

## Terms Completed

### ORDER SUMMARY – Case Number: C-06-102

**Name(s):** Paulette Gentry  
 \_\_\_\_\_  
 \_\_\_\_\_

**Order Number:** C-06-102-11-CO01  
 \_\_\_\_\_

**Effective Date:** March 21, 2012  
 \_\_\_\_\_

**License Number:** DFI: 44768 [NMLS: 780997]  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  
 If applicable, you must specifically note the ending dates of terms.

**License Effect:** Application Withdrawn  
 \_\_\_\_\_  
 \_\_\_\_\_

**Not Apply Until:** N/A  
 \_\_\_\_\_

**Not Eligible Until:** N/A  
 \_\_\_\_\_

**Prohibition/Ban Until:** N/A  
 \_\_\_\_\_

<b>Investigation Costs</b>	\$768	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<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Comments: Application is withdrawn by CO. No further action by Respondent to withdraw.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

RECEIVED

MAR 18 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-06-102-11-CO01

CONSENT ORDER

PAULETTE GENTRY,  
Unlicensed Loan Originator,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Paulette Gentry (Respondent), 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 Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-06-102-10-SC01 (Statement of Charges), entered July 25, 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, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

CONSENT ORDER  
C-06-102-11-CO01  
Paulette Gentry

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902.8703

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

3           B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a  
4 hearing before an administrative law judge, and hereby waives her right to a hearing and any and all  
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached  
6 herein. Accordingly, Respondent, by her signature below, withdraws her appeal to the Office of  
7 Administrative Hearings.

8           C. **No Admission of Liability.** It is AGREED that Respondent does not admit to any  
9 wrongdoing by entry of this Consent Order.

10          D. **Loan Originator License Application Withdrawal.** It is AGREED that Respondent's  
11 loan originator license application is withdrawn.

12          E. **Application for License.** It is AGREED that should Respondent apply to the  
13 Department for any license under any name at any time following the date of entry of this Consent  
14 Order, Respondent shall be required to meet any and all application requirements in effect at that  
15 time.

16          F. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an  
17 investigation fee of \$768 in the form of a cashier's check made payable to the "Washington State  
18 Treasurer" upon entry of this Consent Order.

19          G. **Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily  
20 entered into this Consent Order, which is effective when signed by the Director's designee.

21          H. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read  
22 this Consent Order in its entirety and fully understands and agrees to all of the same.

1 **RESPONDENT:**

2 [Redacted]

3 [Redacted]

4 Paulette Gentry  
Individually

3/15/2012  
Date

6 DO NOT WRITE BELOW THIS LINE

7 THIS ORDER ENTERED THIS 21<sup>st</sup> DAY OF March, 2012<sup>OB</sup>



[Redacted Signature]

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

13 Presented by:

14 [Redacted]

15 STEVEN C. SHERMAN  
16 Financial Legal Examiner

17 Approved by:

18 [Redacted]

19 JAMES R. BRUSSELBACK  
Enforcement Chief

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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:

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PAULETTE GENTRY,  
Unlicensed Loan Originator,

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Respondent.

NO. C-06-102-10-SC01

STATEMENT OF CHARGES and NOTICE  
OF INTENTION TO ENTER AN ORDER TO  
DENY LICENSE APPLICATION, PROHIBIT  
FROM INDUSTRY, IMPOSE FINE, AND  
COLLECT INVESTIGATION FEE

24

**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)<sup>1</sup>. After having conducted an investigation pursuant to RCW 19.146.210 and RCW 19.146.235, and based upon the facts available as 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 Respondent. Paulette Gentry (Respondent)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a license to conduct business as a loan originator on or about June 28, 2007. Respondent Gentry's license application is pending, and she has never been issued a loan originator license by the Department.

**1.2 Unlicensed Activity.** In December 2008, Respondent was employed as a W-2 loan originator for Empire Equity Group, d/b/a 1<sup>st</sup> Metropolitan Mortgage Group (Empire), a licensed Consumer Loan Company. As a W-2 loan originator for a licensed Consumer Loan Company, Respondent was

<sup>1</sup> RCW 19.146 (2006)  
STATEMENT OF CHARGES  
C-06-102-10-SC01  
Paulette Gentry

1 not required to obtain and maintain a loan originator license under the Act. On or about December 4,  
2 2008, Respondent took a residential mortgage loan application on behalf of Empire from borrowers  
3 K.B. and T.B. to refinance a residence in Washington. On or about December 8, 2008, Respondent  
4 also took a residential mortgage loan application on behalf of Empire from borrowers R.R. and D.B.  
5 to refinance a residence in Washington.

6 On or about January 13, 2009, Respondent was notified by Empire that Empire was closing  
7 Respondent's branch office and that Respondent's employment was terminated effective December  
8 31, 2008.<sup>2</sup> The letter also notified Respondent that all loans in her pipeline with application dates  
9 prior to December 31, 2008, had to close no later than January 31, 2009; and that those which did not  
10 close by that date must be returned to Empire by February 9, 2009. Respondent, however, continued  
11 to assist borrowers K.B. and T.B. with their residential mortgage loan until at least February 26,  
12 2009, and continued to assist borrowers R.R. and D.B. until at least February 12, 2009, without  
13 having obtained a loan originator license and without the benefit of any exemption from the licensing  
14 requirements of the Act.

