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JAN 26 2011

ENFORCEMENT UNIT
DIVISION OF CONSUMER SERVICES
DEPT OF FINANCIAL INSTITUTIONS

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

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

NO. C-07-434-11-CO01

CONSENT ORDER

LEGACY FINANCIAL INC., and JEFFREY
M. SHERMAN, Owner and Designated Broker,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Deborah Bortner, Division Director, Division of Consumer Services, and Legacy Financial Inc.
(Respondent Legacy), Jeffrey M. Sherman, owner and designated broker (Respondent Sherman), by and
through their attorneys Seth Rosenberg and John Long, 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
Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No.
C-07-434-11-SC01 (Statement of Charges) entered November 17, 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, 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 economically and efficiently

CONSENT ORDER
C-07-434-11-CO01
LEGACY FINANCIAL INC., and JEFFREY M.
SHERMAN

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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 settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the
2 Statement of Charges and agree that Respondents do not admit any wrongdoing by its entry.
3 Respondents are agreeing not to contest the Statement of Charges in consideration of the terms of this
4 Consent Order.

5 Based upon the foregoing:

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

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

11 Accordingly, Respondents, by their signatures and the signatures of their representatives below, withdraw
12 their appeal to the Office of Administrative Hearings.

13 **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the
14 Statement of Charges and agree that Respondents do not admit to any wrongdoing by its entry.

15 **D. License Surrender.** It is AGREED that the Department will accept surrender of Respondent
16 Legacy's mortgage broker license effective upon entry of this Consent Order.

17 **E. Prohibition of Respondent Legacy from Industry.** It is AGREED that Respondent Legacy
18 is prohibited from participating in the conduct of the affairs of any mortgage broker or consumer loan
19 company licensed by the Department or subject to licensure or regulation by the Department under RCW
20 19.146 et seq. or RCW 31.04 et seq. for 10 years from the date of entry of this Consent Order, in any
21 capacity.
22
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1 **F. Prohibition of Respondent Sherman from Industry.** It is AGREED that Respondent
2 Sherman is prohibited from participating in the conduct of the affairs of any mortgage broker or
3 consumer loan company licensed by the Department or subject to licensure or regulation by the
4 Department under RCW 19.46 et seq., including, but not limited to: (a) any financial capacity whether
5 active or passive, or (b) as an officer, director, principal, designated broker, or (c) any management,
6 control, oversight or maintenance of any trust account(s) in any way related to any residential mortgage
7 transaction, or (d) receiving, disbursing, managing, or controlling in any way, consumer trust funds in any
8 way related to any residential mortgage transaction, for a period of 10 years following the entry of this
9 Consent Order. It is AGREED that Respondent Sherman is prohibited from participating in the conduct
10 of the affairs as a designated broker or loan originator for a period of 3 years following entry of this
11 Consent Order. It is further AGREED that after the 3-year prohibition expires, Respondent Sherman may
12 work as a loan originator under the Mortgage Broker Practices Act or the Consumer Loan Act, provided
13 that he meets the applicable licensing requirements and applies for and is issued a Loan Originator
14 license by the Department.
15

16 **G. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
17 investigation fee of \$4,752, in the form of money orders made payable to the "Washington State
18 Treasurer," upon entry of this Consent Order.
19

20 **H. Authority to Execute Order.** It is AGREED that the undersigned have represented and
21 warranted that they have the full power and right to execute this Consent Order on behalf of the parties
22 represented.

23 **I. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to
24 abide by the terms and conditions of this Consent Order may result in further legal action by the
25

1 Director. In the event of such legal action, Respondents may be responsible to reimburse the Director
2 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

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

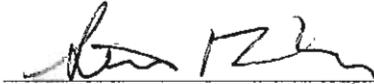
5 K. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
6 this Consent Order in its entirety and fully understand and agree to all of the same.

