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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:

NO. C-06-195-08-CO01

MERIT FINANCIAL, INC., and  
SCOTT DAVID GREENLAW,  
Chief Executive Officer, Owner, and  
Designated Broker,

CONSENT ORDER

Respondents.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Merit Financial, Inc., (hereinafter Respondent Merit Financial), and Scott David Greenlaw, Chief Executive Officer, Owner, and Designated Broker (hereinafter Respondent Greenlaw), by and through attorney Donald A. Bailey, and finding that the issues raised in the 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:

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**AGREEMENT AND ORDER**

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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-06-195-07-SC01 (Statement of Charges), entered December 28, 2007, (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 settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

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CONSENT ORDER  
C-06-195-07-SC01  
Merit Financial, Inc., and  
Scott David Greenlaw

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

1 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing  
5 before an administrative law judge, and that they have waived their right to a hearing and any and all  
6 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.  
7 Accordingly, Respondents agree to withdraw their appeal and to inform the Office of Administrative Hearings in  
8 writing of their withdrawal.

9 C. **Prohibition from Industry.** It is AGREED that Respondent Merit Financial is prohibited from  
10 participating in the conduct of the affairs of any mortgage broker licensed by the Department or subject to  
11 licensure or regulation by the Department or any mortgage broker exempt from Washington law under RCW  
12 19.146.020(1)(e) or (g) for five years from the date of entry of this Consent Order in any capacity, including but  
13 not limited to: (1) any financial capacity whether active or passive, or (2) as an officer, director, principal,  
14 designated broker, employee, or loan originator, or (3) any management, control, oversight or maintenance of any  
15 trust account(s) in any way related to any residential mortgage transaction, or (4) receiving, disbursing, managing  
16 or controlling in any way, consumer trust funds in any way related to any residential mortgage transaction.

17 D. **Agreement not to Apply.** It is AGREED that Respondent Greenlaw shall not apply to the  
18 Department for a license to conduct business as a mortgage broker or a designated broker for five years from the  
19 date of this Consent Order. It is further AGREED that, should Respondent Greenlaw apply to the Department for  
20 a mortgage broker or designated broker license at any time later than five years from the date of entry of this  
21 Consent Order, Respondent Greenlaw shall be required to meet any and all application requirements in effect at  
22 that time.

23 E. **License Application Withdrawal.** It is AGREED that Respondent Greenlaw's license to conduct  
24 business as a Loan Originator, received by the Department on or about June 19, 2007, is withdrawn and the related

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1 licensing fee shall not be refunded. It is further AGREED that Respondent Greenlaw may reapply for a license to  
2 conduct business as a loan originator, and that the Department shall not use the facts from this case to determine  
3 whether a loan originator license shall be issued. Respondent Greenlaw understands and AGREES that nothing in  
4 this Consent Order shall alter or affect the statutory requirements to obtain a loan originator license, and that this  
5 Consent Order specifically does not guarantee that a loan originator license shall be issued.

6 **F. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee  
7 of \$1,555.24, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of  
8 this Consent Order.

9 **G. Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented and  
10 warranted that they have the full power and right to execute this Consent Order on behalf of the parties  
11 represented.

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

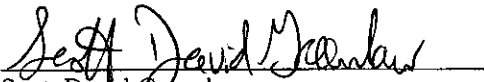
16 **I. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into  
17 this Consent Order, which is effective when signed by the Director's designee.

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

20 **RESPONDENTS:**

21 **Merit Financial, Inc.**

22 By:

23   
24 Scott David Greenlaw  
Chief Executive Officer

11/26/2008  
Date

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Scott David Greenlaw  
Scott David Greenlaw  
Individually

11/26/2008  
Date

Donald A. Bailey  
Donald A. Bailey, WSBA #12289  
Attorney at Law  
Attorney for Respondent Greenlaw

11/23/08  
Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 3<sup>rd</sup> DAY OF December, 2008.

Deborah Bortner  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

Steven C. Sherman  
STEVEN C. SHERMAN  
Financial Legal Examiner



Approved by:

James R. Brusselback  
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:

MERIT FINANCIAL, INC., and  
SCOTT DAVID GREENLAW,  
Chief Executive Officer, Owner, and  
Designated Broker,

Respondents.