15 **1.3 Prohibited Acts.** On or about February 26, 2009, Respondent sent an email to borrower K.B.  
16 which stated in relevant part:

- 17 1. We are a Consumer Loan Branch
- 18 2. I am an W-2 Loan Officer for Empire Equity Group dba  
19 1<sup>st</sup> Metropolitan Mortgage Corp. Which states that The  
Branch and I are Exempt from Licensure in Washington  
State.

20 At the time Respondent sent this email, however, Respondent had been notified that her consumer  
21 loan branch had been closed by Empire and that Respondent's employment with Empire had been  
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23 \_\_\_\_\_  
24 <sup>2</sup> The notification was by letter dated December 31, 2008, but the copy provided by Respondent appears to have been  
emailed to her on January 13, 2009.

1 terminated. Additionally, Empire had surrendered its main and branch office licenses on or about  
2 January 22, 2009.

3 **1.4 On-Going Investigation.** The Department’s investigation into the alleged violations of the  
4 Act by Respondent continues to date.

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

6 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,  
7 “Mortgage Broker” means any person who, for compensation or gain, or in the expectation of  
8 compensation or gain (a) makes a residential mortgage loan or assists a person in obtaining or  
9 applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to  
10 make a residential mortgage loan or assist a person in obtaining or applying to obtain a residential  
11 mortgage loan.

12 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10) and WAC 208-660-006,  
13 “Loan Originator” means a person a person employed, either directly or indirectly, or retained as an  
14 independent contractor by a person required to be licensed as a mortgage broker.

15 **2.3 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth  
16 in Section I above, Respondent is in apparent violation of RCW 19.146.0201(2) and RCW  
17 19.146.200 for engaging in the business of a mortgage broker and loan originator without first  
18 obtaining and maintaining a license under the Act.

19 **2.4 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,  
20 Respondent is in apparent violation of RCW 19.146.0201(2) and WAC 208-660-500 for providing  
21 false information to a borrower concerning the status of Respondent’s licensure.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Deny Application for License.** Pursuant to RCW 19.146.210(2), the Director  
3 shall not issue a license to an applicant if the conditions of RCW 19.146.210(1) have not been met by  
4 the applicant. Pursuant to RCW 19.146.220(1) and RCW 19.146.220(2)(e), the Director may deny  
5 applications for licenses for any violation of the Act.

6 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5), the Director  
7 may issue orders removing from office or prohibiting from participation in the conduct of the affairs  
8 of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any  
9 licensed mortgage broker or any person subject to licensing under the Act for any violation of RCW  
10 19.146.0201(1) through (9) or RCW 19.146.200.

11 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), the Director may impose fines  
12 on all persons subject to the Act for any violation of the Act.

13 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-  
14 550(2), the Department may collect the costs of investigation. The investigation charge will be  
15 calculated at the rate of \$48 per hour.

16 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

21 **4.1** Respondent Paulette Gentry's application for a license to conduct the business of a loan  
22 originator be denied;

23 **4.2** Respondent Paulette Gentry be prohibited from participation in the conduct of the affairs of any  
mortgage broker subject to licensure by the Director, in any manner, for a period of 5 years;



- 1 **4.3** Respondent Paulette Gentry pay a fine which as of the date of these charges totals \$2,500;
- 2 **4.4** Respondent Paulette Gentry pay an investigation fee which as of the date of these charges totals
- 3 \$768, calculated at \$48 per hour for 16 examiner hours devoted to the investigation; and
- 4 **4.5** Respondent Paulette Gentry maintain records in compliance with the Act and provide the
- 5 Department with the location of the books, records, and other information relating to
- 6 Respondent's mortgage broker business, and the name, address, and telephone number of the
- 7 individual responsible for maintenance of such records in compliance with the Act.

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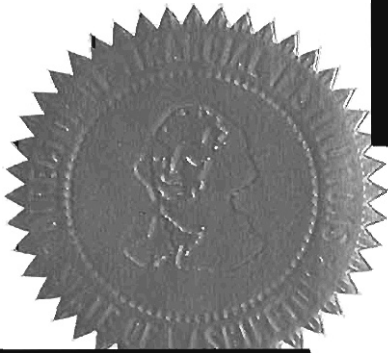
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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Deny License  
3 Application, Prohibit from Industry, Impose Fine, and Collect Investigation Fee (Statement of  
4 Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW  
5 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The  
6 Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in  
7 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
8 accompanying this Statement of Charges.

9  
10 Dated this 25<sup>th</sup> day of July, 2011.



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

17 Presented by:



18 STEVEN C. SHERMAN  
19 Financial Legal Examiner

20 Approved by:



21  
22 JAMES R. BRUSSELBACK  
23 Enforcement Chief