

1 September 17, 2007, ALJ Michelle Mentzer (ALJ Mentzer) issued a Notice of Prehearing Conference
2 by Telephone scheduling a prehearing conference on Friday, September 21, 2007.

3 On September 21, 2007, all parties attended a telephonic prehearing conference. On
4 September 28, 2007, ALJ Mentzer issued a Prehearing Order and Notice of Hearing scheduling a
5 hearing on November 13, 2007, and November 29, 2007. The Prehearing Order and Notice of Hearing
6 also required that all prehearing motions be submitted by October 11, 2007.

7 On October 8, 2007, the Department's representative, Assistant Attorney General Charles
8 Clark, submitted a Motion for Summary Judgment. On October 30, 2007, Respondent's
9 representative, Kevin Hansen, submitted a Response to Motion for Summary Judgment.

10 On November 9, 2007, ALJ Mentzer considered the Department's Motion for Summary
11 Judgment and the Respondent's reply and issued an Order Granting Summary Judgment (Order). This
12 Order granted the Department's Motion for Summary Judgment in its entirety. On November 9, 2007,
13 the Office of Administrative Hearings mailed the Order to Respondent and Respondent's counsel.
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15 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the
16 date of service of the Order Granting Summary Judgment to file a Petition for Review of the Order
17 Granting Summary Judgment Order. Respondent did not file a Petition for Review during the
18 statutory period.

19 B. Record Presented. The record presented to the Director's designee for review and for
20 entry of a final decision included the following:
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- 22 1. Statement of Charges, cover letter, and Notice of Opportunity to Defend and
23 Opportunity for Hearing, with documentation of service;
- 24 2. Application for Adjudicative Hearing for Respondent;

- 1 3. Request to OAH for Assignment of Administrative Law Judge;
- 2 4. Notice of Prehearing Conference dated September 17, 2007, with documentation of
- 3 service;
- 4 5. Prehearing Order and Notice of Hearing dated September 28, 2007, with
- 5 documentation of service;
- 6 6. Department's Motion for Summary Judgment;
- 7 7. Respondent's Reply to Motion for Summary Judgment;
- 8 8. Order Granting Summary Judgment dated November 9, 2007, with documentation of
- 9 service.

9 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director's
10 designee hereby adopts the proposed Findings of Fact, Conclusions of Law, and Order contained in the
11 Order Granting Summary Judgment attached hereto.

12 II. FINAL ORDER

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

15 A. IT IS HEREBY ORDERED, That:

- 16 1. Respondent Tyrone Douglas Maxie's application for a loan originator license is
- 17 denied; and
- 18 2. Respondent Tyrone Douglas Maxie is prohibited from participation in the conduct of
- 19 the affairs of any mortgage broker subject to licensure by the Department, in any
- 20 manner, through December 12, 2013.

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

1 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
2 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
3 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

13 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
14 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
15 attached hereto.
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17 DATED this 5th day of December, 2007.

18 STATE OF WASHINGTON
19 DEPARTMENT OF FINANCIAL INSTITUTIONS



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DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

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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:

TYRONE DOUGLAS MAXIE

Respondent.

NO. C-07-144-07-SC01

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

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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)¹. 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:

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I. FACTUAL ALLEGATIONS

1.1 Respondent Tyrone Douglas Maxie (Respondent) submitted an application to the Department of Financial Institutions of the State of Washington, Division of Consumer Services (Department) for a loan originator license under Legacy Financial Inc, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 12, 2006.

1.2 Prior Criminal Acts. On or about October 27, 2006, Respondent was convicted under King County Superior Court Cause No. 06-1-034551 of Attempted Theft Second Degree, a gross misdemeanor pursuant to RCW 9A.28.020.

¹ RCW 19.146 (Amended 2006; Effective January 1, 2007)

1 **1.3** On or about February 5, 2004, Respondent was charged under King County Superior Court Cause
2 No. 04-1-094182 with Possession of a Controlled Substance (Cocaine), a felony pursuant to RCW 69.50.401.
3 This charge was later amended to Attempted Possession of a Controlled Substance, a gross misdemeanor.

4 **1.4 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator
5 license application consists of eight questions, and includes the following instruction:

6 "If the answer to any of the following is "YES", provide complete details of all events or proceedings"
7 Respondent answered "no" to the following questions on the "Criminal Disclosure" section of his loan
8 originator license application:

- 9 • 2-Have you ever been charged with any felony?

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

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

13 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section I
14 above, Respondent fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-660-350(2)(c) by
15 having been convicted of a gross misdemeanor involving dishonesty or financial.

16 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent
17 is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making any false
18 statement or willfully making any omission of material fact in connection with any application or any
19 information filed by a licensee in connection with any application, examination or investigation conducted by
20 the Department.

21 **2.3 Requirement to Provide Information on License Application.** Based on the Factual
22 Allegations set forth in Section I above, Respondent fails to meet the requirements of RCW 19.146.300(1) and
23 (2) and RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form
24 prescribed by the Director.

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

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

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 set forth
18 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
19 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.310.

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

21 **4.1** Respondent Tyrone Douglass Maxie's application for a loan originator license be denied.

22 **4.2** Respondent Tyrone Douglass Maxie be prohibited from participation in the conduct of the affairs of
23 any mortgage broker subject to licensure by the Director, in any manner, through December 12, 2013.

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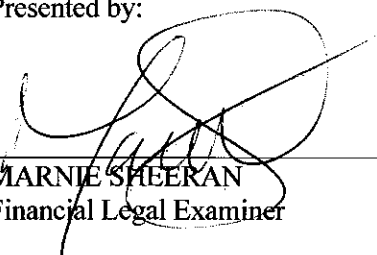
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V. AUTHORITY AND PROCEDURE

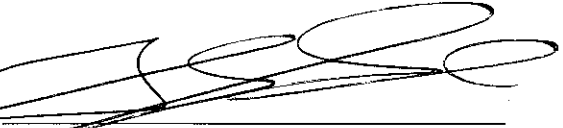
This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 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 10th day of July, 2007.


DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

MARNIE SHEERAN
Financial Legal Examiner



Approved by:

FATIMA BATIE
Financial Legal Examiner Supervisor