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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:

MEGAN EILEEN TAAFFE,
Respondent.

NO. C-07-213-08-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), through his designee, Consumer Services Division Director Deborah Bortner, pursuant to RCW 34.05.440(2). On July 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 July 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 July 12, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on July 13, 2007 by first class mail and Federal Express overnight delivery.

On July 24, 2007, Respondent filed an Application for Adjudicative Hearing. On August 3, 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

1 August 29, 2007, ALJ Janet L. Schneider (ALJ Schneider) issued a Notice of Telephonic Prehearing
2 Conference scheduling a prehearing conference on October 1, 2007 at 8:15 a.m. That Order contained
3 the following instruction to the parties: "Both the Department and the Appellant shall register an
4 appearance on the day of hearing 10 minutes before the scheduled hearing time. . . ." That Order also
5 noted "**If the Appellant fails to call in and register an appearance, a default or dismissal may be**
6 **entered.**"

7
8 On October 1, 2007, the prehearing conference was convened by ALJ Schneider at 8:15 a.m.
9 Respondent failed to appear. The Department moved for an order of default based on Respondent's
10 failure to appear. On October 1, 2007, ALJ Schneider issued an Order of Dismissal due to Appellant
11 Default (Order of Dismissal) dismissing the proceedings. On October 1, 2007, ALJ Schneider sent the
12 Order of Default and Initial Order to the address in Respondent's Applications for Adjudicative
13 Hearing.

14 Pursuant to RCW 34.05.440(3), Respondent had seven (7) days from the date of service of the
15 Order of Dismissal to file a written motion with OAH requesting that the Order of Dismissal be
16 vacated, and stating the grounds relied upon. Respondent filed a written motion with OAH on October
17 9, 2007. On November 15, 2007, ALJ Schneider issued a Notice of Second Prehearing Conference,
18 scheduling a second prehearing conference for November 28, 2007 at 2:00 p.m. On November 28,
19 2007, ALJ Schneider held a second prehearing conference. Representatives for the Department and
20 Respondent appeared. On December 5, 2007, ALJ Schneider issued an Initial Order denying
21 Respondent's Request to Vacate Final Order. Pursuant to RCW 34.05.464 and WAC 10-08-211,
22 Respondent had twenty (20) days from the date of service of the Order of Default and Initial Order to
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1 file a Petition for Review of the Order of Default and Initial Order with the Director. Respondent did
2 not file a Petition for Review during the statutory period.

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

- 5 1. Statement of Charges, cover letter dated July 12, 2007, and Notice of Opportunity to
6 Defend and Opportunity for Hearing, with documentation of service;
- 7 2. Application for Adjudicative Hearing;
- 8 3. Request to OAH for Assignment of Administrative Law Judge;
- 9 4. Notice of Telephonic Prehearing Conference dated August 29, 2007, with
10 documentation of service;
- 11 5. Order of Dismissal due to Appellant Default dated October 1, 2007, with
12 documentation of service;
- 13 6. Initial Order.

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

16 II. FINAL ORDER

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

19 A. IT IS HEREBY ORDERED, That:

- 20 1. Respondent Megan Eileen Taaffe's application for a loan originator license is denied;
21 and
- 22 2. Respondent Megan Eileen Taaffe is banned from participation in the conduct of the
23 affairs of any mortgage broker subject to licensure by the Director, in any manner,
24 through December 28, 2013.

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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 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

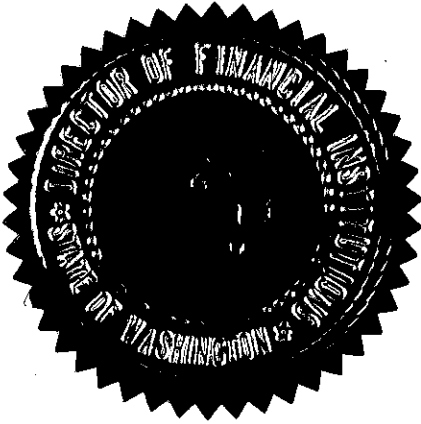
D. Judicial Review. Respondent has the right to petition the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

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.

