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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-07-058-07-FO01

RONALD FREDERICK LANGO,  
Respondent.

FINAL ORDER

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I. DIRECTOR'S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.464. On March 2, 2007, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Deny License Application (Statement of Charges). The Statement of Charges was accompanied by a cover letter dated March 2, 2007, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing for Ronald Frederick Lango. The Department served the Statement of Charges, cover letter dated March 2, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Ronald Frederick Lango on Respondent on March 2, 2007, by first class mail, and on March 7, 2007, by Federal Express overnight delivery.

On March 19, 2007, Respondent filed an Application for Adjudicative Hearing. The Application was incomplete, however, and failed to affirmatively state whether the Respondent was requesting a hearing. On April 25, 2007, the Director, through Consumer Services Division Director Deborah Bortner, entered an Amended Statement of Charges and Notice of Intention to Enter an

1 Order to Deny License Application and Prohibit from Industry (Amended Statement of Charges). A  
2 copy of the Amended Statement of Charges is attached and incorporated into this order by this  
3 reference. On May 1, 2007, the Department notified Respondent of the deficient Application for  
4 Adjudicative Hearing and requested clarification on or before May 14, 2007. On May 10, 2007,  
5 Respondent filed a properly completed Application for Adjudicative Hearing.

6 On May 18, 2007, the Department made a request to the Office of Administrative Hearings  
7 (OAH) to assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the  
8 Statement of Charges. On June 8, 2007, ALJ Michael Furtado was assigned to preside over all pre-  
9 hearing and hearing proceedings and issue an Initial Decision. On or about July 9, 2007, the  
10 Department's Motion for Summary Judgment was filed with OAH. On or about July 24, 2007, the  
11 Respondent's Reply to the Motion for Summary Judgment was filed with OAH.  
12

13 On or about August 16, 2007, ALJ Furtado considered the Department's Motion for Summary  
14 Judgment and the Respondent's Reply and issued an Initial Order on Motion for Summary Judgment.  
15 This Initial Order granted the Department's Motion for Summary Judgment in its entirety. On August  
16 16, 2007, ALJ Furtado mailed the Initial Order to Respondent and Respondent's counsel.

17 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the  
18 date of service of the Initial Decision and Order to file a Petition for Review of the Initial Decision and  
19 Order. Respondent did not file a Petition for Review during the statutory period.  
20

21 B. Record Presented. The record presented to the Director for his review and for entry of  
22 a final decision included the following:

- 23 1. Statement of Charges, cover letter dated March 2, 2007, and Notice of Opportunity to  
24 Defend and Opportunity for Hearing, with documentation of service;

2. Amended Statement of Charges and Notice of Opportunity to Defend and Opportunity for Hearing, with documentation of service;
3. Applications for Adjudicative Hearing for Ronald Frederick Lango;
4. Request to OAH for Assignment of Administrative Law Judge;
5. Notice of Assignment of Administrative Law Judge dated June 8, 2007, with documentation of service;
6. Department's Motion for Summary Judgment.
7. Respondent's Reply to Motion for Summary Judgment.
8. Initial Order on Motion for Summary Judgment dated August 16, 2007, with documentation of service;

C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director hereby adopts the proposed Findings of Fact, Conclusions of Law, and Order contained in the Initial Order on Motion for Summary Judgment attached hereto.

## II. FINAL ORDER

Based upon the foregoing, and the Director having considered the record and being otherwise fully advised, NOW, THEREFORE:

A. IT IS HEREBY ORDERED, That:

1. Respondent Ronald Frederick Lango's application for a license to conduct the business of a Loan Originator is denied; and
2. Respondent Ronald Frederick Lango is banned from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, through March 15, 2014.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition 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  
9 C. Stay of Order. The Director has determined not to consider a Petition to Stay the  
10 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial  
11 Review made under chapter 34.05 RCW and RCW 34.05.550.

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

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

18 DATED this 4<sup>th</sup> day of October, 2007.



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20 STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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23 DEBORAH BORTNER  
24 DIRECTOR  
DIVISION OF CONSUMER SERVICES

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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:

RONALD FREDRICK LANGO,

Respondent.

NO. C-07-058-07-SC02

AMENDED STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO DENY LICENSE APPLICATION  
AND PROHIBIT FROM INDUSTRY

**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 19.146.310, and based upon the facts available as of the date of this Amended 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 Ronald Fredrick Lango (Respondent Lango)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Axis Financial, LLC, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 27, 2006.

**1.2 Prior Criminal Acts.** On or about December 13, 2006, Respondent Lango was convicted in the Snohomish County Superior Court under cause number 06-1-01050-1 of Vehicular Assault, a

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<sup>1</sup> RCW 19.146 (Amended 2006; Effective January 1, 2007)

1 felony pursuant to RCW 46.61.522. On or about March 15, 2007, Respondent Lango was convicted in  
2 the Whatcom County Superior Court under cause number 06-1-01154-9 of Unlawful Possession of a  
3 Controlled Substance with Intent to Deliver, to wit: Marijuana, a felony pursuant to RCW  
4 69.50.401(2)(C).

