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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF INVESTIGATING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

ADRIAN DEXTER WOODS,
Respondent.

NO. C-07-227-08-FO01

FINAL ORDER AND PERMANENT
ORDER TO CEASE AND DESIST

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 August 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 Revoke License, Prohibit from Industry, and Collect Investigative Fee (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 Temporary Order to Cease and Desist, a cover letter dated August 20, 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 August 20, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on August 20, 2007 by first class mail and Federal Express overnight delivery.

On August 22, 2007, Respondent filed an Application for Adjudicative Hearing. On August 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

1 September 14, 2007, OAH issued a Notice of Prehearing Conference and Assignment of
2 Administrative Law Judge assigning ALJ Gordon W. Griggs (ALJ Griggs) to preside over prehearing
3 and hearing proceedings and issue an Initial Decision and scheduling a telephonic prehearing
4 conference on Thursday, October 11, 2007 at 9:00 a.m. That Order contained the following instruction
5 to the parties: **“You must provide this office with a telephone number where you can be reached
6 for the hearing, or a default may be entered.”**

7
8 On October 11, 2007, representatives for the Department, Respondent and Respondent’s
9 counsel attended a telephonic prehearing conference. On October 16, 2007, ALJ Griggs issued an
10 Order on Prehearing Conference permitting the Department to file a written motion for summary
11 judgment on or before October 30, 2007 and scheduling a hearing on the motion for summary
12 judgment November 6, 2007. On October 16, 2007, ALJ Griggs issued a Notice of Hearing on Motion
13 for Summary Judgment scheduling a hearing on November 6, 2007.

14 On October 30, 2007, the Department filed its Motion for Summary Judgment.

15 On November 6, 2007, the hearing was convened by ALJ Griggs. The Department,
16 Respondent and Respondent’s counsel appeared. On November 6, 2007, ALJ Griggs issued a
17 Findings of Fact, Conclusions of Law and Initial Order Granting Summary Judgment (Initial Order)
18 Revoking Respondent’s license to conduct the business of a loan originator, prohibiting Respondent
19 from participation in the conduct of the affairs of any mortgage broker subject to licensure by the
20 Director of DFI, in any manner, for seven (7) years, and requiring Respondent to pay an investigation
21 fee in the amount of \$237.60 calculated at \$48.00 per hour for the 4.95 staff hours devoted to the
22 investigation. On November 7, 2007, ALJ Griggs sent the Initial Order to the address in Respondent’s
23 Application for Adjudicative Hearing and Respondent’s counsel.
24

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

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

- 6
- 7 1. Statement of Charges, cover letter dated August 20, 2007, and Notice of Opportunity
8 to Defend and Opportunity for Hearing, with documentation of service;
- 9 2. Application for Adjudicative Hearing;
- 10 3. Request to OAH for Assignment of Administrative Law Judge;
- 11 4. Notice of Prehearing Conference and Assignment of Administrative Law Judge dated
12 September 14, 2007, with documentation of service;
- 13 5. Order on Prehearing Conference dated October 16, 2007, with documentation of
14 service;
- 15 6. Notice of Hearing on Motion for Summary Judgment dated October 16, 2007, with
16 documentation of service;
- 17 7. The Department's Motion for Summary Judgment;
- 18 8. Findings of Fact, Conclusions of Law and Initial Order Granting Summary Judgment
19 dated November 6, 2007, with documentation of service.

20 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director
21 hereby adopts the Statement of Charges, which is attached hereto.

22 II. FINAL ORDER

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

1 A. IT IS HEREBY ORDERED, That:

- 2 1. Respondent Adrian Dexter Woods's loan originator license is revoked;
- 3 2. Respondent Adrian Dexter Woods is banned from participation in the conduct of the
- 4 affairs of any mortgage broker subject to licensure by the Director, in any manner,
- 5 through November 6, 2014; and
- 6 3. Respondent Adrian Dexter Woods shall pay an investigation fee in the amount of
- 7 \$237.60 calculated at \$48.00 per hour for the 4.95 staff hours devoted to the
- 8 investigation by DFI.

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.

16 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date

17 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written

18 notice specifying the date by which it will act on a petition.

19 C. Stay of Order. The Director has determined not to consider a Petition to Stay the

20 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial

21 Review made under chapter 34.05 RCW and RCW 34.05.550.

22 D. Judicial Review. Respondent has the right to petition the superior court for judicial

23 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing


24 a Petition for Judicial Review, see RCW 34.05.510 and sections following.

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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 2nd 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
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

ADRIAN DEXTER WOODS,

Respondent.

NO. C-07-227-07-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE,
PROHIBIT FROM INDUSTRY, AND
COLLECT INVESTIGATION FEE

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 Adrian Dexter Woods (Respondent Woods) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a loan originator on June 19, 2007, and continues to be licensed to date. Respondent Woods is licensed to conduct the business of a Loan Originator for Sound Lending, Inc., which is a mortgage broker licensed under the Act.

