2011. A licensed mortgage loan originator is only
2 authorized to conduct business for a sponsoring licensed or exempt entity. Prior to on or about July
3 21, 2010, Respondent A. Kilburn did not hold a license from the Department to conduct business as a
4 mortgage loan originator. From initial licensure on or about July 21, 2010, until on or about June 16,
5 2011, Respondent A. Kilburn was only authorized to conduct the business of a mortgage loan
6 originator for his sponsoring entity, TMBG, Inc. (TMBG), a consumer loan company licensed under
7 the CLA (NMLSR ID 3193), and only from the following licensed branch location of TMBG
8 (NMLSR ID 119037): 10025 19th Ave SE, Ste 100, Everett, Washington. From on or about June 16,
9 2011, until December 31, 2011, Respondent A. Kilburn's mortgage loan originator license was
10 inactive as it was not sponsored by a licensed or exempt entity. As of the date of this Amended
11 Statement of Charges, Respondent A. Kilburn's mortgage loan originator license has expired.

12 **1.2 Unlicensed Activity.** As of at least July 8, 2011, Respondents' web site,
13 www.seattleshortsales.com, included at least 385 short sale approval letters purportedly obtained
14 through the short sale negotiation services of Respondents since at least February 2010. The web
15 site also included a "funding" page soliciting borrower information for loan pre-approval and
16 guaranteeing a pre-approved loan "will close within 10-days of receipt of the short sale approval
17 letter or you will be given \$1,000." This funding page indicated the lender was "Pacific Trust
18 Mortgage, div. of Hometown Lending, Inc.," an approved name for the TMBG branch Respondent
19 A. Kilburn's mortgage loan originator license was associated with from on or about July 21, 2010,
20 until on or about June 16, 2011.

21 On or about May 11, 2011, the Department issued a Directive (Department's May 2011
22 Directive) to Respondents requesting that Respondents provide the Department with a complete list
23 of all transactions in which Respondents had provided loan modification services, including short

1 sale negotiation services, for properties or consumers located in the state of Washington. On or
2 about June 10, 2011, Respondents provided the Department with a list of transactions indicating
3 Respondents had provided short sale negotiation services in at least 160 transactions from January
4 2010 through June 2011, and had collected over \$900,000 in fees for providing these services.

5 The Department issued a subpoena to TMBG on or about May 31, 2011, seeking information
6 about Respondent A. Kilburn's mortgage loan originator activities while employed and sponsored by
7 TMBG. The Department received TMBG's response on or about June 10, 2011. TMBG's response
8 stated that Respondent A. Kilburn had not completed required new employee orientation, had not
9 been given access to TMBG's loan production software, and was not authorized to originate
10 mortgage transactions for TMBG. TMBG's response further stated that TMBG did not have any
11 record of residential mortgage loan modification services or short sale negotiation services provided
12 by Respondent A. Kilburn under TMBG's consumer loan company license. On or about June 16,
13 2011, TMBG terminated its sponsorship of Respondent A. Kilburn's mortgage loan originator
14 license.

15 Of the 160 transactions on Respondents' list, four involved TMBG. The buyers in these four
16 transactions obtained residential mortgage loans from TMBG, originated by other licensed mortgage
17 loan originators sponsored by TMBG. None of the fees Respondents collected for their short sale
18 negotiation services were received or processed by or through TMBG.²

19 At least as early as September 9, 2010, Respondent A. Kilburn was aware of Respondents'
20 failure to comply with the Department's licensing requirements, as evidenced by an email to the
21 TMBG loan originator he would later collect illegal fees from:

22
23 ² Respondents did collect illegal referral fees or illegal unearned fees from the mortgage loan originator in at least three of
these transactions, as discussed in paragraph 1.4A of this Amended Statement of Charges.

1 “I need to move forward on addressing some DFI concerns. They need to see that
2 I have oversight by a mortgage broker or consumer loan company. Also, it is
3 now my understanding that they want my short sale revenue to go through my
parent company. With this new requirement, I can’t imagine that your team
would be interested in working directly with me.

4 I have done my preliminary research, and it looks like I am eligible to establish
5 my own consumer loan company. As a CLC I will be able to register my branch,
my website, etc. I will hopefully have it established in the next couple of weeks.

6 Do you think we would still be able to work a referral agreement of some sort? I
7 still think it would be great if I could do the marketing and push business to you.”

8 Respondent Kilburn Group continued to operate without a mortgage broker or consumer loan
9 company license, not applying for a consumer loan company license until eight months later, and
10 Respondent A. Kilburn continued to conduct the business of a mortgage loan originator for this
11 unlicensed entity rather than for his sponsoring entity, TMBG.

