

**TERMS COMPLETE**

**ORDER SUMMARY – Case Number: C-10-448**

**Name(s):** Horizon Mortgage and Investment Company  
Doug Alan Huntington

**Order Number:** C-10-448-12-CO01

**Effective Date:** December 11, 2012

**License Number:** DFI: 19680 NMLS ID: 71674 – Horizon  
DFI: 21587 NMLS ID: 73906 – Huntington

**Or NMLS Identifier [U/L]**  
**License Effect:** Licenses expired December 31, 2010

**Not Apply Until:** \_\_\_\_\_

**Not Eligible Until:** \_\_\_\_\_

**Prohibition/Ban Until:** December 11, 2014

<b>Investigation Costs</b>	\$4,164	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 12/11/2012
<b>Fine</b>	\$15,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 12/11/2012
<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>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

**Comments:** \_\_\_\_\_  
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 \_\_\_\_\_  
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OCT 23 2012

Enforcement Unit  
Division of Consumer Services  
Dept. of Financial Institutions

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-10-448-12-CO01

CONSENT ORDER

HORIZON MORTGAGE AND INVESTMENT  
COMPANY, and DOUGLAS ALAN  
HUNTINGTON, President, Owner, Designated  
Broker, and Loan Originator,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Horizon Mortgage and Investment Company (Respondent Horizon), and Douglas Alan Huntington, President, Owner, Designated Broker, and Loan Originator (Respondent Huntington), 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 the 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-10-448-11-SC01 (Statement of Charges), entered October 17, 2011, (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, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-captioned matter may be

CONSENT ORDER  
C-10-448-12-CO01  
Horizon Mortgage and Investment Company and  
Douglas Alan Huntington

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

1 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent  
2 Order to fully resolve the Statement of Charges.

3 Based upon the foregoing:

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

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

11 **C. Mortgage Broker License.** It is AGREED that Respondent Horizon's mortgage broker  
12 license expired effective December 31, 2010, and Respondent Horizon does not currently hold a  
13 mortgage broker license. It is further AGREED that Respondent Horizon shall not conduct the  
14 business of a mortgage broker until such time as Respondent Horizon obtains a mortgage broker  
15 license from the Department or qualifies for an exemption from licensing as delineated in the Act.

16 **D. Loan Originator License.** It is AGREED that Respondent Huntington's loan originator  
17 license expired effective December 31, 2010, and Respondent Huntington does not currently hold a  
18 loan originator license. It is further AGREED that Respondent Huntington shall not conduct the  
19 business of a loan originator until such time as Respondent Huntington obtains a loan originator  
20 license from the Department or qualifies for an exemption from licensing as delineated in the Act.

21 **E. Prohibition from Industry.** It is AGREED that, for a period of two years from the date  
22 of entry of this Consent Order, Respondents are each prohibited from participating in the conduct of  
23 the affairs of any mortgage broker or consumer loan company licensed by the Department or subject

1 to licensure or regulation by the Department, in any capacity, including but not limited to: (1) any  
2 financial capacity whether active or passive; or (2) as an officer, director, principal, partner, LLC  
3 member, designated broker, employee, or loan originator.

4 **F. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of  
5 \$15,000, in the form of a cashier's check made payable to the "Washington State Treasurer," upon  
6 entry of this Consent Order.

7 **G. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an  
8 investigation fee of \$4,164, in the form of a cashier's check made payable to the "Washington State  
9 Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid together  
10 in one \$19,164 cashier's check made payable to the "Washington State Treasurer."

11 **H. Complete Cooperation with the Department (Statements).** It is AGREED that, upon  
12 written request by the Department, Respondent Huntington shall provide the Department truthful and  
13 complete sworn statements outlining his activities with respect to Columbia Mortgage Capital  
14 Corporation (Columbia) and any and all persons involved or in any way associated with Columbia,  
15 including but not limited to owners, employees, independent contractors, agents, businesses and  
16 persons with whom Columbia dealt, communicated, or otherwise related. The "sworn statements"  
17 may take the form of affidavits, declarations, or deposition testimony, at the Department's discretion.  
18 A failure to cooperate fully, truthfully, and completely is a breach of this Consent Order.

