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

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

NO. C-08-198-09-CO01

JOHN EDWARD MANALO JOSE,
aka JED JOSE, Loan Originator,

CONSENT ORDER

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and John Edward Manolo Jose (hereinafter Respondent), Loan Originator, and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW) and RCW 34.05.060 of the Administrative Procedure Act based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-198-08-SC02 (Statement of Charges), entered August 8, 2008, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the following:

CONSENT ORDER
C-08-198-09-CO01
John Edward Manalo Jose

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 of the
2 activities discussed herein.

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

7 C. **Prohibition from Industry.** It is AGREED that Respondent shall be prohibited from participating in
8 the conduct of the affairs of any mortgage broker licensed by the Department, or any person subject to licensure or
9 regulation by the Department, or any mortgage broker exempt from Washington law under the Act, for a period of
10 14 days. It is further AGREED that Respondent has served said prohibition from September 7, 2009, through
11 September 21, 2009, and has filed a Declaration of Inactivity certifying his compliance with the prohibition.

12 D. **Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$1,000 in the form of a
13 cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

14 E. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation fee
15 of \$240 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this
16 Consent Order. Respondent may pay both the fine and fee in the form of one cashier's check made payable to the
17 "Washington State Treasurer."

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

22 G. **Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into
23 this Consent Order, which is effective when signed by the Director's designee.

1 H. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this Consent
2 Order in its entirety and fully understands and agrees to all of the same.

3 **RESPONDENT:**

4
5 *John Edward Manalo Jose*
6 John Edward Manalo Jose
7 Loan Originator

9-30-09
Date

8 DO NOT WRITE BELOW THIS LINE

9 THIS ORDER ENTERED THIS 7th DAY OF October, 2009.

10
11 *Deborah Bortner*

12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17 *Steven C. Sherman*
18 STEVEN C. SHERMAN
19 Financial Legal Examiner



20 Approved by:

21 *James R. Brusselback*
22 JAMES R. BRUSSELBACK
23 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 by:

JOHN EDWARD MANALO JOSE,
aka JED JOSE, Loan Originator,

Respondent.

NO. C-08-198-08-SC02

AMENDED STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO SUSPEND LICENSE,
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 Act (Act)¹. After having conducted an investigation pursuant to RCW 19.146.235, the Department issued Statement of Charges C-08-198-080SC01 on July 17, 2008. Thereafter, it became necessary to correct the name of the Respondent. Now, based upon the facts available as of the date of this Amended Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent. John Edward Manalo Jose (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a loan originator on August 27, 2007, and has continued to be licensed to date. At all times relevant to this Amended

¹ RCW 19.146 (2006)

1 Statement of Charges, Respondent was licensed to conduct the business of a loan originator for A+
2 Mortgage, Inc., a licensed mortgage broker.

3 **1.2 Prohibited Acts.** On or about February 28, 2007, borrower N.P. applied with A+ Mortgage,
4 Inc., for a loan to refinance his primary residence. Respondent was the loan originator who assisted
5 the borrower with the application. On or about March 15, 2007, Respondent prepared a loan
6 application for the borrower. Respondent submitted the application to lender Homecomings Financial
7 sometime before April 26, 2007, and was notified that the loan was approved on or about May 3,
8 2007. The refinance subsequently closed on May 22, 2007.

9
10 At some time prior to April 30, 2007, borrower N.P. also applied with A+ Mortgage, Inc., for a
11 loan to purchase a primary residence. Respondent was the loan originator who assisted the borrower
12 with the application. On May 21, 2007, Respondent prepared a purchase application for the borrower.
13 Page three of the purchase application lists the above-referenced primary residence which was being
14 refinanced as a rental property. Respondent submitted the application to lender World Savings Bank,
15 and the loan for the borrower to purchase a new primary residence closed on May 24, 2007.
16 Respondent did not notify the lender for the refinance loan that the property would be a rental property
17 and not a primary residence.

18 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
19 Act by Respondent continues to date.
20

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

22 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is
23 in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a
24 scheme, device, or artifice to defraud or mislead borrowers or lenders or any person, for engaging in
25

1 an unfair or deceptive practice toward any person, and for obtaining property by fraud or
2 misrepresentation.

3 **III. AUTHORITY TO IMPOSE SANCTIONS**

4 **3.1 Authority to Suspend License.** Pursuant to RCW 19.146.220(2)(e), the Director may suspend
5 a license for any violation of the Act.

6 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(3)(a), the Director may impose fines
7 on a loan originator for any violations of RCW 19.146.0201(1), (2), or (3).

8 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-
9 550(5), the Director may collect the costs of an investigation. The investigation charge will be calculated
10 at the rate of \$48 per hour that each staff person devoted to the investigation.
11

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

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

17 **4.1** Respondent John Edward Manalo Jose's license to conduct the business of a loan originator be
18 suspended for a period of six months; and

19 **4.2** Respondent John Edward Manalo Jose pay a fine which as of the date of these charges totals
20 \$10,000; and

21 **4.3** Respondent John Edward Manalo Jose pay an investigation fee which as of the date of these
22 charges totals \$240, calculated at \$48 per hour for the five staff hours devoted to the investigation.

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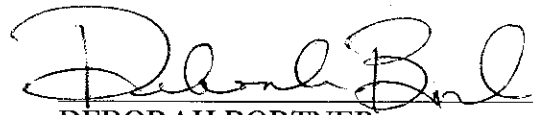
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1 **V. AUTHORITY AND PROCEDURE**

2 This Amended Statement of Charges and Notice of Intention to Enter an Order to Suspend
3 License, Impose Fine, and Collect Investigation Fee (Amended Statement of Charges) is entered
4 pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and
5 RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative
6 Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF
7 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Amended
8 Statement of Charges.
9

10 Dated this 8th day of August, 2008.
11

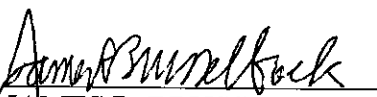
12 
13 DEBORAH BORTNER
14 Director
15 Division of Consumer Services
16 Department of Financial Institutions

17 Presented by:

18 
19 STEVEN C. SHERMAN
20 Financial Legal Examiner



21 Approved by:

22 
23 JAMES R. BRUSSELBACK
24 Enforcement Chief
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