NO. C-06-195-07-SC01

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

**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 19.146.235 and RCW 19.146.310, 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. **Merit Financial, Inc. (Respondent Merit)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage

<sup>1</sup> References to RCW 19.146 are to the 2006 version unless noted otherwise.

1 broker on September 28, 2001. Respondent Merit surrendered its mortgage broker license on or about  
2 October 13, 2006.

3       **B. Scott David Greenlaw (Respondent Greenlaw)** was Chief Executive Officer, 100%  
4 Owner, and Designated Broker of Respondent Merit. Respondent Greenlaw was named Designated  
5 Broker of Respondent Merit on September 28, 2001, and continued as Designated Broker until the  
6 surrender of Respondent Merit's mortgage broker license on or about October 13, 2006. Thereafter,  
7 Respondent Greenlaw submitted an application to the Department for a loan originator license under  
8 Loan Network, LLC, a mortgage broker licensed under the Act. The on-line application was received  
9 by the Department on or about June 19, 2007.  
10

11 **1.2 Failure to Pay Annual Assessment.** An annual assessment fee for each license was due to the  
12 Department no later than the last business day of the original month of licensing for the year then  
13 ended. To date, the Department has not received payment of the annual assessment of \$530.86 for the  
14 year ended September 30, 2006.

15 **1.3 Failure to Maintain Surety Bond.** On July 25, 2006, the Department received notice from  
16 Liberty Mutual Insurance Company that Respondent Merit's surety bond would be cancelled, effective  
17 August 29, 2006. Respondents failed to notify the Department of the cancellation of the surety bond,  
18 and failed to provide a required replacement surety bond prior to surrendering their mortgage broker  
19 license on or about October 13, 2006.  
20

21 **1.4 Failure to Submit Continuing Education Certificate.** A certificate of satisfactory  
22 completion of an approved continuing education course by a licensee's Designated Broker is due to  
23 the Department no later than the last business day of the original month of licensing for the year then  
24 ended. To date, the Department has not received the required certificate from Respondents for  
25 Respondent Greenlaw for the year ended September 30, 2006.

1 **1.5 Failure to Timely Respond to Directives.** On July 25, 2006, the Department received a  
2 notice from the surety bond provider for Respondents Merit and Greenlaw reporting that Respondents'  
3 surety bond had been cancelled. On July 26, 2006, the Department issued a Directive to Respondent  
4 Greenlaw directing him to provide a replacement bond or an office closure form no later than August  
5 10, 2006. Respondent Greenlaw did not provide a replacement bond or an office closure form by the  
6 due date, and did not otherwise respond to the Directive other than to file a closure form on October  
7 13, 2006.

8  
9 On October 12, 2006, the Department issued a Directive to Respondents Merit and Greenlaw  
10 under complaint 20912 directing Respondent Greenlaw to complete a questionnaire related to the  
11 complaint and return it to the Department no later than October 27, 2006. Respondent Greenlaw did  
12 not return the completed questionnaire by the due date. As a result, the Department was compelled to  
13 issue a subpoena on December 7, 2006, directing Respondent Greenlaw to submit the completed  
14 questionnaire no later than December 17, 2006. Respondent Greenlaw, however, did not complete the  
15 questionnaire until April 20, 2007, and it was finally received by the Department on April 24, 2007.

16 On December 29, 2006, the Department issued a Directive to Respondent Greenlaw under  
17 complaint 20751 directing Respondent Greenlaw to complete a questionnaire related to the complaint  
18 and return it to the Department no later than January 13, 2007. Respondent Greenlaw did not return  
19 the completed questionnaire until January 22, 2007.

20  
21 On March 21, 2007, the Department issued a Directive to Respondent Greenlaw under  
22 complaint 21194 directing Respondent Greenlaw to provide a copy of specified loan file no later than  
23 April 5, 2007. Respondent Greenlaw's response, dated April 20, 2007, was not received by the  
24 Department until April 24, 2007.

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1 **1.6 Failure to Notify Department of Significant Developments.** As stated in paragraph 1.3,  
2 Respondents failed to notify the Department of the cancellation of Respondents' surety bond.