19 **I. Complete Cooperation with the Department.** In addition to providing the sworn  
20 statements as described in Paragraph H, it is AGREED that, upon written request by the Department,  
21 Respondent Huntington shall cooperate fully, truthfully, and completely with the Department and  
22 provide any and all information known to him relating in any manner to Columbia and any and all  
23 persons involved or in any way associated with Columbia, including but not limited to owners,

1 employees, independent contractors, agents, businesses and persons with whom Columbia dealt,  
2 communicated, or otherwise related. It is further AGREED that, upon written request by the  
3 Department, Respondent Huntington shall provide any and all documents, writings or materials, or  
4 objects or things of any kind in his possession or under his care, custody, or control that he is  
5 authorized to possess, obtain, or distribute relating directly or indirectly to all areas of inquiry and  
6 investigation. It is further AGREED that Respondent Huntington shall testify fully, truthfully, and  
7 completely at any and all proceedings related to any Department investigation or enforcement action  
8 or both related to any and all persons involved or in any way associated with Columbia, and any  
9 respondents named therein. A failure to cooperate fully, truthfully, and completely is a breach of this  
10 Consent Order.

11 **J. Records Retention.** It is AGREED that Respondent Horizon, its officers, employees, and  
12 agents, and Respondent Huntington shall maintain records in compliance with the Act and provide  
13 the Director with the location of the books, records and other information relating to Respondent  
14 Horizon's mortgage broker business, and the name, address and telephone number of the individual  
15 responsible for maintenance of such records in compliance with the Act.

16 **K. Authority to Execute Order.** It is AGREED that the undersigned has represented and  
17 warranted that he has the full power and right to execute this Consent Order on behalf of the party  
18 represented.

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

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

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

5 **RESPONDENTS:**

6 **Horizon Mortgage and Investment Company**

7 By:

[Redacted Signature]

8 Douglas Alan Huntington  
9 President, Owner and Designated Broker

9/1/12

Date

[Redacted Signature]

10 Douglas Alan Huntington  
11 Individually

9/1/12

Date

12 DO NOT WRITE BELOW THIS LINE

13 THIS ORDER ENTERED THIS 1<sup>th</sup> DAY OF December, 2012



[Redacted Signature]

14  
15 DEBORAH BORTNER  
16 Director  
17 Division of Consumer Services  
18 Department of Financial Institutions

19 Presented by:

[Redacted Signature]

20 MARK T. OLSON  
21 Financial Legal Examiner

22 Approved by:

[Redacted Signature]

23 CHARLES E. CLARK  
24 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:

HORIZON MORTGAGE AND INVESTMENT  
COMPANY, and DOUGLAS ALAN  
HUNTINGTON, President, Owner, Designated  
Broker, and Loan Originator,

Respondents.

No. C-10-448-11-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO DECLINE TO RENEW  
LICENSE, ORDER CEASE AND DESIST,  
PROHIBIT FROM INDUSTRY, IMPOSE  
FINE, ORDER RESTITUTION, COLLECT  
INVESTIGATION FEE, AND MAINTAIN  
RECORDS

**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). After having conducted an investigation pursuant to RCW 19.146.210, RCW 19.146.310, and RCW 19.146.235, and based upon the facts available as of date of this 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 Respondents.**

A. **Respondent Horizon Mortgage and Investment Company (Respondent Horizon)** is located at 15 Oregon Ave, Tacoma, Washington, and was issued a license by the Washington State Department of Financial Institutions (Department) to engage in the business of a mortgage broker on or about June 8, 1994. The mortgage broker license must be renewed annually. On or around December 16, 2010, the Department received Respondent Horizon's request to renew its mortgage broker license for 2011. The Department was unable to approve Respondent Horizon's renewal request due to certain facts which are set forth in paragraphs 1.3 through 1.6 of this Statement of

1 Charges. As a result, Respondent Horizon's mortgage broker license expired on December 31, 2010.  
2 To date, the Department has not issued Respondent Horizon a license to engage in the business of a  
3 mortgage broker in 2011.

4 **B. Respondent Douglas A. Huntington (Respondent Huntington)** is President, co-  
5 owner (60%), Designated Broker, and Loan Originator of Respondent Horizon. Respondent  
6 Huntington was issued a license to engage in the business of a loan originator on or about January 1,  
7 2007, and continued to be licensed until December 31, 2010, when his loan originator license  
8 expired. On or about December 20, 2010, Respondent Huntington applied to renew his loan  
9 originator's license. On or about January 2, 2011, the Department emailed Respondent Huntington,  
10 notifying him that neither his nor Respondent Horizon's license had been renewed yet. To date, the  
11 Department has not issued a license to Respondent Huntington to engage in the business of a loan  
12 originator for 2011.

