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

IN THE MATTER OF INVESTIGATING
the Loan Originator License Application under the
Mortgage Broker Practices Act of Washington by:

NO. C-07-036-07-FO01

PAUL AARON CAMPBELL,
Respondent.

FINAL ORDER

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I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Deborah Bortner, pursuant to RCW 34.05.440(2). On February 21, 2007, the Director, through Consumer Services Division Acting Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Deny License Application (Statement of Charges). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated February 23, 2007, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing. The Department served the Statement of Charges, cover letter dated February 23, 2007, Notice of Opportunity to Defend and Opportunity for Hearing and blank Application for Adjudicative Hearing on Respondent on February 23, 2007 by first class mail and Federal Express overnight delivery. On February 26, 2007, the documents sent via Federal Express overnight delivery were delivered. The documents sent via first class mail were not returned to the Department by the United States Postal Service.

1 On March 12, 2007, Respondent filed an Application for Adjudicative Hearing. On April 27,
2 2007, the Department made a request to the Office of Administrative Hearings (OAH) to assign an
3 Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of Charges. On
4 May 10, 2007, ALJ Julie K. Emmal (ALJ Emmal) issued a Notice of Prehearing Conference
5 scheduling a prehearing conference on Wednesday, June 20, 2007 at 8:15 a.m. That Order contained
6 the following instruction to the parties: "Both the Department and the Appellant shall register an
7 appearance on the day of the hearing **10 minutes** before the scheduled hearing time by calling locally
8 **(360) 690-7189** or toll free **1-800-243-3451**. You will be asked for the telephone number from which
9 you are calling so that the Administrative Law Judge can call you back to begin the hearing. **If the**
10 **Appellant fails to call in and register an appearance, a default or dismissal may be entered.**
11 **RCW 34.05.440 and WAC 10-08-200(13).**" That Order also noted "If you fail to appear or participate
12 in the prehearing conference, hearing, or any other scheduled stage of these proceedings, you may lose
13 your right to a hearing as described in RCW 34.05.440."
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15 On June 20, 2007, representatives for the Department attended a telephonic prehearing
16 conference. On June 26, 2007, ALJ Emmal issued an Order of Dismissal Due to Appellant Default
17 affirming the Statement of Charges. On June 26, 2007, ALJ Emmal sent the Order of Dismissal Due
18 to Appellant Default to the address in Respondent's Application for Adjudicative Hearing.
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20 Pursuant to RCW 34.05.440(3), Respondent had seven (7) days from the date of service of the
21 Order of Dismissal Due to Appellant Default to file a written motion with OAH requesting that the
22 Order of Dismissal Due to Appellant Default be vacated, and stating the grounds relied upon.
23 Respondent did not make a request to vacate during the statutory period. Pursuant to RCW 34.05.464
24 and WAC 10-08-211, Respondent had twenty (20) days from the date of service of the Order of
25

1 Dismissal Due to Appellant Default to file a Petition for Review of the Order of Dismissal Due to
2 Appellant Default with the Director. Respondent did not file a Petition for Review during the statutory
3 period.

4 B. Record Presented. The record presented to the Director's designee for her review and
5 for entry of a final decision included the following:

- 6
- 7 1. Statement of Charges, cover letter dated February 23, 2007, and Notice of
8 Opportunity to Defend and Opportunity for Hearing, with documentation of service;
- 9 2. Application for Adjudicative Hearing;
- 10 3. Request to OAH for Assignment of Administrative Law Judge;
- 11 4. Notice of Prehearing Conference stamped May 10, 2007, with documentation of
12 address confirmation;
- 13 5. Order of Dismissal Due to Appellant Default stamped June 26, 2007, with
documentation of address confirmation.

14 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(2), the
15 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

16 **II. FINAL ORDER**

17 Based upon the foregoing, and the Director's designee having considered the record and
18 being otherwise fully advised, NOW, THEREFORE:

19 A. IT IS HEREBY ORDERED, That:

20 Respondent Paul Aaron Campbell's application for a loan originator license is denied.

21

22 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
23 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
24 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150

1 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
2 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
3 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
4 Reconsideration a prerequisite for seeking judicial review in this matter.

5 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date
6 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written
7 notice specifying the date by which it will act on a petition.

8 C. Stay of Order. The Director's designee has determined not to consider a Petition
9 to Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
10 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.


11 D. Judicial Review. Respondent has the right to petition the superior court for judicial
12 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing
13 a Petition for Judicial Review, see RCW 34.05.510 and sections following.

14 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for
15 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
16 attached hereto.

17 DATED this 23rd day of October, 2007.



18 STATE OF WASHINGTON
19 DEPARTMENT OF FINANCIAL INSTITUTIONS

20 
21 DEBORAH BORTNER
22 DIRECTOR
23 DIVISION OF CONSUMER SERVICES
24

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FINAL ORDER -
PAUL AARON CAMPBELL
C-07-036-07-FO01

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

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

IN THE MATTER OF INVESTIGATING
the Loan Originator License Application under the
Mortgage Broker Practices Act of Washington by:

PAUL A. CAMPBELL,

Respondent.

