

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Removal and Prohibition of:

No. 12F-BD013-BNK

3 **MONICA S. McKNIGHT**
4 44570 West Mescal
Maricopa, AZ 85138-4051

CONSENT ORDER

5 Respondent.

6
7 On May 30, 2012, the Arizona Department of Financial Institutions (“Department”) issued a
8 Notice of Hearing, alleging that Respondent had violated Arizona law. Wishing to resolve this
9 matter in lieu of an administrative hearing, Respondent does not contest the following Findings of
10 Fact and Conclusions of Law, and consents to the entry of the following Order.

11 FINDINGS OF FACT

12 1. On or around November 21, 2011, the Department received notification from a
13 Licensee that Respondent Monica S. McKnight’s (“Ms. McKnight”) employment with the Licensee
14 was terminated on November 10, 2011. The termination was based upon a felony conviction for
15 grand theft. Further, after notifying the Department of Housing and Urban Development (“HUD”) of
16 the felony conviction, the Licensee received a directive from HUD, on November 10, 2011, that Ms.
17 McKnight was ineligible to continue working as an underwriter due to the felony conviction.

18 2. On April 5, 2011, a Criminal Complaint was filed against Ms. McKnight in *State of*
19 *Idaho v. Monica Sue McKnight* (“*State of Idaho v. McKnight*”), Case No. CR-2011-1802, Idaho
20 District Court, Fifth Judicial District, County of Jerome. The Complaint alleges that Ms. McKnight
21 committed three (3) counts of Grand Theft, a Felony; and two (2) counts of Petit Theft, a
22 Misdemeanor, by unlawfully taking, obtaining or withholding seventy-two thousand nine hundred
23 thirty four dollars and eleven cents (\$72,934.11) in the form of cash commissions from Xtreme
24 Motor Sports and the unauthorized use of credit cards belonging to Xtreme Motor Sports, between
25 January 1, 2008 through April 30, 2009.

26 3. On April 27, 2011, an Information was filed in *State of Idaho v. McKnight*, charging

1 Ms. McKnight with three (3) counts of Grand Theft, a Felony; and two (2) counts of Petit Theft, a
2 Misdemeanor, and stated these charges were based upon Ms. McKnight unlawfully taking, obtaining
3 or withholding seventy-two thousand nine hundred thirty four dollars and eleven cents (\$72,934.11)
4 in the form of cash commissions from Xtreme Motor Sports and the unauthorized use of credit cards
5 belonging to Xtreme Motor Sports, between January 1, 2008 through April 30, 2009.

6 4. On October 17, 2011, a Judgment of Conviction Upon Plea of Guilty to One Felony
7 Count and Order of Commitment Suspending Sentence and Order of Supervised Probation
8 I.C. § 19-2601(2) (“Judgment”) was entered in *State of Idaho v. McKnight*. The Judgment found Ms.
9 McKnight guilty of One Count of Grand Theft, a Felony, pursuant to a guilty plea she entered on
10 August 8, 2011. The Judgment sentenced Ms. McKnight to imprisonment for up to ten (10) years,
11 but suspended the sentence and placed her on supervised probation for a period of ten (10) years
12 beginning October 17, 2011. The suspended sentence imposed general, specific and special
13 conditions, including the special condition that “defendant shall have no unsupervised access to
14 financial assets of her employer and shall advise future employers in writing of this conviction,
15 including that it was a grand theft offense. The defendant shall provide a copy of this judgment to
16 her employer.” Further, Ms. McKnight was ordered to pay restitution to the victims in an amount
17 totaling seventy two thousand three hundred twenty two dollars and forty six cents (\$72,322.46).

18 5. On November 18, 2011, an Order Denying Rule 35 Motion was entered in *State of*
19 *Idaho v. McKnight*. Ms. McKnight filed a Rule 35 Motion on October 27, 2011, requesting that the
20 Court modify the Judgment entered against her to a “Withheld Judgment.” The motion stated such a
21 change would allow her to remain at her place of employment, but otherwise the felony conviction
22 would prevent her from doing so, pursuant to HUD regulations. The Court denied the Motion,
23 finding that Ms. McKnight’s plea of guilty to a felony qualifies as a felony conviction, and that a
24 “withheld judgment would not be of any benefit” to her employment status.