3 **1.7 Prohibited Acts.**

4 **A. Failure to Pay Third-Party Providers.** Between January 1, 2006, and March 31,  
5 2006, employees of Respondents Merit and Greenlaw ordered at least six (6) appraisals from JBI Real  
6 Estate Services. The services were performed and invoices totaling \$2,525 were submitted to  
7 Respondents on or before March 28, 2006, but the invoices were not paid.

8  
9 On or about March 8, 2006, an employee of Respondents Merit and Greenlaw ordered an  
10 appraisal from Phillips Appraisal Service. The services were performed and an invoice in the amount  
11 of \$450 was submitted to Respondents on or about April 5, 2006, but the invoice was not paid.

12 On or about February 20, 2006, an employee of Respondents Merit and Greenlaw ordered an  
13 appraisal from Wisdom Appraisals, Inc. The services were performed and an invoice in the amount of  
14 \$225 was submitted to Respondents on or about March 1, 2006, but the invoice was not paid.

15 Between June 1, 2005, and May 30, 2006, employees of Respondents Merit and Greenlaw  
16 ordered at least four (4) appraisals from Appraisal Quick. The services were performed and invoices  
17 totaling \$1,000 were submitted to Respondents on or before May 31, 2006, but the invoices were not  
18 paid.

19 Between May 1, 2005, and December 31, 2005, employees of Respondents Merit and  
20 Greenlaw ordered at least six (6) appraisals from First Appraisal, LLC. The services were performed  
21 and invoices totaling \$2,700 were submitted to Respondents on or before May 31, 2006, but the  
22 invoices were not paid.  
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1 On or about April 20, 2006, an employee of Respondents Merit and Greenlaw ordered an  
2 appraisal from Ashcroft Appraisals. The services were performed and an invoice in the amount of  
3 \$425 was submitted to Respondents on or about April 22, 2006, but the invoice was not paid.

4 On or about September 8, 2005, an employee of Respondents Merit and Greenlaw ordered an  
5 appraisal from Ray Appraisal Service. The services were performed and an invoice in the amount of  
6 \$400 was submitted to Respondents, but the invoice was not paid.

7  
8 **B. Failure to Make Disclosures (Complaint 19920).** On July 14, 2005, Respondents'  
9 employee took a loan application from a borrower for the refinance of the borrower's residence. A  
10 Good Faith Estimate (GFE) was provided to the borrower and disclosed a 2% loan origination fee, a  
11 2% loan discount fee, and a \$550 Administration Fee would be paid to the lender. The GFE did not  
12 specify any fees inuring to the benefit of Respondents. At closing, however, Respondents submitted a  
13 broker demand requesting to be paid the 2% loan origination fee and the 2% loan discount fee, as well  
14 as a processing fee of \$500. The lender's loan submission form, however, stated that Respondents  
15 were to receive a loan origination fee of 4%, which would be \$10,370. The final HUD 1 settlement  
16 statement confirms that Respondents received a loan origination fee of \$10,370 and a processing fee of  
17 \$500. At no time, however, did Respondents disclose to the borrower that Respondents would be  
18 receiving fees totaling \$10,870.

19 **1.8 Failure to Properly Maintain Records.** On or about October 13, 2006, Respondent  
20 Greenlaw surrendered Respondents' mortgage broker license and submitted a closure form. The  
21 closure form identified Iron Mountain in Kent, Washington, as the location where records would be  
22 stored, and identified Respondent Greenlaw as the only person authorized to respond to complaints  
23 related to Merit Financial. On January 22, 2007, the Department issued a Directive to Respondent  
24 Greenlaw requiring Respondent to provide copies of a loan file related to complaint 21417. On  
25

1 February 1, 2007, the Department was notified by an attorney representing Respondent Greenlaw that  
2 Respondent Greenlaw had not paid the storage fee to Iron Mountain and was, as a result, unable to  
3 obtain the required records. On March 21, 2007, the Department issued a Directive to Respondent  
4 Greenlaw requiring Respondent to provide copies of a loan file related to complaint 21194. On April  
5 24, 2007, the Department received a letter from Respondent Greenlaw stating that he was still unable  
6 to obtain records from Iron Mountain.

