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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:

OXANA SERGEEVNA ESIPENKO,
Respondent.

NO. C-07-164-08-FO01

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), pursuant to RCW 34.05.440(2). On June 12, 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 and Prohibit from Industry (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 June 12, 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 June 12, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on June 14, 2007, by first class mail and Federal Express overnight delivery.

On July 16, 2007, Respondent filed an Application for Adjudicative Hearing. On July 27, 2007, the Department made a request to the Office of Administrative Hearings (OAH) to assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of Charges. On August 23, 2007, OAH issued a Notice of Prehearing Conference and on August 23, 2007, a Notice of

1 Assignment of Administrative Law Judge was issued assigning ALJ Carolyn L. Pinkett (ALJ Pinkett)
2 to preside over prehearing and hearing proceedings and issue an Initial Decision. On August 23, 2007,
3 ALJ Pinkett issued an Order for Telephonic Prehearing Conference scheduling a prehearing
4 conference on Wednesday, September 12, 2007 at 8:30 a.m.

5 On September 12, 2007, all parties attended the prehearing conference. A continuance was
6 requested by Respondent Esipenko's attorney of record; however, the request for continuance was
7 denied by ALJ Pinkett. The parties agreed on a schedule for the Department to file a summary
8 judgment motion.

9 On October 17, 2007, Assistant Attorney General Chad Standifer prepared and sent a Motion
10 for Summary Judgment to Edward Mueller, Respondent Esipenko's attorney of record. On December
11 5, 2007, all parties attended a telephonic Motion Hearing. Respondent Esipenko did not file any
12 opposing affidavits, memoranda of law, or any other documentation opposing the Department's
13 Motion for Summary Judgment at the time of the of the Motion Hearing.

14 On December 12, 2007, ALJ Pinkett issued a Proposed Findings of Fact, Conclusions of Law,
15 and Initial Order on Motion for Summary Judgment. The Department's Motion for Summary
16 Judgment was GRANTED by ALJ Pinkett. ALJ Pinkett ruled that the Respondent's application for a
17 loan originator license is DENIED and that Respondent Esipenko is prohibited from participating in
18 the conduct of the affairs of any licensed mortgage broker through December 28, 2013, upholding
19 Respondent's Esipenko's prohibition and finding that pursuant to RCW 19.146.200(5)(a) and/or (b),
20 the Department had not abused its discretion in imposing a sanction which prohibits Respondent
21 Esipenko from participating in the conduct of the affairs of any licensed mortgage broker for a period
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1 of seven (7) years from the time she submitted her loan originator license application to the
2 Department.

3 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the
4 date of service of the Findings of Fact, Conclusions of Law, and Initial Order on Motion for Summary
5 Judgment with the Director. Respondent did not file a Petition for Review during the statutory period.

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

- 8 1. Statement of Charges, cover letter, and Notice of Opportunity to Defend and
9 Opportunity for Hearing, with documentation of service;
- 10 2. Application for Adjudicative Hearing for Respondent;
- 11 3. Request to OAH for Assignment of Administrative Law Judge, dated July 24, 2007;
- 12 4. Notice of Appearance, with documentation of service, dated August 7, 2007;
- 13 5. Notice of Prehearing Conference, dated August 23, 2007;
- 14 6. Notice of Assignment of Administrative Law Judge, dated August 23, 2007;
- 15 7. Order of Motion Hearing, dated September 21, 2007;
- 16 8. Department's Motion for Summary Judgment, with documentation of service, dated
17 October 17, 2007;
- 18 9. ALJ Pinkett's Proposed Findings of Fact, Conclusions of Law, and Initial Order on
19 Motion for Summary Judgment, dated December 12, 2007.

20 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director
21 hereby adopts the proposed Findings of Fact, Conclusions of Law, and Order contained in the Order
22 Granting Summary Judgment attached hereto.

1 II. FINAL ORDER

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

4 A. IT IS HEREBY ORDERED, That:

- 5 1. Respondent Oxana Sergeevna Esipenko's application for a loan originator license is
6 denied; and
7 2. Respondent Oxana Sergeevna Esipenko is banned from participation in the conduct of
8 the affairs of any mortgage broker subject to licensure by the Director, in any manner,
through December 28, 2013.

9 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
10 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
11 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150
12 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
13 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
14 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
15 Reconsideration a prerequisite for seeking judicial review in this matter.
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17 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date
18 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written
19 notice specifying the date by which it will act on a petition.

20 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
21 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial
22 Review made under chapter 34.05 RCW and RCW 34.05.550.
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1 D. Judicial Review. Respondent has the right to petition the superior court for judicial
2 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing
3 a Petition for Judicial Review, see RCW 34.05.510 and sections following.

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

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8 DATED this 23rd day of January, 2008.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS



SCOTT JARVIS
DIRECTOR

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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:

OXANA SERGEEVNA ESIPENKO,

Respondent.

NO. C-07-164-07-SC01

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)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:

I. FACTUAL ALLEGATIONS

1.1 Respondent Oxana Sergeevna Esipenko (Respondent Esipenko) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under A+ Mortgage, Inc., a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 28, 2006.

1.2 Prior Criminal Acts. On July 9, 2001, Respondent Esipenko was charged with Theft in the Second Degree, in the Superior Court of Washington for King County, a Class "C" Felony pursuant to RCW 9A.56.040(1)(a) and 9A.56.020(1)(a). On February 14, 2002, the Prosecuting Attorney for King County amended the charge of Theft in the Second Degree to Theft in the Third Degree, a Gross Misdemeanor pursuant to RCW 9A.56.050.

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

1 On February 14, 2002, Respondent Esipenko plead guilty in Case No. 01-1-08102-7 SEA, to Theft in the Third
2 Degree, in the Superior Court of Washington for King County, pursuant to RCW 9A.56.050.

3 **1.3 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator
4 license application consists of eight questions, and includes the following instruction:

5 "If the answer to any of the following is "YES", provide complete details of all events or proceedings."

6 Respondent Esipenko answered "NO" to the following questions on the "Criminal Disclosure" section of her
7 loan originator license application:

- 8 • 2 - Have you ever been charged with any felony?
- 9 • 5 - Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a domestic,
10 foreign, or military court to [a] misdemeanor involving: financial services or a financial services-
11 related business or any fraud, false statements or omissions, theft or any wrongful taking of property,
12 bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?

13 If Yes, when and where?

- 14 • 6 - Have you ever been charged with a misdemeanor specified in 5?

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

17 II. GROUNDS FOR ENTRY OF ORDER

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

22 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent
23 Esipenko is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making
24 any false statement or willfully making any omission of material fact in connection with any application or any
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1 information filed by a licensee in connection with any application, examination or investigation conducted by
2 the Department.

3 **2.3 Requirement to Provide Information on License Application.** Based on the Factual Allegations set
4 forth in Section I above, Respondent Esipenko fails to meet the requirements of RCW 19.146.300(1) and (2)
5 and RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form
6 prescribed by the Director.

7 **2.4 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set
8 forth in Section I above, Respondent Esipenko fails to meet the requirements of RCW 19.146.310(1)(g) and
9 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the
10 confidence of the community and to warrant a belief that the business will be operated honestly and fairly
11 within the purposes of the Act.

12 **III. AUTHORITY TO IMPOSE SANCTIONS**

13 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the
14 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the
15 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by
16 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application
17 of the denial.

18 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
19 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
20 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
21 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

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

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

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

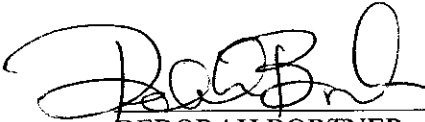
3 4.1 Respondent Oxana Sergeevna Esipenko's application for a loan originator license be denied.

4 4.2 Respondent Oxana Sergeevna Esipenko be prohibited from participation in the conduct of the affairs of a
5 licensed mortgage broker, in any manner, through December 28, 2013.

6 **V. AUTHORITY AND PROCEDURE**

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

13 Dated this 12th day of June, 2007.



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

19 Presented by:

20 Wilma M. Nepsund
21 WILMA M. NEPSUND
22 Financial Examiner



23 Approved by:

24 [Signature]
25 FATIMA BATIE
Financial Legal Examiner Supervisor