

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

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

C-09-366-09-TD01

7 CAPITAL LINE FUNDING GROUP, INC. and
8 ARTHUR JAMES HOOPER, President and
9 Designated Broker,

TEMPORARY ORDER TO
CEASE AND DESIST

Respondents.

10 THE STATE OF WASHINGTON TO: CAPITAL LINE FUNDING GROUP, INC.
11 ARTHUR JAMES HOOPER

12 COMES NOW the Director of the Washington State Department of Financial Institutions (Director), by
13 and through his designee Deborah Bortner, Division Director, Division of Consumer Services (designee), and
14 finding that the public is likely to be substantially injured by delay in issuing a cease and desist order, the Director,
15 through his designee, Division of Consumer Services Director Deborah Bortner, enters this Temporary Order to
16 Cease and Desist pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), based on the
17 following findings:

18 **1.1 Capital Line Funding Group, Inc. (Respondent Capital Line)** was licensed by the Department of
19 Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or
20 about September 14, 2007, and was licensed during all relevant times. Respondent Capital Line is licensed to
21 conduct the business of a mortgage broker at the following location:

6440 Lusk Blvd, Suite D202
San Diego, California 92121

22 **1.2 Respondent Arthur James Hooper (Respondent Hooper)** is President and Designated Broker of
23 Respondent Capital Line. Respondent Hooper was named Designated Broker of Respondent Capital Line on or
24 about September 14, 2007, and was Designated Broker at all relevant times.

25 **1.3 Surety Bond Cancellation.** On August 14, 2009, the Department received notice from The Hartford
that Respondent Capital Line's surety bond would be cancelled. The bond cancelled effective September 19,
2009. To date, Respondents have failed to provide the required surety bond.

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

2 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
3 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to
4 file and maintain a surety bond with the Department.

5 **III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST**

6 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW 19.146.227, the
7 Director is authorized to issue a temporary order to cease and desist whenever the Director determines that the
8 public is likely to be substantially injured by delay in issuing a cease and desist order. Based on the Factual
9 Findings and Grounds for Entry of Order set forth above, Respondent Capital Line does not maintain the
10 required surety bond, and the public is likely to be substantially injured by the lack of said surety bond
11 coverage.

12 **IV. ORDER**

13 Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue Temporary
14 Order to Cease and Desist, and pursuant to RCW 19.146.227, the Director determines that the public is likely to
15 be substantially harmed by a delay in entering a cease and desist order. Therefore, the Director ORDERS that:

16 **4.1** Respondents shall immediately cease and desist from participating in the conduct of the affairs of any
17 mortgage broker subject to licensure by the Director, in any manner, specifically including, but not limited to
18 originating any residential mortgage loan, assisting with the origination of any residential mortgage loan, and
19 holding out as able to assist any person with applying for or obtaining any residential mortgage loan.

20 **4.2** This order shall take effect immediately and shall remain in effect unless set aside, limited, or
21 suspended in writing by an authorized court.

22 **NOTICE**

23 **PURSUANT TO CHAPTER 19.146 RCW, YOU ARE ENTITLED TO A HEARING WITHIN 14 DAYS**
24 **OF REQUEST TO DETERMINE WHETHER THIS ORDER SHALL BECOME PERMANENT. IF YOU**
25 **DESIRE A HEARING, THEN YOU MUST RETURN THE ATTACHED APPLICATION FOR**
ADJUDICATIVE HEARING INCORPORATED HEREIN BY THIS REFERENCE. FAILURE TO

1 COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE HEARING FORM SO THAT IT IS
2 RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF
3 THE DATE THAT THIS ORDER WAS SERVED ON YOU WILL CONSTITUTE A DEFAULT AND WILL
4 RESULT IN THE LOSS OF YOUR RIGHT TO A HEARING. SERVICE ON YOU IS DEFINED AS POSTING
5 IN THE U.S. MAIL, POSTAGE PREPAID, TO YOUR LAST KNOWN ADDRESS. BE ADVISED THAT
6 DEFAULT WILL RESULT IN THIS ORDER TO CEASE AND DESIST BECOMING PERMANENT ON THE
7 TWENTY-FIRST (21ST) DAY FOLLOWING SERVICE OF THIS ORDER UPON YOU.

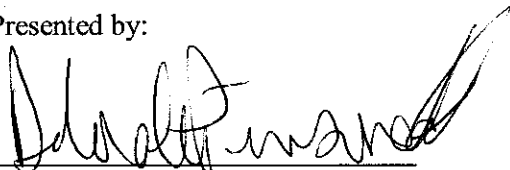
8 WITHIN TEN DAYS AFTER YOU HAVE BEEN SERVED WITH THIS TEMPORARY
9 ORDER TO CEASE AND DESIST, YOU MAY APPLY TO THE SUPERIOR COURT IN THE
10 COUNTY OF YOUR PRINCIPAL PLACE OF BUSINESS FOR AN INJUNCTION SETTING
11 ASIDE, LIMITING, OR SUSPENDING THIS ORDER PENDING THE COMPLETION OF THE
12 ADMINISTRATIVE PROCEEDINGS PURSUANT TO THIS NOTICE.

13 DATED this 30th day of September, 2009.

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17 DEBORAH BORTNER
18 Director
19 Division of Consumer Services
20 Department of Financial Institutions

21 Presented by:

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23 DEBORAH PINSONNEAULT
24 Financial Legal Examiner



25 Approved by:

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27 JAMES R. BRUSSELBACK
28 Enforcement Chief