13 **1.2 Unlicensed Activity.**

14 **A. Unauthorized Advertisements: Signage.** Between at least January 2, 2011, and June 2,  
15 2011, Respondents advertised or held themselves out as a mortgage broker or loan originator by  
16 maintaining signage consisting of at least three (3) signs using the name "Horizon Mortgage" or  
17 "Horizon Mortgage and Investments" at Respondent Horizon's 15 Oregon Ave., Tacoma,  
18 Washington, location.

19 **B. Unauthorized Advertisements: Internet.** Between at least January 2, 2011, and the  
20 date of this Statement of Charges, Respondents advertised or held themselves out as a mortgage  
21  
22  
23



1 broker or loan originator or as able to assist a borrower in applying to obtain or obtaining a residential  
2 mortgage loan by maintaining their website of www.nwlender.com.<sup>1</sup>

3 **C. Unauthorized Loan Origination Activity.** Between at least January 2, 2011, and June  
4 2, 2011, Respondents held themselves out as able to assist at least eight (8) borrowers in applying to  
5 obtain or in obtaining a residential mortgage loan. To date, the Department has not issued a mortgage  
6 broker or loan originator license to either Respondent for 2011.

7 **D. Unauthorized Transfer of Applications.**

8 1. On or about June 2, 2011, Respondents reported to Department representatives  
9 that they transferred at least three loan applications to another mortgage broker company in 2011.  
10 Respondents received at least \$19,344.78 in two separate checks, dated April 11, 2011, and May 4,  
11 2011, respectively, from the other mortgage broker company for at least three borrowers' loans that  
12 closed in 2011 under the name of the other mortgage broker company. Respondents also reported to  
13 Department representatives that they did not maintain any records related to the applications that  
14 were transferred to the other mortgage broker company.

15 2. In the alternative, Respondents received at least \$19,344.78, in two separate  
16 checks (dated April 11, 2011, and May 4, 2011, respectively) from another mortgage broker company  
17 for at least three referrals of borrowers' application information obtained by Respondents, which  
18 resulted in closed loans under the other mortgage broker company's name. Respondents stated to  
19 Department representatives on or about June 2, 2011, that no additional services were provided  
20 related to these three borrowers other than the referral of the loan application. These fees are  
21 excessive for the amount of services provided by Respondents.

22  
23  
24 <sup>1</sup> Respondents' website included statements advertising Respondents' ability to provide Veteran's Administration (VA)  
loan products. VA loan products are only allowed for the purchase of a home for personal occupancy by a veteran.

1           3.       Respondents did not provide or did not maintain records to substantiate that  
2 Affiliated Business Arrangement disclosures were provided to any of the borrowers.

3           4.       Respondents did not obtain or did not maintain sufficient evidence to  
4 substantiate that they obtained written authorization from the borrowers to transfer any of the  
5 requests for a residential mortgage loan to another mortgage broker company.

6 **1.3     False Statements to the Department.**

7           **A.     Mortgage Loan Originator Declaration of Activity.** As part of the mortgage loan  
8 originator license renewal process, Respondent Huntington was required to provide a “Mortgage  
9 Broker Loan Originator (MLO) 2011 Declaration of Activity” form (Declaration of Activity) to the  
10 Department. On or about May 27, 2011, Respondent Huntington provided his Declaration of  
11 Activity to the Department. In the Declaration of Activity, Respondent Huntington reported under  
12 penalty of perjury that he had not performed any activity that would require licensure under chapter  
13 19.146 RCW, and that he had not received any compensation that would require licensure under  
14 chapter 19.146 RCW. Respondent Huntington also stated under penalty of perjury that he would  
15 refrain from conducting any activity that would require licensure under chapter 19.146 RCW until the  
16 Department issued him a valid loan originator’s license for 2011. Included in the conduct described  
17 in paragraph 1.2 above, Respondents held themselves out as able to assist at least two borrowers in  
18 applying to obtain or in obtaining residential mortgage loans on or about June 1, 2011.