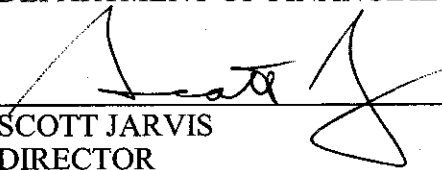
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DATED this 13th day of March, 2008.



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**

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

MEGAN EILEEN TAAFFE,

Respondent.

NO. C-07-213-07-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:

I. FACTUAL ALLEGATIONS

1.1 Respondent Megan Eileen Taaffe (Respondent Taaffe) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Regal Mortgage Group LLC, 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 December 18, 2000, Respondent Taaffe plead no contest to and was found guilty of giving false information to a police officer in the Circuit Court of the State of Oregon for the County of Columbia. Pursuant to Chapter 162.385 of the Oregon Revised Statutes, Giving false information to a peace officer is a Class A misdemeanor. In Oregon, Class A misdemeanors are punishable by up to 1 year imprisonment. Pursuant to RCW 9A.20.010(2)(a) and (b) a misdemeanor is any crime punishable by a fine of

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

1 not more than one thousand dollars, or by imprisonment in a county jail for not more than ninety days, or by
2 both such fine and imprisonment. An Oregon Class A misdemeanor is equivalent to a Washington gross
3 misdemeanor in terms of sentence. Giving false information to a peace officer involves dishonesty in that the
4 offender must knowingly use or give a false or fictitious name, address or date of birth to any peace officer for
5 the purpose of the officer's issuing or serving the person a citation or for the purpose of the officer's arresting
6 the person on an arrest warrant.

7 **1.3 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator license
8 application consists of eight questions, and includes the following instruction:

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

10 Respondent Taaffe answered "no" to the following questions on the "Criminal Disclosure" section of her loan
11 originator license application:

- 12 • 1-Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
13 domestic, foreign, or military court to misdemeanor involving: financial services or a
14 financial services-related business or any fraud, false statements or omissions, theft or any
15 wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a
16 conspiracy to commit any of these offenses?

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

19 II. GROUNDS FOR ENTRY OF ORDER

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

24 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent
25 Taaffe is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making

1 any false statement or willfully making any omission of material fact in connection with any application or any
2 information filed by a licensee in connection with any application, examination or investigation conducted by
3 the Department.

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

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

13 **III. AUTHORITY TO IMPOSE SANCTIONS**

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

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

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

24 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
25 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis

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:

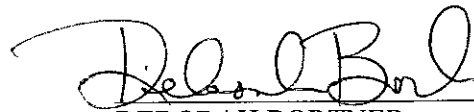
3 4.1 Respondent Megan Eileen Taaffe's application for a loan originator license be denied.

4 4.2 Respondent Megan Eileen Taaffe be prohibited from participation in the conduct of the affairs of any
5 mortgage broker subject to licensure by the Director, 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 July, 2007.


14 

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

19 Presented by:

20 
21 ROBERT E. JONES
22 Financial Legal Examiner

23 Approved by:

24 
25 FATIMA BATIE
26 Financial Legal Examiner Supervisor



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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:

MEGAN EILEEN TAAFFE,
Respondent.

C-07-213-07-SC01

NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR HEARING

THE STATE OF WASHINGTON TO:

Megan Eileen Taaffe

YOU ARE HEREBY NOTIFIED that a 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 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 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 Statement of Charges. Upon such a finding by the Director a final order will be immediately entered disposing of
12 this matter as described in the Statement of Charges. If you desire a hearing in this matter, please return the
13 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 10th day of July 2007.



20 *Deborah Bortner*

21 DEBORAH BORTNER
22 Director
23 Division of Consumer Services
24 Department of Financial Institutions