7 **RESPONDENTS:**

8 **Legacy Financial Inc. and Jeffrey M. Sherman**
9 By:

10 
11 _____
12 Jeffrey M. Sherman
13 Owner, Designated Broker, and Individually

1-22-11
Date

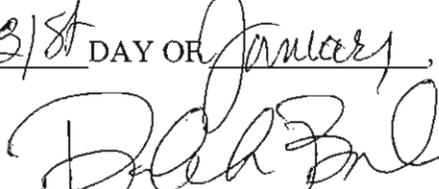
14 
15 _____
16 Seth Rosenberg, WSBA No 41660
17 Attorney at Law, Law Offices of John Long
18 Attorney for Respondents

1/24/2011
Date

19 **DO NOT WRITE BELOW THIS LINE**

20 THIS ORDER ENTERED THIS 21st DAY OF January, 2011.



21 
22 _____
23 DEBORAH BORTNER
24 Director
25 Division of Consumer Services
Department of Financial Institutions

Presented by:

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 for William Halstead

WILLIAM HALSTEAD
Financial Legal Examiner

Approved by:



JAMES R. BRUSSELBACK
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:

LEGACY FINANCIAL INC., and JEFFREY M.
SHERMAN, Owner and Designated Broker,

Respondents.

NO. C-07-434-08-SC01

STATEMENT OF CHARGES and NOTICE OF
INTENTION TO ENTER AN ORDER TO REVOKE
LICENSE, 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 (Act)¹. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the 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. Legacy Financial Inc. (Respondent Legacy) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on August 4, 2004. Respondent Legacy was licensed to conduct the business of a mortgage broker at its main office in Everett, Washington, and 3 branch locations in Washington (Everett, Marysville and Granite Falls). Respondent Legacy surrendered its mortgage broker license on December 27, 2007.

B. Jeffrey M. Sherman (Respondent Sherman) was the owner and Designated Broker of Respondent Legacy. Respondent Sherman was the Designated Broker of Respondent Legacy during the period of time Respondent Legacy was licensed. On November 15, 2006, Respondent Sherman's license was converted

¹ RCW 19.146 (1994) unless otherwise noted.

1 from Designated Broker status to loan originator. On December 20, 2007, Respondent Sherman's license as a loan
2 originator was cancelled and he is no longer licensed to conduct the business of a loan originator.

3 **1.2 Examination.** On October 18, 2007, through November 8, 2007, the Department conducted an
4 examination of Respondent Legacy at its main office. The examination included a review of the business
5 practices of Respondent Legacy as well as sampling 60 loan files for the period of June 15, 2004, through
6 September 11, 2007. As a result of the examination, the Department discovered violations of the Act, federal
7 rules, and federal regulations.

8 **1.3 Prohibited Acts.**

9 **A. Occupancy Misrepresentation.** Respondent Legacy and Respondent Sherman engaged in a
10 scheme of misrepresenting to others that properties were going to be owner-occupied residences when they
11 were actually investment properties. The Department discovered 5 instances of this misconduct, 3 of which
12 were originated by Respondent Sherman.

13 **B. Falsified Income.** Respondent Legacy inflated the income of 5 borrowers in order to obtain
14 loan commitments from lenders. Respondent Legacy used "stated income/stated asset" loan products because
15 lenders did not require income verification. Two of the loans involved employees of Respondent Legacy whose
16 income was overstated to facilitate the purchase of their personal residences. The other 3 loans involved
17 Respondent Legacy inflating the income of borrowers without their knowledge. Respondent Legacy used two
18 applications. The first application was signed by the borrower and contained accurate income information. The
19 second application was not signed by the borrower and contained inflated income figures.

20 **C. Falsified Employment.** Respondent Legacy and Respondent Sherman misrepresented a
21 borrower's employer in a loan application. Respondent Sherman listed Legacy Financial Inc. as a borrower's
22 employer on a loan application knowing this information was inaccurate. Respondent Sherman admitted this
23 conduct during the examination outlined in paragraph 1.2.

24 **D. Misrepresentation of Loan Terms.** Respondent Legacy misled 2 borrowers into believing the
25 negative amortized payment associated with their Option ARMs (Adjustable Rate Mortgages) remained fixed

1 for the life of the loan knowing the representations were not true and the payment would eventually change
2 once the loan balance reached 115 percent of the appraised value. The amount of the monthly payments will
3 roughly triple and the borrowers may not be able to make the payments or refinance their homes.

4 **1.4 Unearned Fees.** Respondent Legacy charged 13 borrowers fees for services not earned during the loan
5 process. Respondent Legacy charged borrowers unearned underwriting fees, document rush fees, origination
6 fees, and loan discount fees totaling \$25,953.72.

