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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:

NO. C-07-267-08-FO01

**KENNY HOYOON CHO,**

Respondent.

**FINAL ORDER**

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(1). On December 18, 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 December 19, 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 December 19, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on December 22, 2007, by Federal Express overnight delivery.

Respondent did not request an adjudicative hearing within twenty calendar days after the Department served him with the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for in WAC 208-08-050(2).

1 B. Record Presented. The record presented to the Director's designee for her review  
2 and for entry of a final decision included the Statement of Charges, cover letter dated December 19,  
3 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for  
4 Adjudicative Hearing, with documentation of service.

5  
6 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the  
7 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

8 II. FINAL ORDER

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

11 A. IT IS HEREBY ORDERED, That:

- 12 1. Respondent Kenny Hoyoon Cho's application for a loan originator license is denied;  
13 and  
14 2. Respondent Kenny Hoyoon Cho is banned from participation in the conduct of the  
15 affairs of any mortgage broker subject to licensure by the Director, in any manner,  
16 through February 13, 2014.

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

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

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

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

10 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for  
11 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
12 attached hereto.  
13

14 DATED this 22<sup>nd</sup> day of November, 2008.



15 STATE OF WASHINGTON  
16 DEPARTMENT OF FINANCIAL INSTITUTIONS

17 Deborah Bortner  
18 DEBORAH BORTNER  
19 DIRECTOR  
20 DIVISION OF CONSUMER SERVICES  
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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:

KENNY HOYOON CHO,

Respondent.

NO. C-07-267-07-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)<sup>1</sup>. 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 Kenny Hoyoon Cho (Respondent Cho)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Western States Mortgage Corp., a lender subject to the Act. The on-line application was received by the Department on or about February 13, 2007.

**1.2 Prior Criminal Acts.** On June 5, 2000, Respondent Cho was convicted of the following felony offenses in the Superior Court for King County under Cause No. 99-1-6543-0:

- a. Robbery 1<sup>st</sup> Degree pursuant to RCW 9A.56.200(1).
- b. Robbery 1<sup>st</sup> Degree pursuant to RCW 9A.56.200(1).
- c. Violation of the Uniform Controlled Substances Act pursuant to RCW 69.50.401.

<sup>1</sup> RCW 19.146 (Amended 2006; Effective January 1, 2007)

1 In addition, Respondent Cho was convicted of RCW 9A.76.070 Rendering Criminal Assistance in the  
2 First Degree, a felony, in the Superior Court for King County under Cause No. 9901-7973-2 on September 20,  
3 2002.

4 **1.3 Responses to Application Questions.** The “Criminal Disclosure” section of the loan originator license  
5 application consists of nine 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 Cho answered “no” to the following questions on the “Criminal Disclosure” section of his loan  
8 originator license application:

- 9 • 1-Have you ever been convicted of or plead guilty or nolo contendere (“no contest”) in a  
10 domestic, foreign, or military court to any felony? If Yes, when and where?
- 11 • 2-Have you ever been charged with a felony?

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

## 14 II. GROUNDS FOR ENTRY OF ORDER

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

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

23 **2.3 Requirement to Provide Information on License Application.** Based on the Factual Allegations set  
24 forth in Section I above, Respondent Cho fails to meet the requirements of RCW 19.146.300(1) and (2) and  
25

1 RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form  
2 prescribed by the Director.

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

### 8 **III. AUTHORITY TO IMPOSE SANCTIONS**

9 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the  
10 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the  
11 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by  
12 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application  
13 of the denial.

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

### 18 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

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

23 **4.1** Respondent Kenny Hoyoon Cho's application for a loan originator license be denied.


24 **4.2** Respondent Kenny Hoyoon Cho be prohibited from participation in the conduct of the affairs of any  
25 mortgage broker subject to licensure by the Director, in any manner, through February 13, 2014.

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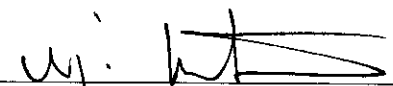
V. AUTHORITY AND PROCEDURE

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.

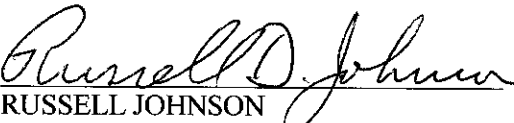
Dated this 18<sup>th</sup> day of December, 2007.

  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
WILLIAM J. HALSTEAD  
Financial Legal Examiner

Approved by:

  
RUSSELL JOHNSON  
Financial Legal Examiner Supervisor