1.2 Prior Criminal Acts. On August 7, 2000, Respondent entered a plea of guilty to Theft in the Second Degree, a class C felony pursuant to RCW 9A.56.040, in Pierce County Superior Court.

1.3 False Statements and Omission of Material Information on License Application. Respondent Woods submitted an application to the Department for a loan originator license, which was received by the

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

1 Department on or about January 12, 2007. The "Criminal Disclosure" section of the loan originator license
2 application consists of eight questions, and includes the following instruction:

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

4 Respondent Woods answered "no" to the following questions on the "Criminal Disclosure" section of his loan
5 originator license application:

- 6 • 1-Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
7 domestic, foreign, or military court to any felony?
- 8 • 2-Have you ever been charged with any felony?

9 **1.4** Respondent Woods was obligated by statute to answer questions on the loan originator license
10 application truthfully and to provide the Department with complete details of all events or proceedings.

11 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
12 Respondent continues to date.

13 II. GROUNDS FOR ENTRY OF ORDER

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

18 **2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set
19 forth in Section I above, Respondent Woods fails to meet the requirements of RCW 19.146.300(1) and (2) and
20 RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form
21 prescribed by the Director.

22 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set
23 forth in Section I above, Respondent Woods fails to meet the requirements of RCW 19.146.310(1)(g) and
24 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the
25

1 confidence of the community and to warrant a belief that the business will be operated honestly and fairly
2 within the purposes of the Act.

3 **2.4 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent
4 Woods is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making
5 any false statement or willfully making any omission of material fact in connection with any application or any
6 information filed by a licensee in connection with any application, examination or investigation conducted by
7 the Department.

8 III. AUTHORITY TO IMPOSE SANCTIONS

9 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(b), the Director may revoke a license
10 for false statements or omission of material information on the application that, if known, would have allowed
11 the director to deny the application for the original license, or any violation of RCW 19.146.0201(1) through
12 (8).

13 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a) and (b), the Director may
14 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
15 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
16 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or false
17 statements or omission of material information on the application that, if known, would have allowed the
18 Director to deny the application for the original license.

19 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520(9), and
20 WAC 208-660-550(5), upon completion of any investigation of the books and records of a licensee or other
21 person subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing
22 to cover the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight
23 dollars (\$48.00) per hour that each staff person devoted to the investigation.

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

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

6 **4.1** Respondent Adrian Dexter Woods's license to conduct the business of a loan originator be revoked.

7 **4.2** Respondent Adrian Dexter Woods be prohibited from participation in the conduct of the affairs of any
8 mortgage broker subject to licensure by the Director, in any manner, for seven (7) years.


9 **4.3** Respondent Adrian Dexter Woods pay an investigation fee in the amount of \$237.60 calculated at
\$48.00 per hour for the 4.95 staff hours devoted to the investigation.

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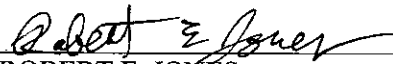
1 **V. AUTHORITY AND PROCEDURE**

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

8 Dated this 17th day of August, 2007.


10 
11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

13 Presented by:

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16 ROBERT E. JONES
17 Financial Legal Examiner



17 Approved by:

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20 JAMES BRUSSELBACK
21 Program Manager and Enforcement Chief

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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

C-07-227-07-TD01

ADRIAN DEXTER WOODS,
Loan Originator

TEMPORARY ORDER TO
CEASE AND DESIST

Respondent.

7 THE STATE OF WASHINGTON TO: ADRIAN DEXTER WOODS

8
9 COMES NOW the Director of the Washington State Department of Financial Institutions (Director), by
10 and through his designee Deborah Bortner, Division Director, Division of Consumer Services (designee), and
11 finding that the public is likely to be substantially injured by delay in issuing a cease and desist order, the Director,
12 through his designee, Division of Consumer Services Director Deborah Bortner, enters this temporary order to
13 cease and desist pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), based on the following
14 findings:

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I. FACTUAL FINDINGS

1.1 Respondent Adrian Dexter Woods (Respondent Woods) was licensed by the Department of
Financial Institutions of the State of Washington (Department) to conduct business as a loan originator on June
19, 2007, and continues to be licensed to date. Respondent Woods is licensed to conduct the business of a Loan
Originator for Sound Lending, Inc., which is a mortgage broker licensed under the Act.

1.2 Prior Criminal Acts. On August 7, 2000, Respondent entered a plea of guilty to Theft in the Second
Degree, a class C felony pursuant to RCW 9A.56.040, in Pierce County Superior Court.

1.3 False Statements and Omission of Material Information on License Application. Respondent
Woods submitted an application to the Department for a loan originator license, which was received by the
Department on or about January 12, 2007. The "Criminal Disclosure" section of the loan originator license
application consists of eight questions, and includes the following instruction:

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

1 Respondent Woods answered "no" to the following questions on the "Criminal Disclosure" section of his loan
2 originator license application:

- 3 • 1-Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
4 domestic, foreign, or military court to any felony?
- 5 • 2-Have you ever been charged with any felony?