12 **1.3 Ongoing Unlicensed Activity.** The Department’s May 2011 Directive cover letter requested
13 that Respondents voluntarily discontinue engaging in any activity requiring licensure until such time
14 as Respondents had obtained the required license. The Department’s May 2011 Directive requested
15 that Respondents provide the Department with either: a completed Claim of Non-Applicability of the
16 Mortgage Broker Practices Act form, including an explanation of how they were not subject to
17 licensure; or, a completed Declaration and Agreement to Cease and Desist form acknowledging they
18 were required to be licensed and agreeing to cease conducting business as a mortgage broker or
19 mortgage loan originator until such time as they had obtained the appropriate licenses. On or about
20 June 10, 2011, Respondent A. Kilburn provided the Department with a completed Claim of Non-
21 Applicability form signed under penalty of perjury and including the following explanation:

22 “It was my understanding that as a licensed MLO [mortgage loan originator] I
23 was able to conduct short sale processing. I believed that my entity name was
simply an extension of me, acting as an individual MLO. As it has been brought
to my attention that my entity needs to be registered, I have completed the

1 application to file my entity as a Consumer Loan Company, and expect to have
2 full licensure any day now.”

3 Respondent Kilburn Group continued to operate without a mortgage broker or consumer loan
4 company license until at least August 1, 2011. Respondent A. Kilburn has certified that while he
5 continues to own Respondent Kilburn Group, the “Seattle Short Sales business” was sold to Thomas
6 F. McGrath Jr. (McGrath)³ on August 1, 2011 (the Sale). McGrath has certified that his entity, Law
7 Office of Thomas F. McGrath, Jr., PLLC (McGrath PLLC): primarily serves clients who are about to
8 be subject to a foreclosure action or have already been advised of a foreclosure sale on their primary
9 residence; files a substantial number of bankruptcies for these clients; and has provided short sale
10 negotiation services under the name Seattle Short Sales, Inc. since August 1, 2011. McGrath has
11 claimed that, as an attorney licensed to practice law in the state of Washington, he and McGrath
12 PLLC are exempt from licensure under the MBPA.⁴

13 Respondent A. Kilburn continued to operate with an inactive mortgage loan originator license
14 from at least June 16, 2011 until his mortgage loan originator license expired December 31, 2011,
15 and continues to operate with an expired mortgage loan originator license as of the date of this
16 Amended Statement of Charges. McGrath has certified that Respondent A. Kilburn is employed by
17 McGrath PLLC.⁵ After the Sale, Respondent A. Kilburn has continued to negotiate short sale
18 transactions under the Seattle Short Sales, Inc. name, continued to endorse checks written to Seattle

19 _____
20 ³ According to the Washington State Bar Association on-line attorney directory, McGrath remains an attorney licensed to
21 practice law in the state of Washington as of the date of this Amended Statement of Charges.

22 ⁴ This Amended Statement of Charges does not address the validity of McGrath’s claim of exemption from the MBPA,
23 nor does it join McGrath or McGrath PLLC as Respondents in this action. McGrath’s claim of exemption is merely
24 provided to acknowledge that Respondent Kilburn Group’s alleged unlicensed activity may have ceased on or about
August 1, 2011, while the Seattle Short Sales, Inc. business appears to remain active.

⁵ Respondent A. Kilburn is not an attorney licensed to practice law in the state of Washington, and therefore cannot claim
such exemption from the licensing requirements of the MBPA or the CLA.

1 Short Sales, Inc. or its aliases, and identified himself as the “President” of Seattle Short Sales, Inc. in
2 negotiations with a real estate agent for the payment of a short sale negotiation fee.

3 As of the date of this Amended Statement of Charges, Washington State Department of
4 Revenue, Business Licensing Service (BLS) on-line records do not indicate that McGrath PLLC has
5 registered the trade name “Seattle Short Sales, Inc.” nor that Respondent Kilburn Group has changed
6 the status of that trade name to “inactive.” However, BLS on-line records do indicate that, on or
7 about January 4, 2012, Respondent Kilburn Group registered the trade name “Seattle Mortgage
8 Advisors,” an alias often used by Respondent Kilburn Group as discussed in paragraph 1.4 of this
9 Amended Statement of Charges.

