

Terms Completed

FINAL ORDER SUMMARY – Case Number: C-07-441

Name(s) RASHAD LOUSTAUNAU

Order Number C-07-441-08-FO01

Effective Date 6/17/08

License Number 38648 (Revoked, suspended, stayed, application denied or withdrawn) If applicable, you must specifically note the ending dates of terms.

License Effect DENIED

Not Apply until DECEMBER 29, 2016

Prohibition/Ban until DECEMBER 29, 2016

Table with 4 columns: \$, Due, Paid (Y/N), Date. Row for Investigation Costs.

Table with 4 columns: \$, Due, Paid (Y/N), Date. Row for Assessment(s).

Table with 4 columns: \$, Due, Paid (Y/N), Date. Row for Monetary Penalty.

Other

Special Instructions

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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:

RASHAD LOUSTAUNAU,  
Respondent.

NO. C-07-441-08-FO01

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), Scott Jarvis, pursuant to RCW 34.05.440(2). On October 24, 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 October 26, 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 October 26, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on October 29, 2007, by first class mail and Federal Express overnight delivery.

On November 15, 2007, Respondent filed an Application for Adjudicative Hearing. On November 26, 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. OAH issued a Notice of Assignment of Administrative Law Judge assigning ALJ Robert P.

1 Kingsley (ALJ Kingsley) to preside over prehearing and hearing proceedings and issue an Initial  
2 Decision. On April 3, 2008, ALJ Kingsley issued a Notice of Pre-hearing Conference by Telephone  
3 scheduling a prehearing conference on Tuesday, April 22, 2008 at 2:30 p.m. That Notice contained the  
4 following instruction to the parties: "Parties shall appear by calling ... ten minutes before the time  
5 designated above, making adjustment for your time zone." The Notice also stated, "Default: If you fail  
6 to appear or participate in the prehearing conference, hearing, or any other scheduled stage of these  
7 proceedings, you may lose your right to a hearing as described in RCW 34.05.440."

8  
9 On April 22, 2008, the prehearing conference was convened by ALJ Kingsley at 2:30 p.m.  
10 Respondent failed to appear and ALJ Kingsley was unable to contact Respondent at the last telephone  
11 number provided by Respondent. The Department moved for an order of default based on  
12 Respondent's failure to appear. On April 24, 2008, ALJ Kingsley issued an Order of Dismissal  
13 Appellant Default (Order of Dismissal) affirming the Statement of Charges. On April 24, 2008, ALJ  
14 Kingsley sent the Order of Dismissal to the address in Respondent's Application for Adjudicative  
15 Hearing.

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

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

- 1 1. Statement of Charges, cover letter dated October 26, 2007, and Notice of Opportunity  
2 to Defend and Opportunity for Hearing, with documentation of service;
- 3 2. Application for Adjudicative Hearing;
- 4 3. Request to OAH for Assignment of Administrative Law Judge;
- 5 4. Notice of Prehearing Conference by Telephone dated April 3, 2008, with  
6 documentation of service;
- 7 5. Order of Dismissal dated April 24, 2008, with documentation of service.

8 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(2), the  
9 Director hereby adopts the Statement of Charges, which is attached hereto.

## 10 II. FINAL ORDER

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

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent Rashad Loustaunau's application for a loan originator license is denied;  
15 and
- 16 2. Respondent Rashad Loustaunau is banned from participation in the conduct of the  
17 affairs of any mortgage broker subject to licensure by the Director, in any manner,  
through December 29, 2016.

18 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
19 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
20 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150  
21 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
22 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The  
23 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
24 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 has determined not to consider a Petition to Stay the  
5 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial  
6 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.  
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14 DATED this 17<sup>th</sup> day of June, 2008.



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16 STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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18 [REDACTED]  
19 SCOTT JARVIS  
DIRECTOR  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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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-07-441-07-SC01

RASHAD LOUSTAUNAU,

Respondent.

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:

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**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Rashad Loustaunau (Respondent Loustaunau)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under WC Mortgage LLC, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 29, 2006.

**1.2 Prior Felony Charge.** On or about November 1, 2005, Respondent Loustaunau was charged with [REDACTED] pursuant to [REDACTED] in the Superior Court of Washington for King County ([REDACTED]). On or about April 7, 2006, the charge was amended and Respondent Loustaunau pleaded guilty to the gross misdemeanor of

<sup>1</sup> [REDACTED] (Amended 2006; Effective January 1, 2007)

1 [REDACTED]  
2 [REDACTED]  
3 **1.3 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator license  
4 application consists of eight questions. Respondent Loustaunau failed to disclose the felony charge outlined in  
5 paragraph 1.2 when he answered the following questions:

- 6 • 1- Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a domestic,  
7 foreign, or military, court to any felony? If Yes, when and where?

8 Respondent Loustaunau's response:

9 12-10-1995 PLEAD GUILTY TO [REDACTED]  
10 [REDACTED] SENTENCE WAS 47 MONTHS, DID 36 IN  
11 CONFINEMENT, AND 11 MONTHS ON PROBATION.

- 12 • 2- Have you ever been charged with any felony?

13 Respondent Loustaunau's response:

14 SEE # 1

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

## 17 II. GROUNDS FOR ENTRY OF ORDER

18 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent  
19 Loustaunau is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently  
20 making any false statement or willfully making any omission of material fact in connection with any application  
21 or any information filed by a licensee in connection with any application, examination or investigation  
22 conducted by the Department.

23 **2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set  
24 forth in Section I above, Respondent Loustaunau fails to meet the requirements of RCW 19.146.300(1) and (2)  
25 and RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form  
prescribed by the Director.

1 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set  
2 forth in Section I above, Respondent Loustaunau fails to meet the requirements of RCW 19.146.310(1)(g) and  
3 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the  
4 confidence of the community and to warrant a belief that the business will be operated honestly and fairly  
5 within the purposes of the Act.

6 **III. AUTHORITY TO IMPOSE SANCTIONS**

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

12 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue  
13 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
14 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
15 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

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

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

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

21 **4.1** Respondent Rashad Loustaunau's application for a loan originator license be denied.

22 **4.2** Respondent Rashad Loustaunau be prohibited from participation in the conduct of the affairs of any  
23 mortgage broker subject to licensure by the Director, in any manner, through December 29, 2016.

24 **V. AUTHORITY AND PROCEDURE**

25 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,



1 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05  
2 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in  
3 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this  
4 Statement of Charges.

5 Dated this 24<sup>th</sup> day of October, 2007.



DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

10 Presented by:



11  
12 WILLIAM HALSTEAD  
13 Financial Legal Examiner

14 Approved by:



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17 FATIMA BATIE  
Financial Legal Examiner Supervisor



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