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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
Consumer Loan Act of Washington by:

NO. C-08-273-09-CO01

AMERICAN HOME EQUITY
CORPORATION
and
ALAN M. POTT, President and Owner,

CONSENT ORDER

Respondents

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and American Home Equity Corporation and Alan M. Pott, President and Owner, 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 31.04 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 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-273-09-SC01 (Statement of Charges), entered February 2, 2009, (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the Administrative

1 Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further
2 agree that the issues raised in the above-captioned matter may be economically and efficiently settled by
3 entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of
4 Charges. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms
5 of this Consent Order.

6 Based upon the foregoing:

7
8 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of
9 the activities discussed herein.

10 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
11 hearing before an administrative law judge, and that they hereby waive their right to a hearing and any
12 and all administrative and judicial review of the issues raised in this matter, or of the resolution reached
13 herein. Accordingly, by the signatures below, Respondents hereby withdraw their appeal.

14 **C. No Admission of Liability.** It is AGREED that Respondents do not admit to any
15 wrongdoing by entry of this Consent Order.

16 **D. Prohibition from Industry.** It is AGREED that Respondents are prohibited from
17 participating in the conduct of the affairs of any consumer lender licensed by the Department or any
18 person subject to licensure or regulation by the Department for five years from the date of entry of this
19 Consent Order in any capacity, including but not limited to: (1) any financial capacity whether active or
20 passive or (2) as an officer, director, principal, manager, employee, or loan originator. It is further
21 AGREED that Respondents shall not apply for a Washington Consumer Loan License before the
22 expiration of the prohibition.
23

1 E. **Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$20,000 in the
2 form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent
3 Order.

4 F. **Restitution.** It is AGREED that Respondents have paid, in full, restitution in the amount of
5 \$10,935.33 to the borrowers more specifically set forth in the Statement of Charges, Appendix A.

6 G. **Examination Fee.** It is AGREED that Respondent's have paid, in full, an examination fee in
7 the amount of \$7,015.43.

8 H. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
9 investigation fee of \$1,173 in the form of a cashier's check made payable to the "Washington State
10 Treasurer" upon entry of this Consent Order. Respondents may pay both the fine and investigation fee in
11 a single cashier's check made payable to the "Washington State Treasurer."
12

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

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

21 K. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily
22 entered into this Consent Order, which is effective when signed by the Director's designee.

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

1 **RESPONDENTS:**

2 AMERICAN HOME EQUITY CORPORATION

3 By:

4 *Alan M. Pott*

5 Alan M. Pott
President and Owner

7/29/09
Date

6 *Alan M. Pott*

7 Alan M. Pott
8 Individually

7/29/09
Date

9 **DO NOT WRITE BELOW THIS LINE**

10 THIS ORDER ENTERED THIS 17th DAY OF August, 2009.

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

24
25 CONSENT ORDER
C-08-273-09-CO01
AMERICAN HOME EQUITY CORPORATION
and
ALAN M. POTT