10 After the Sale, the web site discussed in paragraph 1.2 of this Amended Statement of Charges
11 was periodically changed to eventually identify Seattle Short Sales, Inc. as a division of “Law Office
12 of TFMJ, PLLC” and “Law Office of Thomas McGrath” rather than as a division of Respondent
13 Kilburn Group. However, as of the date of this Amended Statement of Charges, the web site does not
14 identify McGrath as a licensed attorney, does not state that short sale negotiations are handled
15 exclusively by McGrath or any other licensed attorney, and does not state that Seattle Short Sales,
16 Inc. offers or provides any services, legal or otherwise, other than the negotiation of short sale
17 transactions. The web site states:

18 “Seattle Short Sales, Inc. is a team of legal, tax, and real estate professionals who
19 have joined forces. We provide you with the most experienced short sale
20 professionals. Individuals who have made it their focus to help you eliminate
your mortgage debt, as fast as possible, at no cost to you.”

21 The web site continues to include the “funding” page discussed in paragraph 1.2 of this
22 Amended Statement of Charges (including Respondent A. Kilburn’s name and now-expired
23 mortgage loan originator license number and identifying the lender as “Pacific Trust Mortgage, div.
of Hometown Lending, Inc.”), continues to advertise training webinars for real estate brokers

1 “[p]resented by Ross Kilburn of Seattle Short Sales, Inc. Ross is a licensed MLO, and has been
2 negotiating short sales since 2004,” continues to include numerous other references to Respondent A.
3 Kilburn including numerous and continuing “case studies” and “blog” entries posted under
4 Respondent A. Kilburn’s name, and continues to list the Bellevue address identified in paragraph 1.5
5 of this Amended Statement of Charges rather than the address of McGrath’s law office.

6 The web site continues to direct real estate brokers to complete the “S3 DocPac” to begin the
7 process for their clients. As of the date of this Amended Statement of Charges, the “S3 DocPac”
8 available on-line⁶ is marked “Revised 1/12” and includes a Homeowner Agreement and a Broker
9 Agreement. The Homeowner Agreement continues to include:

10 “Ross Kilburn and Seattle Short Sales, Inc. or anyone working for him CANNOT
11 guarantee you that they will be able to refinance your home or arrange for you to
keep your home.”

12 “SEATTLE SHORT SALES, INC. will attempt to negotiate a short sale with
13 some or all of the owners of the liens on the property.”

14 “SEATTLE SHORT SALES, INC. is not acting on my behalf as consultant,
attorney, legal advisor, loan counselor, or non-profit agency.”

15 “SEATTLE SHORT SALES, INC. provides short sale legal consultation at no
16 charge via one of our affiliated attorneys.”

17 “SEATTLE SHORT SALES, INC. is not a debt relief agency and does not help
18 people file for bankruptcy relief under the Bankruptcy code. SEATTLE SHORT
19 SALES, INC. does not provide bankruptcy information, advice, counseling,
document preparation, bankruptcy filing, or legal representation related to an
existing or prospective bankruptcy.”

20 The Broker Agreement continues to include:

21 “Seattle Short Sales, Inc., a dba for Kilburn Group, Inc. represents and warrants
22 that it is a registered and active Washington corporation and is compliant with all
FTC MARS regulations concerning short sale negotiators as well as all other
applicable State and Federal laws. Seattle Short Sales, Inc. will indemnify and

23 ⁶ http://www.seattleshortsales.com/pdf/S3_DocPac.pdf

1 hold harmless Broker for any and all liability associated with compliance issues
2 arising out of the Transaction. Seattle Short Sales, Inc. has an insurance policy
in the aggregate amount of \$2,000,000.”

3 “Seattle Short Sales, Inc. has agreed to perform Loss Mitigation Services for the
4 above named property. The services can include providing paperwork to
homeowners, submitting paperwork to lenders, requesting short sale approvals,
5 and guiding the process through closing.”

6 “Seattle Short Sales, Inc. is not a debt relief agency and does not help people file
7 for bankruptcy relief under the Bankruptcy Code. Seattle Short Sales, Inc. does
not provide bankruptcy information, advice, bankruptcy filing, or legal
representation related to an existing or prospective bankruptcy.”

8 **1.4 Prohibited Acts.**

9 **A.** From at least July 21, 2010, through at least June 16, 2011, at least three of the short
10 sale transactions Respondents completed did involve TMBG. In at least these three transactions, the
11 buyers obtained loans from TMBG through one of TMBG’s sponsored loan originators, Randall S.
12 Brockway (Brockway). In at least these three transactions, Respondents received illegal referral fees
13 or illegal unearned fees of at least \$7,100 from Brockway in addition to at least \$30,000 in fees
14 Respondents received for their short sale negotiation services in these transactions. Respondent A.
15 Kilburn and Brockway had email conversations specifically acknowledging that these payments
16 were for the referral of the buyers to Brockway to obtain financing.