7 **1.5 Failure to Properly Disclose Fees Inuring to the Benefit of the Broker.** Respondents Legacy did not
8 provide subsequent Good Faith Estimates (GFEs) and a written explanation for an increase in fees, at all or 3-
9 days prior to closing, to 6 borrowers. Respondent Sherman originated one of the six loans. Respondent Legacy
10 charged fees inuring to its benefit without proper disclosure in an amount of \$12,565.92.

11 **1.6 Failure to Provide Lock Disclosure.** Respondents Legacy and Sherman did not provide borrowers an
12 option to lock or float the interest rate. Delivery of the lock disclosure is required within three days of the
13 borrowers' application date. The required disclosure was not provided in the 60 files reviewed during the
14 examination.

15 **1.7 Failure to Deliver Lock-In Agreement.** Respondents Legacy and Sherman did not deliver a lock-in
16 agreement after locking borrowers' interest rate. The lock-in agreements were missing from the 60 files
17 reviewed during the examination.

18 **1.8 Failure to Provide Third-Party Service Notice.** Respondent Legacy did not provide written notice to
19 borrowers that if they were unable to obtain a loan for any reason, the mortgage broker must provide copies of
20 any third party service paid for by the borrower within five days of receiving a written request from the
21 borrower. The third-party written notices were missing from the 60 files reviewed during the examination.

22 **1.9 Failure to Provide Complete Truth In Lending (TIL) Disclosures.** Respondent Legacy did not
23 provide 14 borrowers (15 loans) with accurate and complete TIL disclosures by indicating an incorrect payment
24 stream for the type of adjustable rate offered, not marking the variable rate feature box, and not marking the
25

1 demand feature box. In addition, Respondent Legacy didn't fill out the bottom portion of the TIL for 9 of the
2 loans.

3 **1.10 Failure to Re-disclose Loan Terms.** Respondent Legacy did not properly re-disclose changes from a
4 fixed rate loan to a variable rate loan to 4 borrowers. Two of the four borrowers were not provided new
5 disclosures of the change in loan terms, while the other two borrowers were provided the disclosures less than
6 three days before closing.

7 **1.11 Failure to Disclose Variable Rate Loan Program.** Respondents Legacy and Sherman did not provide
8 borrowers with disclosures identifying the terms of their variable rate mortgage programs. The required
9 disclosure is to contain the circumstances under which the rate may increase, any limitation on the increase, the
10 effect of the increase, and an example of payment terms resulting from an increase. The variable rate loan
11 program disclosure was missing from the 60 files reviewed during the examination.

12 **1.12 Failure to Identify Fees Benefiting the Broker on GFE.** Respondents Legacy and Sherman did not
13 specify on the GFE, the fee or fees, which inured to its benefit. Respondent Legacy was not aware of this
14 requirement and all of the GFEs reviewed during the examination did not meet this requirement of the Act.

15 **1.13 Failure Maintain Loan Files.** Respondent Legacy did not maintain 5 loan files as required by the Act,
16 as the Department discovered, during the examination, 4 of the loan files in a shred bin and 1 file was missing
17 and never provided by Respondent Legacy.

18 **1.14 Failure to Correctly Disclose Fees on Good Faith Estimates.** Respondent Legacy did not properly
19 complete GFEs to 20 borrowers when it brokered the loans and listed its broker fees on line 801 of the GFE
20 rather than lines 808 through 811.

21 **1.15 Failure to Maintain Funds From Borrower for Payment of Third-Party Providers in Trust.**
22 Respondent Legacy received fees for appraisals and deposited the funds into its general account. This resulted
23 in Respondent Legacy commingling trust account funds with operating funds. Respondents Legacy and
24 Sherman received \$750 at the closing of the residential mortgage loans below for payment of third-party
25 provider services as follows:

1	Borrower 1	\$ 350.00 (Appraisal)
	Borrower 2	\$ <u>400.00</u> (Appraisal Fee)
2	Total	\$ 750.00

3 Respondent Legacy deposited these funds into operating accounts under their control, thereby commingling
4 trust funds with operating funds.

5 **1.16 Failure to Disclose Yield Spread Premiums on the Good Faith Estimates.** Respondent Legacy did
6 not disclose an YSP to 5 borrowers on their GFEs. Respondent Legacy received YSP fees from the lender in
7 the amount of \$27,007.18 on the 5 loans.