19           **B.     Failure to Disclose Bankruptcy in Application to Renew Mortgage Loan Originator**  
20 **License.** On or around October 28, 2010, Respondent Huntington filed a voluntary petition for  
21 bankruptcy protection under Title 11, chapter 11 of the United States Code (11 U.S.C. §1101 *et*  
22 *seq.*), in United States Bankruptcy Court in the Western District of Washington. On or around  
23 November 2, 2010, on his application to renew his loan originator license, Respondent Huntington

1 answered “no” to the following question on the “Financial Disclosure” section of the loan originator  
2 license renewal application:

3 “Within the past 10 years, have you filed a personal bankruptcy petition or been the subject of  
4 an involuntary bankruptcy petition?”

5 Respondent Huntington attested to the truthfulness of his answer to all disclosure questions on  
6 his loan originator license application, under penalty of perjury.

7 **1.4 Federal Tax Liens in excess of \$100,000.** For the purposes of obtaining and maintaining a  
8 mortgage loan originator license, Respondent Huntington was required to demonstrate, among other  
9 things, financial responsibility. An assessment of financial responsibility includes review of current  
10 outstanding tax liens or judgments or other government liens or filings. Specifically, Respondent  
11 Huntington was ineligible to be a designated broker if he had one hundred thousand dollars or more  
12 in tax liens against him. On or around September 2, 2009, the Internal Revenue Service (IRS)  
13 recorded with the Pierce County Auditor’s Office a lien against Respondent Huntington in the  
14 amount of \$399,021.62 for non-payment of federal taxes. On or around September 27, 2010, the IRS  
15 recorded with the Pierce County Auditor’s Office two additional liens against Respondent  
16 Huntington, in the amounts of \$30,994.11 and \$96,506.74, for non-payment of federal taxes. To  
17 date, Respondent Huntington has not provided evidence, nor has the Department located such  
18 evidence, to show that any of these tax liens have been paid, in full or part, such that the balance of  
19 the liens together totals less than \$100,000.

20 **1.5 Failure to Obtain and Maintain Bond.** On or about December 14, 2010, the Department  
21 received notice from Western Surety Company that Respondent Horizon’s bond had cancelled  
22 effective November 1, 2010. To date, Respondents have not notified the Department of the  
23

1 cancellation of the surety bond, and have not provided the required surety bond or an approved  
2 alternative.

3 **1.6 Failure to Notify Department of Significant Developments.** As stated in paragraph 1.5, to  
4 date, Respondents have not notified the Department of the cancellation of Respondent Horizon's  
5 surety bond.

6 **1.7 On-Going Investigation.** The Department's investigation into the alleged violations of the  
7 Act by Respondents continues to date.

## 8 II. GROUNDS FOR ENTRY OF ORDER

9 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed  
10 mortgage broker is liable for any conduct violating the Act by the designated broker or a loan  
11 originator while employed or engaged by the licensed mortgage broker.

12 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(4), every licensed  
13 mortgage broker must at all times have a designated broker responsible for all activities of the  
14 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or  
15 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,  
16 employee's, or independent contractor's violations of the Act if: the designated broker, principal, or  
17 owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows  
18 the conduct; or the designated broker, principal, or owner who has supervisory authority over the  
19 licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known  
20 of the conduct, at a time when its consequences can be avoided or mitigated and fails to take  
21 reasonable remedial action.

22 **2.3 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,  
23 "Mortgage broker" means any person who, for compensation or gain, or in the expectation of

1 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage  
2 loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to  
3 obtain a residential mortgage loan.

4 **2.4 Definition of Loan Originator.** Pursuant to RCW 19.146.010(11) and WAC 208-660-006,  
5 “Loan originator” means a natural person who for direct or indirect compensation or gain, or in the  
6 expectation of direct or indirect compensation or gain: takes a residential mortgage loan application  
7 for a mortgage broker; offers or negotiates terms of a mortgage loan; performs residential mortgage  
8 loan modification services; or holds themselves out to the public as able to perform any of these  
9 activities.

10 **2.5 Definition of Borrower.** Pursuant to RCW 19.146.010(3) and WAC 208-660-006,  
11 “Borrower” means any person who consults with or retains a mortgage broker or loan originator in an  
12 effort to obtain or seek advice or information on obtaining or applying to obtain a residential  
13 mortgage loan for himself, herself, or persons including himself or herself, regardless of whether the  
14 person actually obtains such a loan.