17 **B.** From at least July 1, 2010, through at least July 31, 2011, Respondents instructed
18 closing agents to disguise at least \$78,000 in short sale negotiation fees as “attorney fees” on
19 settlement statements. Respondents’ transaction files include electronic copies of form letters on the
20 letterhead of the law firm Scarff & Wilson, PLLC (Scarff & Wilson), complete with the electronic
21 signature of attorney Todd W. Wilson (Wilson), instructing closing agents to disburse specific
22 amounts payable to the Scarff & Wilson trust account at the closing of specific transactions. After
23 Scarff & Wilson received these fees from the closing agent, a portion (usually 90%) of these fees

1 was forwarded to Respondents. In the alternative, if Wilson provided legal services in these
2 transactions, Respondents received at least \$78,000 in illegal referral fees or illegal unearned fees
3 from Wilson during this period.

4 **C.** From at least July 1, 2010 through at least July 31, 2011, Respondents paid at least
5 one licensed real estate broker at least one illegal referral fee or illegal unearned fee totaling at least
6 \$1,250. The buyer in the transaction paid Respondents a short sale negotiation fee of \$7,500.
7 Respondents then paid \$1,250 to Tony Ferrelli, the listing agent in the transaction (representing the
8 seller).

9 **D.** From at least July 1, 2010 through at least July 31, 2011, Respondents collected at
10 least \$23,000 in short sale negotiation fees disguised as real estate commissions on settlement
11 statements. With the cooperation of real estate brokers and closing agents, Respondents' short sale
12 negotiation fees were listed on real estate commission disbursement forms presented to closing
13 agents and were not separately disclosed on the settlement statements. Respondents are not licensed
14 by the Washington State Department of Licensing to provide real estate services.

15 **E.** From at least July 1, 2010 through at least July 31, 2011, Respondents instructed
16 closing agents to use several aliases, including WFA, S3, SMA, and Seattle Mortgage Advisors, and
17 to list Respondents' fees as "processing fees," to disguise the nature and recipient of their short sale
18 negotiation fees on settlement statements. Respondents sometimes instructed closing agents to use
19 more than one alias for multiple fees on a settlement statement for a single transaction, further
20 disguising the amount Respondents were receiving for their short sale negotiation services.

21 **1.5 Unlicensed Locations.** Respondent A. Kilburn performed the unlicensed activity discussed
22 in paragraph 1.2 of this Amended Statement of Charges from at least the following two unlicensed
23 locations:

1 7829 Center Blvd SE, Ste 400, Snoqualmie, Washington
2 1400 112th Ave SE, Ste 220, Bellevue, Washington

3 Respondent A. Kilburn was only authorized to conduct the business of a mortgage loan originator
4 from the Everett location listed in paragraph 1.1B of this Amended Statement of Charges and only
5 while his mortgage loan originator license was sponsored by TMBG.

6 **1.6 Failure to Fully Comply with Directive.** As of at least July 8, 2011, Respondents' web site
7 included copies of at least 385 short sale approval letters and a testimonial from "Phil White" of
8 "Seattle." The transaction list that Respondents provided the Department in response to the
9 Department's May 2011 Directive includes only 160 transactions and does not include a transaction
10 for "Phil White."

11 **1.7 False Statements and Omissions of Material Facts on License Application and Renewal.**

12 Respondent A. Kilburn submitted information on-line through the NMLSR (MU4 filings) on or
13 about July 9, 2010 and July 21, 2010, to apply for his mortgage loan originator license, and on or
14 about December 8, 2010, to renew his mortgage loan originator license. Respondent A. Kilburn was
15 obligated by statute to provide the Department with an accurate and complete license application,
16 including answering questions on the MU4 filings truthfully and providing the Department with
17 complete details of any other business he was engaged in.

18 The "Identifying Information" section of each of the MU4 filings included the following
19 question: "Are you engaged in any other business either as a proprietor, partner, officer, director,
20 employee, trustee, agent, or otherwise?" Respondent A. Kilburn answered "No" to this question on
21 each of the MU4 filings.

1 In the "Employment History" section of each of the MU4 filings, Respondent A. Kilburn
2 stated he was employed as a "Marketing Director" for "Kilburn Group, Inc." from July 2004 through
3 the present, and that his employment was not financial-services related.⁷

4 The MU4 filings each contained an oath by Respondent A. Kilburn that the information and
5 statements were "current, true, accurate and complete." The MU4 filing on or about December 8,
6 2010, also included an attestation by Respondent A. Kilburn that the information contained in his
7 online record was "true, accurate and complete" and "I understand that submitting any false or
8 misleading information, or omitting pertinent or material information, may be grounds for
9 administrative action."