8 **1.17 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
9 Respondents continues to date.

10 II. GROUNDS FOR ENTRY OF ORDER

11 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in
12 apparent violation of RCW 19.146.0201(1), (2), (3), (6), (7), (11) (2006), (12), (13) (2006), (14), and (15)
13 (2006) for directly or indirectly employing a scheme, device or artifice to defraud or mislead borrowers or
14 lenders or any person, engaging in an unfair or deceptive practice toward any person, obtaining property by
15 fraud or misrepresentation, failing to make disclosures to loan applicants and noninstitutional investors as
16 required by RCW 19.146.030 and any other applicable state or federal law, making, in any manner, any false or
17 deceptive statement or representation with regard to the rates, points, or other financing terms or conditions for
18 a residential mortgage loan or engaging in bait and switch advertising, collecting, charging, attempting to
19 collect or charge or using or proposing any agreement purporting to collect or charge any fee prohibited by
20 RCW 19.146.030 or RCW 19.146.070, failing to comply with any provision of RCW 19.146.030 through RCW
21 19.146.080 or any rule adopted under those sections.

22 **2.2 Requirement to Disclose Residential Mortgage Loan Fees.** Based on the Factual Allegations set
23 forth in Section I above, Respondents are in apparent violation of RCW 19.146.030(1)(2004 and 2006), and
24 WAC 208-660-430(1) for failing to provide borrowers with full written disclosures, containing an itemization
25 and explanation of all fees and costs that the borrowers were required to pay in connection with obtaining a

1 residential mortgage loan, within three days following receipt of a loan application or any moneys from the
2 borrowers, for failing to disclose whether and under what conditions any lock-in fees are refundable to the
3 borrower.

4 **2.3 Requirement to Disclose Rate-Lock Agreement.** Based upon the Factual Allegations set forth in
5 Section I above, Respondents are in apparent violation of RCW 19.146.030(2)(c),(e) (2004 and 2006) and WAC
6 208-660-430(3) for failing to provide written disclosures of the cost, terms, duration, and conditions of a lock-in
7 agreement and whether a lock-in agreement has been entered, and whether the lock-in agreement is guaranteed
8 by the mortgage broker or lender, and if a lock-in agreement has not been entered, disclosure in a form
9 acceptable to the director that the disclosed interest rate and terms are subject to change, and for failing to
10 disclose whether and under what conditions any lock-in fees are refundable to the borrower.

11 **2.4 Requirement to Provide Written Notice for Paid 3rd Party Services.** Based on the Factual
12 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.030(2)(d) (2004
13 and 2006) and WAC 208-660-430(3) for failing to provide written disclosures to borrowers explaining if they
14 were unable to obtain a loan for any reason, the broker must provide copies of any third party service paid for
15 by the borrower within 5 days of a written request by the borrower.

16 **2.5 Requirement to Disclose Variable Rate Loan Program.** Based on the Factual Allegations set forth
17 in Section I above, Respondents are in apparent violation of RCW 19.146.030(2)(a) (2004 and 2006) and WAC
18 208-660-430 (3) for failing to disclose the circumstances under which the annual percentage rate may increase,
19 any limitation on the increase, the effect of the increase and an example of payment terms resulting from an
20 increase.

21 **2.6 Prohibited Fees.** Based on the Factual Allegations set forth in Section I above, Respondents are in
22 apparent violation of RCW 19.146.030(4) (2004 and 2006) for charging fees inuring to the benefit of a
23 mortgage broker in excess of the fees disclosed on the initial written disclosures where the fees were reasonably
24 foreseeable by the mortgage broker at the time the initial written disclosures were provided to borrowers, and/or
25 where the mortgage broker failed to provide the borrowers, no less than three business days prior to signing the

1 closing documents, a clear written explanation of the fees and the reason for charging fees exceeding those
2 which were previously disclosed.

3 **2.7 Requirement to Maintain Funds From Borrower for Payment of Third-Party Providers in Trust.**

4 Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
5 19.146.050 for encumbering the corpus of the trust account or commingle any other operating funds with the
6 trust account funds.