NO. C-07-036-07-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO DENY LICENSE APPLICATION

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). After having conducted an investigation pursuant to RCW 19.146.310, and based upon the facts available as of the date of this Statement of Charges and Notice of Intention to Enter an Order to Deny License Application, the Director, through his designee, Acting Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent Paul A. Campbell (Campbell) submitted an application to the Department of Financial Institutions of the State of Washington, Division of Consumer Services (Department-CS) for a loan originator license under LoanSource Funding, Inc., a mortgage broker licensed under the Act. The online application was received by the Department-CS on December 18, 2006.

1 **1.2 Prior Criminal Acts.** On Respondent Campbell's loan originator license application, he answered
2 "no" to the following questions:

- 3 • 5 - Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
4 domestic, foreign, or military court to [a] misdemeanor involving: financial services or a
5 financial services-related business or any fraud, false statements or omissions, theft or any
6 wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy
7 to commit any of these offenses? If Yes, when and where?
- 8 • 6 - Have you ever been charged with a misdemeanor specified in 5?

9 On January 25, 2007, Department personnel performed a routine background check and discovered that in
10 March of 2000, Respondent Campbell was convicted of one count of second degree theft and two counts of
11 third degree theft classified as Class A and Class C misdemeanors by the prosecuting jurisdiction, but classified
12 as gross misdemeanors by the State of Washington. Respondent Campbell was obligated by statute to answer
13 questions on the loan originator application truthfully.

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

15 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section I above,
16 Respondent Campbell fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-660-350(2)(c) by
17 having been convicted of a gross misdemeanor involving dishonesty or financial misconduct within seven years
18 of the filing of the present application.

19 **2.2 Requirement to Comply with Chapter or Rules.** Based on the Factual Allegations set forth in
20 Section I above, Respondent Campbell is in apparent violation of RCW 19.146.310(f) and WAC 208-660-
21 500(3)(i) for negligently making any false statement or willfully making any omission of material fact in
22 connection with any application or any information filed by a licensee in connection with any application,
23 examination or investigation conducted by the department.

24 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set
25 forth in Section I above, Respondent Campbell fails to meet the requirements of RCW 19.146.310(1)(g) and

1 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the
2 confidence of the community and to warrant a belief that the business will be operated honestly and fairly
3 within the purposes of the Act.

4 **III. AUTHORITY TO IMPOSE SANCTIONS**

5 **Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the
6 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the
7 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by
8 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application
9 of the denial.

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

11 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
12 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
13 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.310.

14 Therefore, it is the Director's intention to ORDER that:

- 15 4.1 Respondent Paul A. Campbell's application for a loan originator license be denied.
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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application (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 21st day of February, 2007.

Deborah Bortner

DEBORAH BORTNER
Acting Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Rayne Pearson

RAYNE PEARSON
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 INVESTIGATING
the Loan Originator License Application under the
Mortgage Broker Practices Act of Washington by:

C-07-036-07-SC01

PAUL A. CAMPBELL,

Respondent.

NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR HEARING

THE STATE OF WASHINGTON TO:

Paul A. Campbell

YOU ARE HEREBY NOTIFIED that a STATEMENT OF CHARGES has been filed by the Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the Washington State Department of Financial Institutions on the Statement of Charges. Service of this notice is deemed complete upon deposit in the United States mail. YOUR APPLICATION MUST BE RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU RECEIVED THIS NOTICE. If you demand a hearing, you will be notified of the time and place for the hearing at least seven (7) days in advance of the hearing date.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the Statement of Charges is concerned. Technical rules of evidence will not be binding at the hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-examine those witnesses presented in support of the Statement of Charges. You may require the attendance of witnesses by subpoena. If you are limited English-speaking or hearing impaired, you have the right to have an interpreter appointed at no cost to you, as discussed below.


1 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-
2 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for
3 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate
4 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN
5 INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the witness. You may request
6 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative
7 Hearing form.

8 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the
9 Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice, this will
10 constitute a waiver of your right to a hearing and the Director will find that you do not contest the allegations of the
11 Statement of Charges. Upon such a finding by the Director a final order will be immediately entered disposing of
12 this matter as described in the Statement of Charges. If you desire a hearing in this matter, please return the
13 attached Application for Adjudicative Hearing to:

14 Department of Financial Institutions
15 Division of Consumer Services
16 Attn: Fatima Batie
17 PO Box 41200
18 Olympia, Washington 98504-1200

19 Dated this 21st day of February, 2007.



20 
21 DEBORAH BORTNER
22 Acting Director
23 Division of Consumer Services
24 Department of Financial Institutions