

TERMS COMPLETE

FINAL ORDER SUMMARY – Case Number: C-08-038

Name(s) Steven Eugene Ling

Order Number C-08-038-08-FO01

Effective Date September 25, 2008

License Number DFI: 510-LO-46858

License Effect LO License Denied and Prohibition From Industry

Not Apply until November 21, 2014

Prohibition/Ban until November 21, 2014

Table with 4 columns: Investigation Costs, Due, Paid (Y/N), Date. Row 1: \$ 0, Due, Paid Y N, Date

Table with 4 columns: Assessment(s), Due, Paid (Y/N), Date. Row 1: \$ 0, Due, Paid Y N, Date

Table with 4 columns: Monetary Penalty, Due, Paid (Y/N), Date. Row 1: \$ 0, Due, Paid Y N, Date

Other

Special Instructions

1
2
3
4
5
6
7
8

**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-08-038-08-FO01

STEVEN EUGENE LING,
Respondent.

FINAL ORDER

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 July 28, 2008, 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 29, 2008, 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 29, 2008, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on July 29, 2008, by first class mail and Federal Express overnight delivery. On July 31, 2008, the documents sent via Federal Express overnight delivery were delivered. The documents sent via first class mail were not returned to the Department by the United States Postal Service.

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

4 B. Record Presented. The record presented to the Director's designee for her review and
5 for entry of a final decision included the Statement of Charges, cover letter dated July 29, 2008, Notice of
6 Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing,
7 with documentation of service.

8 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the
9 Director's designee hereby adopts the Statement of Charges, which is attached hereto.
10

11 II. FINAL ORDER

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

14 A. IT IS HEREBY ORDERED, That:

- 15 1. Respondent Steven Eugene Ling's application for a loan originator license is denied;
16 and
- 17 2. Respondent Steven Eugene Ling is banned from participation in the conduct of the
18 affairs of any mortgage broker subject to licensure by the Director, in any manner,
19 through November 21, 2014.

20 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
21 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
22 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150
23 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
24 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
25

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
2 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

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

15
16 DATED this 25th day of September, 2008.

17
18 STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

19
20 [REDACTED]
21 DEBORAH BORTNER
DIRECTOR
DIVISION OF CONSUMER SERVICES



1
2
3
4
5
6
7
8

**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:

STEVEN EUGENE LING,

Respondent.

NO. C-08-038-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO DENY LICENSE
APPLICATION AND PROHIBIT FROM
INDUSTRY

9
10
11
12
13
14
15
16
17

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:

18
19
20
21
22
23
24
25

I. FACTUAL ALLEGATIONS

1.1 Respondent Steven Eugene Ling (Respondent Ling) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under StepOne Mortgage, LLC, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about November 21, 2007. The Department received a Form MU4 from Respondent Ling on or about November 28, 2007.

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

1 **1.2 Prior Criminal Acts.**

2 A. On or about March 16, 2000, Respondent Ling was charged with [REDACTED]
3 [REDACTED] pursuant to RCW 9A.56.060, a felony, in the Municipal Court of the City of Renton,
4 Washington, Case No. CR 019596. On or about March 16, 2000, Respondent Ling pleaded guilty to
5 [REDACTED] pursuant to RCW 9A.56.060, in Case No. CR 019596. On or
6 about January 23, 2002, Respondent Ling was found guilty of [REDACTED]
7 pursuant to RCW 9A.56.060, in Case No. CR 019596.

8
9 B. On or about June 14, 1996, Respondent Ling was charged with [REDACTED]
10 [REDACTED] pursuant to RCW 9A.56.060(1)(4), a felony, in the Superior Court of Washington
11 for King County, Case No. 96-1-04230-3 KNT. On or about September 5, 1996, an Amended
12 Information document was entered charging Respondent Ling with [REDACTED]
13 [REDACTED] pursuant to RCW 9A.56.060(1) and RCW 9A.28.020, a gross misdemeanor, to
14 which Respondent Ling pleaded guilty, in the Superior Court of Washington for King County, Case
15 No. 96-1-04230-3. On or about October 4, 1996, Respondent Ling was found guilty of [REDACTED]
16 [REDACTED] pursuant to RCW 9A.56.060 and RCW 9A.28.020, in
17 Case No. 96-1-04230-3.

18
19 **1.3 Responses to Application Questions.** The "Criminal Disclosure" section of the loan
20 originator license application consists of eight questions, and includes the following instruction:

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

23 Respondent Ling answered "no" to the following questions on the "Criminal Disclosure" section of his
24 loan originator license application:
25

- 1 • 1-Have you ever been convicted or plead guilty or nolo contendere (“no contest”) in
- 2 a domestic, foreign, or military court to any felony?
- 3 • 2-Have you ever been charged with any felony?
- 4 • 5 - Have you ever been convicted of or plead guilty or nolo contendere (“no
- 5 contest”) in a domestic, foreign, or military court to [a] misdemeanor involving:
- 6 financial services or a financial services-related business or any fraud, false
- 7 statements or omissions, theft or any wrongful taking of property, bribery, perjury,
- 8 forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?
- 9 If Yes, when and where?
- 10 • 6 - Have you ever been charged with a misdemeanor specified in 5?
- 11

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

15 II. GROUNDS FOR ENTRY OF ORDER

16 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section
17 I above, Respondent Ling fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-
18 660-350(2)(c) by having been convicted of a gross misdemeanor involving dishonesty or financial
19 misconduct or a felony within seven years of the filing of the present application.

20 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,
21 Respondent Ling is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for
22 negligently making any false statement or willfully making any omission of material fact in
23 connection with any application or any information filed by a licensee in connection with any
24 application, examination or investigation conducted by the Department.
25

1 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual
2 Allegations set forth in Section I above, Respondent Ling fails to meet the requirements of RCW
3 19.146.310(1)(g) and WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness
4 such as to command the confidence of the community and to warrant a belief that the business will be
5 operated honestly and fairly 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
8 19.146.220(1), the Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2)
9 and WAC 208-660-350(7), the Director shall not issue a loan originator license if the conditions of
10 RCW 19.146.310(1) have not been met by the applicant, and shall notify the loan originator applicant
11 and any mortgage brokers listed on the application of the denial.

12 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may
13 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
14 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
15 mortgage broker or any person subject to licensing under the Act for any violation of RCW
16 19.146.0201(1) through (9).

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

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

- 22 **4.1** Respondent Steven Eugene Ling's application for a loan originator license be denied; and
23 **4.2** Respondent Steven Eugene Ling be prohibited from participation in the conduct of the affairs
24 of any mortgage broker subject to licensure by the Director, in any manner, through
25 November 21, 2014.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges (Statement of Charges) and Notice of Intention to Enter an Order to
3 Deny License Application and Prohibit from Industry 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
5 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a
6 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
7 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.
8

9 Dated this 28th day of July, 2008.

10 [Redacted Signature]

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

14 Presented by:

15 [Redacted Signature]

16
17 WILMA M. NEPSUND
18 Financial Examiner



19 Approved by:

20 [Redacted Signature]

21
22 FATIMA BATIE
23 Financial Legal Examiner Supervisor
24
25