

**FINAL ORDER SUMMARY – Case Number: C-07-107**

**Name(s)** John Francis Morgan  
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**Order Number** C-07-107-07-FO01  
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**Effective Date** 11/13/07  
 \_\_\_\_\_

**License Number** NMLS #1789690  
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**License Effect** Application Denied  
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**Not Apply until** \_\_\_\_\_  
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**Prohibition/Ban until** \_\_\_\_\_  
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<b>Investigation Costs</b>	\$ N/A	Due	Paid	Date
				Y N

<b>Assessment(s)</b>	\$ N/A	Due	Paid	Date
				Y N

<b>Monetary Penalty</b>	\$ N/A	Due	Paid	Date
				Y N

**Other** None  
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**Special Instructions** None  
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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-07-107-07-FO01

JOHN FRANCIS MORGAN,

FINAL ORDER

Respondent.

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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 April 17, 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). 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 April 18, 2007, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for John Francis Morgan. The Department served the Statement of Charges, cover letter dated April 18, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing for John Francis Morgan on Respondent on April 20, 2007, by first class mail and Federal Express overnight delivery.

On April 24, 2007, Respondent filed an Application for Adjudicative Hearing. Respondent, however, failed to state on the Application whether he was or was not requesting a hearing. On May 1, 2007, the Application for Adjudicative Hearing was returned to Respondent to be properly completed.

1 On May 23, 2007, Respondent filed a completed Application for Adjudicative Hearing requesting a  
2 hearing. On May 25, 2007, the Department made a request to the Office of Administrative Hearings  
3 (OAH) to assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the  
4 Statement of Charges. ALJ Chris Blas was assigned. On June 13, 2007, ALJ Blas issued a Notice of  
5 Prehearing Telephone Conference scheduling a prehearing conference on Tuesday, July 3, 2007, at  
6 8:15 a.m.

7  
8 On July 3, 2007, all parties attended a telephonic prehearing conference. On July 10, 2007,  
9 ALJ Blas issued a Notice of Hearing scheduling a hearing for the Department's Motion for Summary  
10 Judgment on September 18, 2007.

11 On September 18, 2007, all parties attended the hearing. On September 20, 2007, ALJ Blas  
12 issued an Initial Order setting forth his proposed Findings of Fact, Conclusions of Law, and Decision  
13 and Order (Initial Decision and Order). This Initial Decision and Order –

- 14 • found that on May 15, 2001, Respondent Morgan had been convicted in the Grant  
15 County Superior Court of a crime of dishonesty, to wit: [REDACTED], a  
gross misdemeanor pursuant to RCW 9A.56.050.
- 16 • concluded that Respondent Morgan's conviction disqualified him from eligibility for a loan  
17 originator license.
- 18 • granted the Department's Motion for Summary Judgment and denied Respondent  
19 Morgan's application for a loan originator license.

20 On September 20, 2007, ALJ Blas mailed the Initial Decision and Order to Respondents and their  
21 counsel.

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

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

- 3 1. Statement of Charges, cover letter dated April 18, 2007, and Notice of Opportunity to  
4 Defend and Opportunity for Hearing, with documentation of service;
- 5 2. Applications for Adjudicative Hearing for John Francis Morgan;
- 6 3. Request to OAH for Assignment of Administrative Law Judge;
- 7 4. Notice of Prehearing Telephone Conference dated June 13, 2007, with documentation  
8 of service;
- 9 5. Notice of Hearing dated July 10, 2007, with documentation of service;
- 10 6. Initial Order dated September 20, 2007, with documentation of service;

11 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director  
12 hereby adopts the proposed Findings of Fact, Conclusions of Law, and Decision and Order set forth in the  
13 Initial Order, which is attached hereto.

## 14 II. FINAL ORDER

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

17 A. IT IS HEREBY ORDERED, That:

- 18 1. Respondent John Francis Morgan's application for a license to conduct the business  
19 of a Loan Originator is denied.

20 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
21 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
22 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150  
23 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
24 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The  
25

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
2 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

12 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for  
13 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
14 attached hereto.  
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16 DATED this 13th day of November 2007.

17 STATE OF WASHINGTON  
18 DEPARTMENT OF FINANCIAL  
19 INSTITUTIONS

20  
21 /s/  
22 DEBORAH BORTNER  
23 DIRECTOR  
24 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:

JOHN FRANCIS MORGAN,  
  
Respondent.

NO. C-07-107-07-SC01

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

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**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 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 John Francis Morgan (Respondent Morgan)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Innovative Mortgage, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 13, 2006.

**1.2 Prior Criminal Acts.** On May 15, 2001, Respondent Morgan was convicted in the Grant County Superior Court under cause number 00-1-00238-9 of a crime of dishonesty, to wit: [REDACTED], a gross misdemeanor pursuant to RCW 9A.56.050.

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

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

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

6 **III. AUTHORITY TO IMPOSE SANCTIONS**

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

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

13 Respondent’s violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth  
14 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis  
15 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.310.  
16 Therefore, it is the Director’s intention to ORDER that:

17 **4.1** Respondent John Francis Morgan’s application for a loan originator license be denied.

18 **V. AUTHORITY AND PROCEDURE**

19 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application  
20 (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW  
21 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative  
22 Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF  
23 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of  
24 Charges.

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Dated this 17<sup>th</sup> day of April, 2007.

/s/  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

/s/  
STEVEN C. SHERMAN  
Financial Legal Examiner

Approved by:

/s/  
JAMES R. BRUSSELBACK  
Enforcement Chief