10 **1.8 Failure to Display License Number.** Respondent A. Kilburn provided his mortgage loan
11 originator license number on Respondents' web site, but did not provide the license number and
12 name as it appears on the license of the mortgage broker or consumer loan company he represented.

13 **1.9 On-Going Investigation.** The Department's investigation into the alleged violations of the
14 MBPA and CLA by Respondents continues to date.

15 II. GROUNDS FOR ENTRY OF ORDER

16 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
17 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of
18 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage
19 loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to
20 obtain a residential mortgage loan.

21
22 ⁷ The term "financial services related" is defined by the NMLSR "Guidebook for Licensees" as "[p]ertaining to
23 securities, commodities, banking, insurance, consumer lending, or real estate (including, but not limited to; acting as or
being associated with a bank or savings association, credit union, Farm Credit System institution, mortgage lender,
mortgage broker, real estate salesperson or agent, appraiser, closing agent, title company, or escrow agent)."

1 **2.2 Definition of Mortgage Loan Originator or Loan Originator.** Pursuant to RCW
2 19.146.010(11), WAC 208-660-006, RCW 31.04.015(15), and WAC 208-620-010, “Mortgage Loan
3 Originator” or “Loan Originator” means a natural person who for direct or indirect compensation or
4 gain, or in the expectation of direct or indirect compensation or gain: takes a residential mortgage
5 loan application; offers or negotiates terms of a mortgage loan; performs residential mortgage loan
6 modification services; or holds themselves out to the public as able to perform any of these activities.

7 **2.3 Definition of Residential Mortgage Loan Modification.** Pursuant to RCW 19.146.010(20),
8 WAC 208-660-006, RCW 31.04.015(22), and WAC 208-620-010, “Residential Mortgage Loan
9 Modification” means a change in one or more of a residential mortgage loan’s terms or conditions.
10 Changes to a residential mortgage loan’s terms or conditions include but are not limited to
11 forbearances; repayment plans; changes in interest rates, loan terms, or loan types; capitalizations of
12 arrearages; or principal reductions.

13 **2.4 Definition of Residential Mortgage Loan Modification Services.** Pursuant to RCW
14 19.146.010(21), WAC 208-660-006, RCW 31.04.015(23), and WAC 208-620-010, “Residential
15 Mortgage Loan Modification Services” includes negotiating, attempting to negotiate, arranging,
16 attempting to arrange, or otherwise offering to perform a residential mortgage loan modification.
17 “Residential Mortgage Loan Modification Services” also includes the collection of data for
18 submission to any entity performing mortgage loan modification services.

19 **2.5 Attorney Exemption from the MBPA.** Pursuant to RCW 19.146.020(1)(c), an attorney
20 licensed to practice law in this state who is not principally engaged in the business of negotiating
21 residential mortgage loans is exempt from all provisions of the MBPA when such attorney renders
22 services in the course of his or her practice as an attorney. Pursuant to WAC 208-660-008(5), if you
23 are an attorney licensed in Washington and if your mortgage broker activities are incidental to your

1 professional duties as an attorney, you are exempt from the MBPA under RCW 19.146.020(1)(c).
2 Whether an exemption is available to you depends on the facts and circumstances of your particular
3 situation. For example, if you hold yourself out publicly as being able to perform the services of a
4 mortgage broker or loan originator, or if your fee structure for those services is different from the
5 customary fee structure of your professional legal services, the Department will consider you to be
6 principally engaged in the mortgage broker business and you will need a mortgage broker or loan
7 originator license before performing those services.

8 **2.6 Attorney Exemption from the CLA.** Pursuant to RCW 31.04.224(2) and WAC 208-620-
9 105(4), a Washington licensed attorney who negotiates the terms of a residential mortgage loan on
10 behalf of a client as an ancillary matter to the attorney's representation of the client is exempt from
11 licensing as a mortgage loan originator under the CLA, unless the attorney is compensated by a
12 lender, a mortgage broker, or other mortgage loan originator or by any agent of a lender, mortgage
13 broker, or other mortgage loan originator.

14 **2.7 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent
15 A. Kilburn is in apparent violation of RCW 19.146.0201(8) and RCW 31.04.027(8) for negligently
16 making any false statement or knowingly and willfully making an omission of material fact in
17 connection with any reports filed by a mortgage broker or licensee or in connection with any
18 investigation conducted by the Department. Pursuant to RCW 19.146.310, WAC 208-660-520, and
19 RCW 31.04.247, the Department's evaluation of the licensing qualifications of mortgage loan
20 originator license applicants is an investigation.