7 **1.9 On-Going Investigation.** The Department's investigation into the alleged violations of the  
8 Act by Respondents continues to date.  
9

## 10 **II. GROUNDS FOR ENTRY OF ORDER**

11 **2.1 Requirement to Pay Annual Assessment.** Based on the Factual Allegations set forth in  
12 Section I above, Respondents are in apparent violation of RCW 19.146.228(1), WAC 208-660-060(3),  
13 and WAC 208-660-061 for failing to pay to the Director an annual assessment fee no later than the last  
14 business day of the month in which the anniversary date of the issuance of the mortgage broker's  
15 license occurs.

16 **2.2 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in  
17 Section I above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-  
18 080(1) for failing to file and maintain a surety bond or approved alternative with the Department.

19 **2.3 Requirement to Submit Certificate of Completion of Continuing Education.** Based on the  
20 Factual Allegations set forth in Section I above, Respondent Greenlaw is in apparent violation of  
21 RCW 19.146.215 and WAC 208-660-042 for failing to complete the annual continuing education  
22 requirement and file a certificate of satisfactory completion no later than the last business day of the  
23 month in which the anniversary date of the issuance of the licensee's license occurs.  
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1 **2.4 Requirement to Comply with Directives.** Based on the Factual Allegations set forth in  
2 Section I above, Respondents are in apparent violation of RCW 19.146.235 for failing to timely and  
3 completely comply with the Department's directives.

4 **2.5 Requirement to Notify Department of Significant Developments.** Based on the Factual  
5 Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-  
6 150(1)(e) failing to notify the Director in writing within thirty days after receipt of notification of  
7 cancellation of the licensee's surety bond.

8 **2.6 Prohibited Acts.**

9 **A.** Based on the Factual Allegations set forth in Section I above, Respondents are in  
10 apparent violation of RCW 19.146.0201(1)<sup>2</sup> for directly or indirectly employing a scheme, device, or  
11 artifice to defraud or mislead borrowers or lenders or any person; are in apparent violation of RCW  
12 19.146.0201(2) for engaging in an unfair or deceptive practice toward any person; and are in apparent  
13 violation of RCW 19.146.0201(3) for obtaining property by fraud or misrepresentation; are in  
14 apparent violation of RCW 19.146.0201(6) and (14) for failure to make disclosures to loan applicants  
15 as required by RCW 19.146.030; are in apparent violation of RCW 19.146.0201(11) for failure to pay  
16 third-party providers within 90 days after completion of the third-party service; and are in apparent  
17 violation of RCW 19.146.0201 (12) for charging and collecting a fee prohibited by RCW 19.146.030.

18 **B. Requirement to Disclose Residential Mortgage Loan Fees.** Based on the Factual  
19 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.030(1)  
20 for failing to provide borrowers with full written disclosures, containing an itemization and  
21 explanation of all fees and costs that the borrowers were required to pay in connection with obtaining  
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25 <sup>2</sup> All references to RCW 19.146 and WAC 208.660 in sections 2.1 through 2.8 are to the 1994 version which was in effect at the time of the violation.

1 a residential mortgage loan and specifying those fees inuring to the benefit of the mortgage broker,  
2 within three days following receipt of a loan application.

3 **C. Prohibited Fees.** Based on the Factual Allegations set forth in Section I above,  
4 Respondents are in apparent violation of RCW 19.146.030(4) for charging fees inuring to the benefit  
5 of a mortgage broker in excess of the fees disclosed on the initial written disclosures where the fees  
6 were reasonably foreseeable by the mortgage broker at the time the initial written disclosures were  
7 provided to borrowers, and/or where the mortgage broker failed to provide the borrowers, no less than  
8 three business days prior to the signing of the loan closing documents, a clear written explanation of  
9 the fees and the reason for charging fees exceeding those which were previously disclosed.

10  
11 **2.7 Requirement to Maintain Accurate and Current Books and Records.** Based on the Factual  
12 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.060  
13 and WAC 208-660-140 for failing to make accurate and current books and records readily available to  
14 the Department until at least twenty-five months have elapsed following the effective period to which  
15 the books and records relate.

16 **2.8 Requirement to Demonstrate Character and General Fitness.** Based on the Factual  
17 Allegations set forth in Section I above, Respondent Greenlaw fails to meet the requirements of RCW  
18 19.146.310(1)(g) and WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness  
19 such as to command the confidence of the community and to warrant a belief that the business will be  
20 operated honestly and fairly within the purposes of the Act.