25 CONCLUSIONS OF LAW

26 1. Pursuant to Title 6, Chapter 9, of the Arizona Revised Statutes, the Superintendent

1 has the authority and duty to regulate all persons engaged in the mortgage broker business and with
2 the enforcement of statutes, rules, and regulations relating to mortgage brokers.

3 2. The conduct of Ms. McKnight, as set forth above, constitutes acts, omissions, and
4 practices which demonstrate personal dishonesty and unfitness to continue in office or to participate
5 in the conduct of the affairs of any financial institution or enterprise and is grounds for removal and
6 the prohibition of Ms. McKnight from participating in any manner in the conduct of the affairs of
7 any financial institution or enterprise within the meaning of A.R.S. § 6-161(A)(1).

8 3. Ms. McKnight's October 17, 2011 conviction of one (1) count of Grand Theft, a
9 Felony, constitutes grounds for the removal and the prohibition of Ms. McKnight from participating
10 in any manner in the conduct of the affairs of any financial institution or enterprise, pursuant to
11 A.R.S. § 6-161(A)(4).

12 4. The violations, set forth above, constitute grounds for the Superintendent to order the
13 removal and the prohibition of Ms. McKnight from further participation in any manner as a director,
14 officer, employee, agent, or other person in the conduct of the affair of any financial institution or
15 enterprise pursuant to A.R.S. § 6-161.

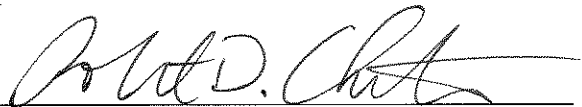
16 **ORDER**

17 1. Respondent shall be prohibited from further participation in any manner in the conduct of
18 the affairs of any financial institution or enterprise, pursuant to A.R.S. § 6-161.

19 2. This Order shall become effective upon service, and shall remain effective and
20 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,
21 or set aside.

22 SO ORDERED this 27 day of June, 2012.

23 Lauren Kingry
24 Superintendent of Financial Institutions

25 By: 
26 Robert D. Charlton
Assistant Superintendent of Financial Institutions

1 **CONSENT TO ENTRY OF ORDER**

2 1. Respondent acknowledges that she has been served with a copy of the foregoing
3 Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, has read the same,
4 is aware of her right to an administrative hearing in this matter, and has waived the same.

5 2. Respondent admits the jurisdiction of the Superintendent and consents to the entry of
6 the foregoing Findings of Fact, Conclusions of Law, and Order.

7 3. Respondent states that no promise of any kind or nature has been made to induce her
8 to consent to the entry of this Order, and that she has done so voluntarily.

9 4. Respondent agrees to immediately cease from engaging in the violative conduct set
10 forth in the Findings of Fact and Conclusions of Law.

11 5. Respondent acknowledges that the acceptance of this Agreement by the
12 Superintendent is solely to settle this matter and does not preclude this Department, any other agency
13 or officer of this state or subdivision thereof from instituting other proceedings as may be
14 appropriate now or in the future.

15 6. Respondent waives all rights to seek judicial review or otherwise to challenge or
16 contest the validity of this Consent Order.

17 DATED this 23 day of June, 2012.

18 By Monica S. McKnight
19 Monica S. McKnight

20
21 ORIGINAL of the foregoing filed this 27th
22 day of June, 2012, in the office of:

23 Lauren W. Kingry
24 Superintendent of Financial Institutions
25 Arizona Department of Financial Institutions
26 ATTN: Sabrina Zimmerman
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

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COPY mailed/delivered same date to:

Craig A. Raby, Assistant Attorney General
Office of the Attorney General
1275 West Washington
Phoenix, AZ 85007

Robert D. Charlton, Assistant Superintendent
Gabriela Macias, Senior Examiner
Arizona Department of Financial Institutions
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

AND COPY MAILED SAME DATE by
Certified Mail, Return Receipt Requested, to:

Monica S. McKnight
44570 West Mescal
Maricopa, AZ 85138-4051
Respondent


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