5 **1.3 Responses to Application Questions.** The “Criminal Disclosure” section of the loan  
6 originator license application consists of eight questions, and includes the following instruction:

7 “If the answer to any of the following is “YES”, provide complete details of all events or  
8 proceedings”  
9

10 Respondent Lango answered “yes” to the following question on the “Criminal Disclosure” section of  
11 his loan originator license application:

- 12 • 1-Have you ever been convicted of or plead guilty or nolo contendere (“no contest”) in  
13 a domestic, foreign, or military court to any felony?

14 The details provided by Respondent Lango stated “September 2006 Snohomish County.” Records  
15 obtained from the Snohomish County Superior Court Clerk establish that Respondent Lango pled  
16 guilty to a felony in that court on October 18, 2006, and was sentenced on December 13, 2006.

17 Respondent Lango also answered “yes” to the following question on the “Criminal Disclosure” section  
18 of his loan originator license application:

- 19 • 2-Have you ever been charged with any felony?

20 The details provided by Respondent Lango stated “yes per question #1.” Records obtained from the  
21 Whatcom County Superior Court Clerk, however, establish that at the time Respondent Lango  
22 submitted his application on December 27, 2006, he had already been charged on August 10, 2006, in  
23 the Whatcom County Superior Court under cause number 06-1-01154-9 with Unlawful Possession of  
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1 a Controlled Substance with Intent to Deliver, to wit: Marijuana, a felony pursuant to RCW  
2 69.50.401(2)(C), and had been arraigned on that charge on August 18, 2006.

3 Respondent Lango was obligated by statute to answer questions on the loan originator license  
4 application truthfully and to provide the Department with complete details of all events or  
5 proceedings.

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

7 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section  
8 I above, Respondent Lango fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-  
9 660-350(2)(c) by having been convicted of a gross misdemeanor involving dishonesty or financial  
10 misconduct or a felony within seven years of the filing of the present application.

11 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,  
12 Respondent Lango is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for  
13 negligently making any false statement or willfully making any omission of material fact in  
14 connection with any application or any information filed by a licensee in connection with any  
15 application, examination or investigation conducted by the Department.

16 **2.3 Requirement to Provide Information on License Application.** Based on the Factual  
17 Allegations set forth in Section I above, Respondent Lango fails to meet the requirements of RCW  
18 19.146.300(1) and (2) and RCW 19.146.310(1)(b) by failing to provide an accurate and complete  
19 license application in the form prescribed by the Director.

20 **2.4 Requirement to Demonstrate Character and General Fitness.** Based on the Factual  
21 Allegations set forth in Section I above, Respondent Lango fails to meet the requirements of RCW  
22 19.146.310(1)(g) and WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness  
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1 such as to command the confidence of the community and to warrant a belief that the business will be  
2 operated honestly and fairly within the purposes of the Act.

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

4 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW  
5 19.146.220(1), the Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2)  
6 and WAC 208-660-350(7), the Director shall not issue a loan originator license if the conditions of  
7 RCW 19.146.310(1) have not been met by the applicant, and shall notify the loan originator applicant  
8 and any mortgage brokers listed on the application of the denial.  
9

10 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may  
11 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a  
12 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed  
13 mortgage broker or any person subject to licensing under the Act for any violation of RCW  
14 19.146.0201(1) through (9).

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

16 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
17 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
18 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW  
19 19.146.223 and RCW 19.146.310. Therefore, it is the Director's intention to ORDER that:  
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- 21 **4.1** Respondent Ronald Frederick Lango's application for a loan originator license be denied.
- 22 **4.2** Respondent Ronald Frederick Lango be prohibited from participation in the conduct of the  
23 affairs of any mortgage broker subject to licensure by the Director, in any manner, through  
24 March 15, 2014.  
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1 **V. AUTHORITY AND PROCEDURE**

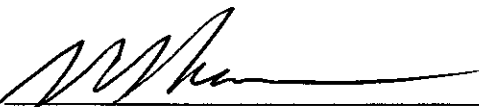
2 This Amended Statement of Charges and Notice of Intention to Enter an Order to Deny  
3 License Application and Prohibit from Industry (Amended Statement of Charges) is entered pursuant  
4 to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and  
5 is subject to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

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10 Dated this 25<sup>th</sup> day of April, 2007.

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

17 Presented by:

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19 STEVEN C. SHERMAN  
20 Financial Legal Examiner



21 Approved by:

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23 JAMES R. BRUSSELBACK  
24 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-07-058-07-SC02

**RONALD FREDRICK LANGO,**  
Respondent.

**NOTICE OF OPPORTUNITY TO DEFEND  
AND OPPORTUNITY FOR HEARING**

THE STATE OF WASHINGTON TO:

RONALD FREDRICK LANGO

YOU ARE HEREBY NOTIFIED that an AMENDED 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 Amended 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 Amended 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 Amended Statement of Charges. Upon such a finding by the Director a final order will be immediately entered  
12 disposing of this matter as described in the Amended Statement of Charges. If you desire a hearing in this matter,  
13 please return the 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 25<sup>th</sup> day of April 2007.



*Deborah Bortner*

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions