

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 DIVISION OF CONSUMER SERVICES

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

NO. C-07-178-07-FO01

JOSH PAUL MUNK,

FINAL ORDER

Respondent.

7
8 I. DIRECTOR'S CONSIDERATION

9 A. Default. This matter has come before the Director of the Department of Financial Institutions
10 of the State of Washington (Director), through his designee, Consumer Services Division Director Deborah
11 Bortner, pursuant to RCW 34.05.440(2). On June 8, 2007, the Director, through Consumer Services Division
12 Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Deny
13 License Application (Statement of Charges). A copy of the Statement of Charges is attached and incorporated
14 into this order by this reference. The Statement of Charges was accompanied by a cover letter dated June 8,
15 2007, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for
16 Adjudicative Hearing. The Department served the Statement of Charges, cover letter, Notice of Opportunity to
17 Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on June
18 8, 2007 by Federal Express overnight delivery and first class mail. The documents were delivered by Federal
19 Express to Respondent's residence and signed for by V. Munk on June 11, 2007. The documents delivered via
20 first class mail were not returned.

21 On June 19, 2007, Respondent filed an Application for Adjudicative Hearing. On June 20, 2007, the
22 Department sent a request to the Office of Administrative Hearings (OAH) to assign an Administrative Law
23 Judge (ALJ) to schedule and conduct a hearing on the Statement of Charges. On June 27, 2007, ALJ Mark C.
24 Ebbeson issued a Notice of Prehearing Conference scheduling a prehearing conference for Tuesday, July 10,
25 2007 at 8:15 am (PST). That Notice contained the following instruction to the parties: "[b]oth the Department

FINAL ORDER
C-07-178-07-FO01
JOSH PAUL MUNK

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

1 and the Appellant shall register an appearance on the day of the hearing 10 minutes before the scheduled
2 hearing time by calling locally (360) 690-7189 or toll free 1-800-243-3451. You will be asked for the telephone
3 number from which you are calling so that the Administrative Law Judge can call back to begin the hearing. If
4 **the Appellant fails to call in and register an appearance, a default or dismissal may be entered”.**

5 On July 10, 2007, the prehearing conference was convened by ALJ Ebbeson at 8:15 am. Respondent
6 failed to appear for the hearing. The Department moved for an order of default based on Respondent’s failure to
7 appear. On July 12, 2007, ALJ Ebbeson issued an Order of Default and dismissed the proceedings. That Order
8 was returned to OAH by the US Postal Service on July 24, 2007. OAH reset the timeline for Respondent to file
9 a request to vacate the Order and mailed another Order to Respondent’s corrected address on July 25, 2007.
10 This Order was not returned.

11 Pursuant to RCW 34.05.440(3), Respondent had seven (7) days from the date of service of the Order of
12 Default to file a written motion with OAH requesting that the Order of Default be vacated, and stating the
13 grounds relied upon. Respondent did not make a request to vacate during the statutory period. Pursuant to
14 RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the date of service of the Order
15 of Default to file a Petition for Review of the Order of Default with the Director. Respondent did not file a
16 Petition for Review during the statutory period.

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

- 19 1. Statement of Charges, cover letter dated June 8, 2007, and Notice of Opportunity to Defend
20 and Opportunity for Hearing, with documentation of service;
- 21 2. Application for Adjudicative Hearing;
- 22 3. Request to OAH for Assignment of Administrative Law Judge;
- 23 4. Notice of Telephonic Prehearing Conference dated June 27, 2007, with documentation of
24 service;
- 25 5. Order of Default re-mailed on July 25, 2007, with documentation of service.

1 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(2), the Director's
2 designee hereby adopts the Statement of Charges, which is attached hereto.
3

4 II. FINAL ORDER

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

7 A. IT IS HEREBY ORDERED, That:

8 Respondent JOSH PAUL MUNK's application for a loan originator license is denied.

9 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a Petition
10 for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the
11 Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater,
12 Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of
13 service of the Final Order upon Respondent. The Petition for Reconsideration shall not stay the effectiveness of
14 this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

21 D. Judicial Review. Respondent has the right to petition the superior court for judicial review
22 of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for
23 Judicial Review, see RCW 34.05.510 and sections following.
24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

DATED this 14th day of August, 2007.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

A handwritten signature in black ink, appearing to read "Deborah Bortner", written over a horizontal line.

DEBORAH BORTNER
DIRECTOR
DIVISION OF CONSUMER SERVICES

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

**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:

JOSH PAUL MUNK,

Respondent.

NO. C-07-178-07-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)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 Josh Paul Munk (Respondent Munk)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Crown Point Enterprises, Inc dba Lighthouse Financial Group, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about January 3, 2007.

1.2 **Prior Criminal Acts:**

- A. On or about November 5, 2001, Respondent Munk pled guilty to Conspiracy to Possess ~~Marijuana with Intent to Deliver in Grant County Superior Court~~, a violation of the Uniform Controlled Substance Act, a felony pursuant to RCW 69.50.401 (a)(1)(iii), 9A.28.040 & 69.50.407

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

B. On or about November 5, 2001, Respondent Munk pled guilty to Conspiracy to Possess MDMA with Intent to Deliver in Grant County Superior Court, a violation of the Uniform Controlled Substance Act, a felony pursuant to RCW 69.50.401 (a)(1)(i), 9A.28.040 & 69.50.407

II. GROUNDS FOR ENTRY OF ORDER

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

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

III. AUTHORITY TO IMPOSE SANCTIONS

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

IV. NOTICE OF INTENTION TO ENTER ORDER

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

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

1 4.1 Respondent Josh Paul Munk's application for a loan originator license be denied.

2 **V. AUTHORITY AND PROCEDURE**

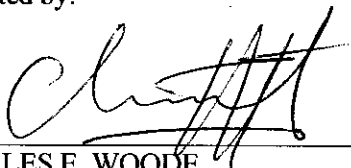
3 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application
4 (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW
5 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative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

9
10 Dated this 8th day of June, 2007.

11
12
13 

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

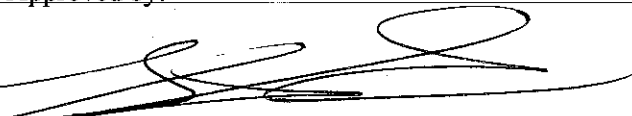
18 Presented by:

19 

20 CHARLES E. WOODE
21 Financial Legal Examiner



22 Approved by:

23 

24 FATIMA BATIE
25 Financial Legal Examiner Supervisor