6 1.4 Respondent Woods was obligated by statute to answer questions on the loan originator license
7 application truthfully and to provide the Department with complete details of all events or proceedings.

8 II. GROUNDS FOR ENTRY OF ORDER

9 2.1 **Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section I
10 above, on the date Respondent Woods submitted his loan originator license application he failed to meet the
11 requirements of RCW 19.146.310(1)(d) and WAC 208-660-350(2)(c) by having been convicted of a felony
12 within seven years of the filing of his application.

13 2.2 **Requirement to Provide Information on License Application.** Based on the Factual
14 Allegations set forth in Section I above, on the date Respondent Woods submitted his loan originator license
15 application he failed to meet the requirements of RCW 19.146.300(1) and (2) and RCW 19.146.310(1)(b) by
16 failing to provide an accurate and complete license application in the form prescribed by the Director.

17 2.3 **Requirement to Demonstrate Character and General Fitness.** Based on the Factual
18 Allegations set forth in Section I above, on the date Respondent Woods submitted his loan originator license
19 application he failed to meet the requirements of RCW 19.146.310(1)(g) and WAC 208-660-350(2)(a) by
20 failing to demonstrate character and general fitness such as to command the confidence of the community and
21 to warrant a belief that the business will be operated honestly and fairly within the purposes of the Act.

22 2.4 **Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, on the
23 date Respondent Woods submitted his loan originator license application he was in apparent violation of RCW
24 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making any false statement or willfully making
25 any omission of material fact in connection with any application or any information filed by a licensee in
connection with any application, examination or investigation conducted by the Department.

1 **III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST**

2 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW 19.146.227,
3 the Director is authorized to issue a temporary order to cease and desist whenever the Director determines that
4 the public is likely to be substantially injured by delay in issuing a cease and desist order. Based on the Factual
5 Findings and Grounds for Entry of Order set forth above, Respondent Woods has obtained a loan originator
6 license which he was not eligible to obtain. As a result, there is a substantial likelihood that any loan originator
7 activities conducted by Respondent Woods will not be covered by the surety bonds posted by the mortgage
8 brokers with which Respondent is employed, and the public is likely to be substantially injured by the lack of
9 said surety bond coverage.

10 **IV. ORDER**

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12 Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue Temporary
13 Order to Cease and Desist, and pursuant to RCW 19.146.227, the Director determines that the public is likely to
14 be substantially harmed by a delay in entering a cease and desist order. Therefore, the Director ORDERS that:

15 **4.1** Respondent Woods shall immediately cease and desist from participating in the conduct of the
16 affairs of any mortgage broker subject to licensure by the Director, in any manner, specifically including, but not
17 limited to originating any residential mortgage loan, assisting with the origination of any residential mortgage
18 loan, and holding himself out as able to assist any person with applying for or obtaining any residential
19 mortgage loan.

20 **4.2** This order shall take effect immediately and shall remain in effect unless set aside, limited, or
21 suspended in writing by an authorized court.

22 **NOTICE**

23 **PURSUANT TO CHAPTER 19.146 RCW, YOU ARE ENTITLED TO A HEARING WITHIN 14 DAYS**
24 **OF REQUEST TO DETERMINE WHETHER THIS ORDER SHALL BECOME PERMANENT. IF YOU**
25 **DESIRE A HEARING, THEN YOU MUST RETURN THE ATTACHED APPLICATION FOR**
ADJUDICATIVE HEARING INCORPORATED HEREIN BY THIS REFERENCE. FAILURE TO

1 COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE HEARING FORM SO THAT IT IS
2 RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF
3 THE DATE THAT THIS ORDER WAS SERVED ON YOU WILL CONSTITUTE A DEFAULT AND WILL
4 RESULT IN THE LOSS OF YOUR RIGHT TO A HEARING. SERVICE ON YOU IS DEFINED AS POSTING
5 IN THE U.S. MAIL, POSTAGE PREPAID, TO YOUR LAST KNOWN ADDRESS. BE ADVISED THAT
6 DEFAULT WILL RESULT IN THIS ORDER TO CEASE AND DESIST BECOMING PERMANENT ON THE
7 TWENTY-FIRST (21ST) DAY FOLLOWING SERVICE OF THIS ORDER UPON YOU.

8
9 WITHIN TEN DAYS AFTER YOU HAVE BEEN SERVED WITH THIS TEMPORARY ORDER
10 TO CEASE AND DESIST, YOU MAY APPLY TO THE SUPERIOR COURT IN THE COUNTY OF
11 YOUR PRINCIPAL PLACE OF BUSINESS FOR AN INJUNCTION SETTING ASIDE, LIMITING, OR
12 SUSPENDING THIS ORDER PENDING THE COMPLETION OF THE ADMINISTRATIVE
13 PROCEEDINGS PURSUANT TO THIS NOTICE.

14 DATED this 17th day of August, 2007.



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17 DEBORAH BORTNER
18 Director
19 Division of Consumer Services
20 Department of Financial Institutions
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