21 In addition, Respondents are in apparent violation of RCW 19.146.0201(1), (2), and (11) and
22 RCW 31.04.027(1), (2), and (12) for: directly or indirectly employing any scheme, device, or artifice
23 to defraud or mislead borrowers or lenders or to defraud or mislead any person; directly or indirectly

1 engaging in any unfair or deceptive practice toward any person; and failing to comply with any
2 requirement of RESPA, 12 U.S.C. Sec. 2601 and Regulation X, 24 C.F.R. Sec. 3500 in any mortgage
3 broker or loan originator or consumer loan company activity.

4 **2.8 Prohibition Against Kickbacks and Unearned Fees.** Based on the Factual Allegations set
5 forth in Section I above, Respondents are in apparent violation of RESPA, 12 U.S.C. Sec. 2607, and
6 Regulation X, 24 C.F.R. Sec. 3500.14, for either or both:

- 7 • giving or accepting or both, any fee, kickback, or thing of value pursuant to any agreement or
8 understanding, oral or otherwise, that business incident to or a part of a real estate settlement
9 service involving a federally related mortgage loan shall be referred to any person;
- 10 • giving or accepting or both, any portion, split, or percentage of any charge made or received
11 for the rendering of a real estate settlement service in connection with a transaction involving
12 a federally related mortgage loan other than for services actually performed.

13 **2.9 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
14 Allegations set forth in Section I above, Respondent Kilburn Group is in apparent violation of RCW
15 19.146.200 and WAC 208-660-155 for engaging in the business of a mortgage broker without first
16 obtaining and maintaining a license under the MBPA.

17 **2.10 Requirement to Obtain and Maintain Active and Sponsored Mortgage Loan Originator**
18 **License.** Based on the Factual Allegations set forth in Section I above, Respondent A. Kilburn is in
19 apparent violation of RCW 19.146.200(1), WAC 208-660-155, WAC 208-660-300, WAC 208-660-
20 350, RCW 31.04.221, WAC 208-620-271, WAC 208-620-700, and WAC 208-620-710 for engaging
21 in the business of a mortgage loan originator: without first obtaining and maintaining a mortgage loan
22 originator license under the MBPA or CLA [from at least in or around January 2010 until on or about
23 July 21, 2010]; for an unlicensed entity [from at least in or around January 2010 until at least August

1 1, 2011]; while his mortgage loan originator license was inactive [from on or about June 16, 2011
2 through December 31, 2011]; and after his mortgage loan originator license had expired [from
3 January 1, 2012 through at least the date of this Amended Statement of Charges].

4 **2.11 Unlicensed Location.** Based on the Factual Allegations set forth in Section I above,
5 Respondent A. Kilburn is in apparent violation of WAC 208-660-300(4), WAC 208-660-350(8),
6 WAC 208-620-700(1), and WAC 208-620-710(9) for conducting business from an unlicensed
7 location and from a location other than the location listed on his mortgage loan originator license.

8 **2.12 Requirement to Comply with a Directive.** Based on the Factual Allegations set forth in
9 Section I above, Respondents are in apparent violation of RCW 19.146.235, WAC 208-660-520, and
10 WAC 208-660-530, for not fully complying with a directive of the Director.

11 **2.13 Requirement to Display License Number.** Based on the Factual Allegations set forth in
12 Section I above, Respondent A. Kilburn is in apparent violation of WAC 208-660-350(22) and WAC
13 208-620-710(24) for conducting business on the internet without displaying the license number and
14 name as it appears on the license of the licensed mortgage broker or consumer loan company he
15 represented on the web site.

16 **2.14 Requirements for Issuance of Consumer Loan Company License.** Based on the Factual
17 Allegations set forth in Section I above, Respondent Kilburn Group does not meet the following
18 requirements for the Director to issue a consumer loan company license.

- 19 • RCW 31.04.055(c) Neither the applicant nor its officers or principals have had a license
20 issued under this section or any other section, in this state or another state, revoked or
21 suspended within the last five years of the date of filing of the application.⁸

22 _____
23 ⁸ This Amended Statement of Charges seeks to revoke the mortgage loan originator license of Respondent A. Kilburn, the
24 president and owner of Respondent Kilburn Group, within five years of the date of filing of Respondent Kilburn Group's
application for a consumer loan company license.