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

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23 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW  
24 19.146.220(1), the Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2)  
25 and WAC 208-660-350(7), the Director shall not issue a loan originator license if the conditions of

1 RCW 19.146.310(1) have not been met by the applicant, and shall notify the loan originator applicant  
2 and any mortgage brokers listed on the application of the denial.

3 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(2)(e)(i) and (iv)<sup>3</sup>,  
4 the Director may issue orders removing from office or prohibiting from participation in the conduct of  
5 the affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator  
6 of any licensed mortgage broker or any person subject to licensing under the Act for any violation of  
7 RCW 19.146.0201(1) through (9) and (12), RCW 19.146.030, and for any failure to comply with a  
8 directive or order of the Director.

9  
10 **3.3 Authority to Collect Annual Assessment Fee.** Pursuant to RCW 19.146.228(1), WAC 208-  
11 660-060(3), and WAC 208-660-061, the Director may collect an annual assessment fee no later than  
12 the last business day of the month in which the anniversary date of the issuance of the mortgage  
13 broker's license occurs.

14 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(d)(ii), the Director may issue  
15 orders directing a licensee, its employee or loan originator, or other person subject to the Act to pay  
16 restitution to an injured borrower.

17 **3.5 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c)(i) and (ii) and WAC 208-660-  
18 165, the Director may impose fines on a licensee, employee or loan originator of the licensee, or other  
19 person subject to the Act for any violations of RCW 19.146.0201(1) through (9) or (12), RCW  
20 19.146.030 through RCW 19.146.080, RCW 19.146.200, RCW 19.146.205(4), or RCW 19.146.265,  
21 or failure to comply with a directive or order of the Director.

22  
23 **3.6 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-  
24 060(4), and WAC 208-660-061, upon completion of any investigation of the books and records of a

25 <sup>3</sup> All references to RCW 19.146 in sections 3.2 through 3.6 are to the 1994 version that was in effect at the time of the violations.

1 licensee or other person subject to the Act, the Department may collect the costs of the investigation. The  
2 investigation charge will be calculated at the rate of forty-seven dollars and seventy-eight cents (\$47.78)  
3 per hour that each staff person devoted to the investigation.

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

5 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
6 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
7 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and  
8 RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:  
9

- 10 **4.1** Respondent Scott David Greenlaw's application for a license to conduct the business of a loan  
originator be denied; and
- 11 **4.2** Respondent Scott David Greenlaw be prohibited from participation in the conduct of the affairs of  
12 any mortgage broker subject to licensure by the Director, in any manner, for a period of five (5)  
years; and
- 13 **4.3** Respondent Merit Financial, Inc., be prohibited from participation in the conduct of the affairs of  
14 any mortgage broker subject to licensure by the Director, in any manner, for a period of five (5)  
years; and
- 15 **4.4** Respondents Merit Financial, Inc., and Scott David Greenlaw jointly and severally pay the  
16 delinquent main office Annual Assessments due through September 30, 2006, in the amount of  
17 \$530.86; and
- 18 **4.5** Respondents Merit Financial, Inc., and Scott David Greenlaw jointly and severally pay restitution  
19 to all borrowers injured by Respondents' illegal practices of failing to provide proper residential  
mortgage loan disclosures to borrowers; and
- 20 **4.6** Respondents Merit Financial, Inc., and Scott David Greenlaw jointly and severally pay a fine of  
21 \$33,000;
- 22 **4.7** Respondents Merit Financial, Inc., and Scott David Greenlaw jointly and severally pay an  
23 investigation fee in the amount of \$2,102.32 calculated at \$47.78 per hour for forty four (44) staff  
hours devoted to the investigation; and
- 24 **4.8** Respondents maintain records in compliance with the Act and provide the Department with the  
25 location of the books, records and other information relating to Respondents' mortgage broker  
business, and the name, address and telephone number of the individual responsible for  
maintenance of such records in compliance with the Act.

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V. AUTHORITY AND PROCEDURE

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

Dated this 28<sup>th</sup> day of December, 2007.



DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:



STEVEN C. SHERMAN  
Financial Legal Examiner



Approved by:



JAMES R. BRUSSELBACK  
Enforcement Chief