7 **2.8 Requirement to Properly Disclose Fees on the GFE.** Based on the Factual Allegations set forth in
8 Section I above, Respondents are in apparent violation of RCW 19.146.0201(6), (10) and (11)¹, the Real Estate
9 Settlement Procedures Act, Regulation X, 24 C.F.R., Section 3500, Appendix B, and WAC 208-660-430(4) for
10 failing to disclose mortgage broker fees on lines 808 through 811 of the GFE and HUD-1/1A settlement
11 statement.

12 **2.9 Requirement to Disclose Yield Spread Premium.** Based on the Factual Allegations set forth in
13 Section I above, Respondents are in apparent violation of RCW 19.146.0201(6), (10) and (11)², the Real Estate
14 Settlement Procedures Act, Regulation X, 24 C.F.R., Section 3500, Appendix A,

15 **2.10 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW 19.146.060
16 (2004 and 2006) and WAC 208-660-450(3), a mortgage broker shall make accurate and current books and
17 records readily available to the Department until at least twenty-five months have elapsed following the
18 effective period to which the books and records relate.

19 **III. AUTHORITY TO IMPOSE SANCTIONS**

20 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(b)(iv) and RCW 19.146.220(2)(e), the
21 Director may revoke a license for any violation of RCW 19.146.050, RCW 19.146.060(3), RCW
22 19.146.0201(1) through (9) or (12), RCW 19.146.205(4), RCW 19.146.265, or any violation of the Act.

23 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
24 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed

25 ¹ 2006

² 2006

1 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
2 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or (13),
3 and RCW 19.146.030 through RCW 19.146.080.

4 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c)(i), RCW 19.146.220(3)(a)¹, and WAC
5 208-660-530, the Director may impose fines on a licensee, employee or loan originator of the licensee, or other
6 person subject to the Act for any violations of RCW 19.146.0201(1) through (9) or (12), RCW 19.146.030
7 through RCW 19.146.080, RCW 19.146.200, RCW 19.146.205(4), or RCW 19.146.265.

8 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2)(d)(ii) and RCW 19.146.220(2)(e)², the
9 Director may issue orders directing a licensee, its employee or loan originator, or other person subject to the Act to
10 pay restitution to an injured borrower.

11 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-550(5),
12 upon completion of any investigation of the books and records of a licensee or other person subject to the Act, the
13 Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of the
14 investigation. The investigation charge will be calculated at the rate of forty-eight dollars per hour that each staff
15 person devoted to the investigation.

16 IV. NOTICE OF INTENTION TO ENTER ORDER

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

- 21 **4.1** Respondent Legacy Financial Inc.'s license to conduct the business of a mortgage broker be revoked;
22 and
23 **4.2** Respondents Legacy Financial Inc. and Jeffrey M. Sherman be prohibited from participation in the conduct
24 of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of 5
25 years; and

¹ 2006

² 2006

- 1 4.3 Respondents Legacy Financial Inc. and Jeffrey M. Sherman jointly and severally pay a fine, which as of
the date of this document totals \$18,250; and
- 2 4.4 Respondents Legacy Financial Inc. and Jeffrey M. Sherman jointly and severally pay restitution to all
3 borrowers injured by Respondents actions; and
- 4 4.5 Respondents Legacy Financial Inc. and Jeffrey M. Sherman jointly and severally pay an investigation fee,
5 which as of the date of these charges, totals \$4,752 calculated at \$48 per hour for the 99 staff hours devoted
to the investigation; and
- 6 4.6 Respondents maintain records in compliance with the Act and provide the Department with the location of
7 the books, records and other information relating to Respondent Legacy Financial Inc.'s mortgage broker
business, and the name, address and telephone number of the individual responsible for maintenance of
8 such records in compliance with the Act.

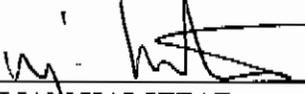
V. AUTHORITY AND PROCEDURE

9 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Prohibit from
10 Industry, Impose Fine, Order Restitution, Collect Investigation Fees and Maintain Records (Statement of
11 Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and
12 RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act).
13 Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
14 DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

15 Dated this 19th day of November, 2008.

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

20 Presented by:

21 
 22 WILLIAM HALSTEAD
 Financial Legal Examiner

23 Approved by:

24 
 25 JAMES R. BRUSSELBACK
 Enforcement Chief