- RCW 31.04.055(e) The financial responsibility, experience, character, and general fitness of the applicant are such as to command the confidence of the community and to warrant a belief that the business will be operated honestly, fairly, and efficiently within the purposes of the CLA.
- RCW 31.04.055(f) Neither the applicant nor any of its principals have provided unlicensed residential mortgage loan modification services in this state in the five years prior to the filing of the present application.

2.15 Requirement to Provide Information on Mortgage Loan Originator License Application.

Based on the Factual Allegations set forth in Section I above, Respondent A. Kilburn is in apparent violation of RCW 19.146.300(1) & (2), and RCW 31.04.244(1), for failing to provide an accurate and complete mortgage loan originator license application through the NMLSR.

2.16 Requirements for Issuance of Mortgage Loan Originator License. Based on the Factual Allegations set forth in Section I above, at the time he applied for a mortgage loan originator license, Respondent A. Kilburn did not meet the following requirements for the Director to issue a mortgage loan originator license.

- RCW 19.146.310(1)(b) The loan originator applicant has met the requirements of RCW 19.146.300.
- RCW 31.04.247(1)(b) The applicant has met the requirements of the CLA.
- RCW 19.146.310(1)(g) The loan originator applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a belief that the business will be operated honestly and fairly within the purposes of the MBPA.

- 1 • RCW 31.04.247(1)(e) The applicant has demonstrated financial responsibility, character, and
2 general fitness such as to command the confidence of the community and to warrant a
3 determination that the mortgage loan originator will operate honestly, fairly, and efficiently
4 within the purposes of the CLA.
- 5 • RCW 19.146.310(1)(i) Neither the applicant, any of its principals, nor the designated broker
6 have provided unlicensed residential mortgage loan modification services in this state in the
7 five years prior to the filing of the present application.

8 **2.17 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
9 19.146.060 and WAC 208-660-450, Respondents are required to maintain accurate and current books
10 and records which shall be readily available at a location available to the Director until at least
11 twenty-five months have elapsed following the effective period to which the books and records relate.

12 III. AUTHORITY TO IMPOSE SANCTIONS

13 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
14 Director may issue orders directing a licensee, its employee, loan originator, independent contractor,
15 agent, or other person subject to the MBPA to cease and desist from conducting business. Pursuant
16 to RCW 31.04.093(5)(a), the Director may issue an order directing the licensee, its employee or loan
17 originator, or other person subject to the CLA to cease and desist from conducting business in a
18 manner that is injurious to the public or violates any provision of the CLA.

19 **3.2 Authority to Deny Consumer Loan Company License Application.** Pursuant to RCW
20 31.04.055(2), the Director shall not issue a consumer loan company license to an applicant if the
21 conditions of RCW 31.04.055(1) have not been met by the applicant. Pursuant to RCW 31.04.093(2)
22 and WAC 208-620-370, the Director may deny applications for consumer loan company licenses for
23

1 failure of an applicant to demonstrate within its application for a consumer loan company license that
2 it meets the requirements for licensing in RCW 31.04.045 and 31.04.055.

3 **3.3 Authority to Revoke Mortgage Loan Originator License.** Pursuant to RCW

4 19.146.220(2)(b), (d) & (e), the Director may revoke a mortgage loan originator license for: false
5 statements or omission of material information on the application that, if known, would have allowed
6 the Director to deny the application for the original license; failure to comply with any directive,
7 order, or subpoena of the Director; or, any violation of the MBPA. Pursuant to RCW 31.04.093(a) &
8 (b), the Director may revoke a mortgage loan originator license for violation of any provision of the
9 CLA or any rule adopted under the CLA.

10 **3.4 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), (b), & (d), the

11 Director may issue orders removing from office or prohibiting from participation in the conduct of
12 the affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator
13 of any licensed mortgage broker or any person subject to licensing under the MBPA for: any
14 violation of RCW 19.146.0201(1) through (9), or RCW 19.146.200; false statements or omission of
15 material information on the application that, if known, would have allowed the Director to deny the
16 application for the original license; or, failure to comply with any directive or order of the Director.
17 Pursuant to RCW 31.04.093(6)(a) & (d), the Director may issue an order removing from office or
18 prohibiting from participation in the affairs of any licensee, or both, any officer, principal, employee
19 or loan originator, or any person subject to the CLA for: false statements or omission of material
20 information from any application for a license that, if known, would have allowed the Director to
21 deny the original application for a license; failure to comply with any order or subpoena issued under
22 the CLA; or, a violation of RCW 31.04.027.