15 **2.6 Definition of Application.** Pursuant to WAC 208-660-006, “Application” means the  
16 submission of a borrower's financial information in anticipation of a credit decision relating to a  
17 residential mortgage loan, which includes the borrower's name, monthly income, Social Security  
18 number to obtain a credit report, the property address, an estimate of the value of the property, and  
19 the mortgage loan amount sought. An application may be in writing or electronically submitted,  
20 including a written record of an oral application. If the submission does not state or identify a specific  
21 property, the submission is an application for a prequalification and not an application for a  
22 residential mortgage loan under this part. The subsequent addition of an identified property to the  
23 submission converts the submission to an application for a residential mortgage loan.

1 **2.7 Requirements for Licensure.** Based on Factual Allegations set forth in Section I above,  
2 Respondents have failed to meet the requirements of RCW 19.146.220(2)(b) and (e) and RCW  
3 19.146.210(1)(g) for false statements or omission of material information on an application or any  
4 violation of this chapter. Based on Factual Allegations set forth in Section I above, Respondent  
5 Huntington has failed to meet the requirements of RCW 19.146.220(2)(b) and (e), RCW  
6 19.146.310(1)(f) and (g), and WAC 208-660-350(2)(a) for false statements or omission of material  
7 information on an application or any violation of this chapter and failure to demonstrate financial  
8 responsibility, character and general fitness such as to command the confidence of the community  
9 and to warrant a belief that the business will be operated honestly, fairly and efficiently within the  
10 purposes of this chapter.

11 **2.8 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
12 Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
13 19.146.200(1), WAC 208-660-155, and WAC 208-660-163(11) and (17), for engaging in the  
14 business of a mortgage broker without first obtaining and maintaining a license under the Act.

15 **2.9 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
16 Allegations set forth in Section I above, Respondent Huntington is in apparent violation of RCW  
17 19.146.200(1) and WAC 208-660-155 for engaging in the business of a loan originator without first  
18 obtaining and maintaining a license under the Act.

19 **2.10 Advertising or Holding Out as Able to do Business While Unlicensed.** Based on the  
20 Factual Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-  
21 660-163(10) for advertising or holding oneself out as a mortgage broker or loan originator without a  
22 valid mortgage broker or loan originator license.

1 **2.11 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
2 are in apparent violation of RCW 19.146.0201(1), (2), (3), (6), and (8) for directly or indirectly  
3 employing a scheme, device or artifice to defraud or mislead borrowers or lenders or any person,  
4 engaging in an unfair or deceptive practice toward any person, obtaining property by fraud or  
5 misrepresentation, failing to make disclosures to loan applicants and noninstitutional investors as  
6 required by RCW 19.146.030 any other applicable state or federal law, or negligently making a false  
7 statement or knowingly and willfully making an omission of material fact in connection with any  
8 reports filed by a mortgage broker or in connection with an investigation conducted by the  
9 Department.

10 **2.12 Prohibited Fees and Affiliated Business Disclosure.** Based on the Factual Allegations set  
11 forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(6) and (11) and  
12 Regulation X, 24 C.F.R. Section 3500.14 and Section 3500.15(1996) for receipt of unearned referral  
13 fees or providing an other thing of value for a loan referral or failure to provide an Affiliated  
14 Business Disclosure.

15 **2.13 Prohibition on Transfer of Loan Without Written Request by Borrower.** Based on  
16 Factual Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-  
17 660-300(5) for transferring a loan to another mortgage broker without a written request from the  
18 borrower.

19 **2.14 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in  
20 Section I above, Respondents are in apparent violation of RCW 19.146.205(6)(a) and WAC 208-660-  
21 175 for failing to file and maintain a surety bond or approved alternative with the Department.

22 **2.15 Requirement to Notify Department of Significant Developments.** Based on the factual  
23 allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-

1 400(7)(b)(vi) for failure to notify the director in writing within ten days after receipt of notification of  
2 cancellation of Respondent Horizon's surety bond.