1 **3.5 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(b), (d) & (e), the Director may
2 impose fines on a licensee or other persons subject to the MBPA for: false statements or omission of
3 material information on the application that, if known, would have allowed the Director to deny the
4 application for the original license; failure to comply with any directive, order, or subpoena of the
5 Director; or, any violation of the MBPA. Pursuant to RCW 19.146.220(3), the Director may impose
6 fines on an employee, loan originator, independent contractor, or agent of the licensee, or other
7 person subject to the MBPA for: any violations of RCW 19.146.0201(1) through (9), or RCW
8 19.146.200; or, failure to comply with any directive or order of the Director. Pursuant to RCW
9 31.04.093(4), the Director may impose fines upon the licensee, its employee or loan originator, or
10 other person subject to the CLA for any violation of the CLA.

11 **3.6 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
12 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour
13 for an examiner's time devoted to an investigation of a licensee or other person subject to the MBPA.

14 **IV. NOTICE OF INTENTION TO ENTER ORDER**

15 Respondents' violations of the provisions of chapter 19.146 RCW, chapter 208-660 WAC,
16 chapter 31.04 RCW, and chapter 208-620 WAC, as set forth in the above Factual Allegations,
17 Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis for the entry of an
18 Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, RCW 31.04.093, RCW
19 31.04.165, and RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

20 **4.1** Respondent Kilburn Group, Inc., d/b/a Seattle Short Sales, Inc. cease and desist from
21 conducting the business of a mortgage broker without obtaining and maintaining a
mortgage broker license or qualifying for an exemption from the MBPA.

22 **4.2** Respondent Alan Ross Kilburn cease and desist from conducting the business of a
23 mortgage loan originator while his license is expired.

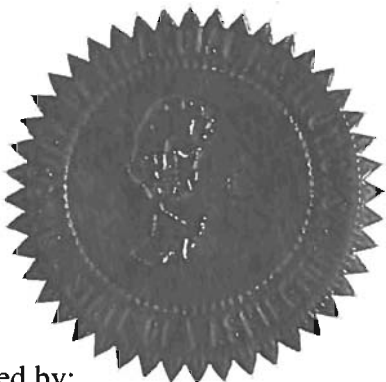
- 1 **4.3** Respondent Kilburn Group, Inc., d/b/a Seattle Short Sales, Inc.'s application for a
2 consumer loan company license be denied.
- 3 **4.4** Respondent Alan Ross Kilburn's license to conduct the business of a mortgage loan
4 originator be revoked.
- 5 **4.5** Respondent Kilburn Group, Inc., d/b/a Seattle Short Sales, Inc. be prohibited from
6 participation in the conduct of the affairs of any mortgage broker or consumer loan
7 company subject to licensure by the Director, in any manner, for a period of ten years.
- 8 **4.6** Respondent Alan Ross Kilburn be prohibited from participation in the conduct of the
9 affairs of any mortgage broker or consumer loan company subject to licensure by the
10 Director, in any manner, for a period of ten years.
- 11 **4.7** Respondents Kilburn Group, Inc., d/b/a Seattle Short Sales, Inc. and Alan Ross
12 Kilburn jointly and severally pay a fine. As of the date of this Amended Statement of
13 Charges, the fine totals \$150,000.
- 14 **4.8** Respondents Kilburn Group, Inc., d/b/a Seattle Short Sales, Inc. and Alan Ross
15 Kilburn jointly and severally pay an investigation fee. As of the date of this Amended
16 Statement of Charges, the investigation fee totals \$13,680.
- 17 **4.9** Respondents Kilburn Group, Inc., d/b/a Seattle Short Sales, Inc. and Alan Ross
18 Kilburn maintain records in compliance with the MBPA and provide the Department
19 with the location of the books, records and other information relating to Respondent
20 Kilburn Group, Inc., d/b/a Seattle Short Sales, Inc.'s mortgage broker business, and
21 the name, address and telephone number of the individual responsible for maintenance
22 of such records in compliance with the MBPA.

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1 **V. AUTHORITY AND PROCEDURE**

2 This **Amended** Statement of Charges is entered pursuant to the provisions of RCW
3 19.146.220, RCW 19.146.221, RCW 19.146.223, RCW 19.146.230, RCW 31.04.093, RCW
4 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05
5 RCW (The Administrative Procedure Act).

6
7 Dated this 3rd day of February, 2012



[Redacted signature]

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

13 Presented by:

[Redacted signature]

MARK T. OLSON
Financial Legal Examiner

16 Approved by:

[Redacted signature]

JAMES R. BRUSSELBACK
Enforcement Chief