3 **2.16 Requirement to Maintain Accurate and Current Books and Records.** Based on the  
4 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
5 19.146.060 and WAC 208-660-450 for failing to keep all books and records in a location that is on  
6 file with and readily available to the Department until at least twenty-five months have elapsed  
7 following the effective period to which the books and records relate.

### 8 **III. AUTHORITY TO IMPOSE SANCTIONS**

9 **3.1 Authority to Decline to Renew License.** Pursuant to RCW 19.146.210(2), the Director shall  
10 not issue a license to an applicant if the conditions of RCW 19.146.210(1) have not been met by the  
11 applicant. Pursuant to RCW 19.146.220(1), and RCW 19.146.220(2) (b) and (e), the Director may  
12 deny applications for licenses for false statements or omission of material information on an  
13 application or any violation of this chapter.

14 **3.2 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the  
15 Director may issue orders directing a licensee, its employee, loan originator, independent contractor,  
16 agent, or other person subject to the Act to cease and desist from conducting business.

17 **3.3 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may  
18 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a  
19 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed  
20 mortgage broker or any person subject to licensing under the Act for: any violation of RCW  
21 19.146.0201(1) through (9) or (13), RCW 19.146.200, or RCW 19.146.205(4), or false statements or  
22 omission of material information on the application.



1 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
2 against a licensee or other persons subject to the Act for false statements or omission of material  
3 information on the application that, if known, would have allowed the Director to deny the  
4 application for the original license, or any violation of the Act. Pursuant to RCW 19.146.220(3), the  
5 Director may impose fines on an employee, loan originator, independent contractor, or agent of the  
6 licensee, or other person subject to the Act, for any violations of RCW 19.146.0201(1) through (9) or  
7 (13), or RCW 19.146.200.

8 **3.5 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order  
9 restitution against licensees or other persons subject to the Act for any violation of the Act.

10 **3.6 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-  
11 660-520(9) & (11), the Department will charge forty-eight dollars per hour for an examiner's time  
12 devoted to an investigation of a licensee or other person subject to the Act.

#### 13 **IV. NOTICE OF INTENTION TO ENTER ORDER**

14 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,  
15 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
16 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and  
17 RCW 19.146.223, RCW 19.146.210, and RCW 19.146.310. Therefore, it is the Director's intention  
18 to ORDER that:

19 **4.1** Respondent Horizon Mortgage and Investment Company's application for renewal of license  
20 to conduct the business of a mortgage broker be denied.

21 **4.2** Respondent Douglas Alan Huntington's application for renewal of license to conduct the  
22 business of a loan originator be denied.

23 **4.3** Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington  
24 cease and desist engaging in the business of a mortgage broker or loan originator unless and until a  
valid license is obtained from the Department.

1 **4.4** Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington be  
2 prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure  
3 by the Director, in any manner, for a period of seven (7) years.

3 **4.5** Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington  
4 jointly and severally pay a fine, which as of the date of this Statement of Charges totals \$27,000.

4 **4.6** Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington  
5 jointly and severally pay restitution totaling at least \$19,344.78 to at least the borrowers identified in  
6 paragraphs 1.2 through 1.5 of this Statement of Charges, and to any other similarly-situated  
7 Washington borrowers.

7 **4.7** Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington  
8 jointly and severally pay an investigation fee, which as of the date of this Statement of Charges, totals  
9 \$4,164 calculated at \$48 per hour for the eighty-six and three-fourths (86.75) staff hours related to the  
10 investigation.

9 **4.8** Respondents Horizon Mortgage and Investment Company and Douglas Alan Huntington  
10 maintain records in compliance with the Act and provide the Department with the location of the  
11 books, records and other information relating to Respondent Horizon Mortgage and Investment  
12 Company's mortgage broker business, and the name, address and telephone number of the individual  
13 responsible for maintenance of such records in compliance with the Act.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW  
3 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter  
4 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a  
5 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR  
6 HEARING accompanying this Statement of Charges.

7  
8 Dated this 17<sup>th</sup> day of October, 2011



9 [Redacted signature]

10 DEBORAH BORTNER  
11 Director  
12 Division of Consumer Services  
13 Department of Financial Institutions

14 Presented by:

15 [Redacted signature]

16 MARISA E. BROGDEL  
17 Financial Legal Examiner

18 Approved by:

19 [Redacted signature]

20 JAMES R. BRUSSELBACK  
21 Enforcement Chief