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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-08-378-09-FO01

BRYANT CHI-KEN LUKE,

FINAL ORDER

Respondent.

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 4, 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, Prohibit from Industry, Impose Fine, and Collect Investigation 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 a cover letter dated December 5, 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 December 5, 2008, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on December 5, 2008, by First Class mail and Federal Express overnight delivery. A representative from the Department spoke with the Respondent by telephone on December 5, 2008, and confirmed the accuracy of the address to which the documents were served. On December 15, 2008, the documents sent via Federal Express overnight delivery

1 were delivered and signed for by the Respondent. The documents sent via first class mail on December 5,  
2 2008, were not returned to the Department by the United States Postal Service as undeliverable.

3 On January 12, 2009, the Department received Respondent's Application for Adjudicative Hearing.  
4 Respondent's Application for Adjudicative Hearing bears the date of January 5, 2009, but the postmark on the  
5 envelope in which the Application arrived at the Department bears the date January 10, 2009. Respondent  
6 failed to request an adjudicative hearing within twenty calendar days after the Department served him with the  
7 Notice of Opportunity to Defend and Opportunity for Hearing, as required by WAC 208-08-050(2).

8 B. Record Presented. The record presented to the Director's designee for her review and for entry of  
9 a final decision included the Statement of Charges, cover letter dated December 5, 2008, Notice of Opportunity to  
10 Defend and Opportunity for Hearing, blank Application for Adjudicative Hearing, with documentation of service,  
11 Respondent's untimely Application for Adjudicative Hearing received by the Department on January 12, 2009,  
12 and the envelope in which Respondent's Application arrived at the Department.

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

## 15 II. FINAL ORDER

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

18 A. IT IS HEREBY ORDERED, that:

- 19 1. Respondent Bryant Chi-Ken Luke's application for a loan originator license is denied; and
- 20 2. Respondent Bryant Chi-Ken Luke is banned from participation in the conduct of the affairs of  
21 any mortgage broker subject to licensure by the Director, in any manner, for a period of five  
22 years following the entry of this Order; and
- 23 3. Respondent Bryant Chi-Ken Luke shall pay a fine in the amount of \$5,000; and
- 24 4. Respondent Bryant Chi-Ken Luke shall pay an investigation fee in the amount of \$288.

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

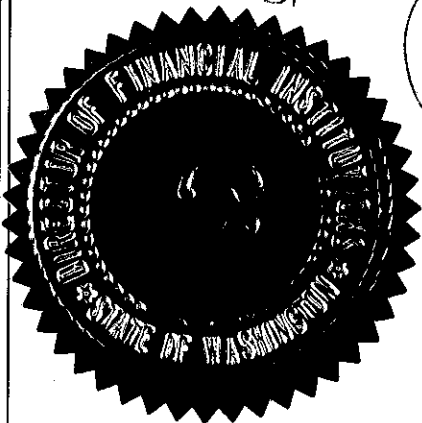
7 A timely Petition for Reconsideration is deemed denied if, within twenty days from the date the petition is  
8 filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the  
9 date by which it will act on a petition.

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

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

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

18 DATED this 23<sup>rd</sup> day of January, 2009.



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20 STATE OF WASHINGTON  
21 DEPARTMENT OF FINANCIAL INSTITUTIONS

22   
23 DEBORAH BORTNER  
24 DIRECTOR  
25 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:

BRYANT CHI-KEN LUKE,  
  
Respondent.

NO. C-08-378-08-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO DENY LICENSE  
APPLICATION, PROHIBIT FROM  
INDUSTRY, IMPOSE FINE, 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)<sup>1</sup>. After having conducted an investigation pursuant to RCW 19.146.235 and 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 Bryant Chi-Ken Luke (Respondent)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Hometown Lending, Inc., a mortgage broker licensed under the Act. The application was received by the Department on or about December 9, 2006, and Respondent's license was issued on or about July 12, 2007, retroactive to January 1, 2007. In about February 2007, Respondent transferred to

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

1 Nationwide Home Lending, LLC (Nationwide), a mortgage broker licensed under the Act.<sup>2</sup>  
2 Respondent failed to renew his loan originator license before December 31, 2007, and it was cancelled  
3 effective that date.<sup>3</sup> On or about April 9, 2008, Respondent submitted an application to the Department  
4 for a loan originator license under Nationwide, but it was rejected due to inaccuracies. Respondent  
5 resubmitted his application on or about April 14, 2008, again under Nationwide. On or about July 7,  
6 2008, Respondent filed an application to establish an additional relationship with GD Mortgage, Inc., a  
7 mortgage broker licensed under the Act. On or about October 20, 2008, mortgage broker Nationwide  
8 surrendered its license. To date, the Department has not re-issued a loan originator license to  
9 Respondent.  
10

11 **1.2 Prohibited Acts.** On or about March 3, 2008, a real estate agent for Coldwell Banker Bain  
12 received a purchase offer for a residence in Clyde Hill, Washington, from a real estate agent for John  
13 L. Scott. The offer was accompanied by a "Loan Pre-Approval" letter bearing a computer generated  
14 signature for "Bryant Luke" and identifying Luke as a "Mortgage Banker." The Pre-Approval letter  
15 was on letterhead for licensed mortgage broker Nationwide Home Lending, Inc. On or about March 4,  
16 2008, the real estate agent for Coldwell Banker Bain telephoned Respondent Luke and asked for a  
17 copy of his license. On or about March 5, 2008, Respondent faxed a mortgage broker license to the  
18 real estate agent for Coldwell Banker Bain. The license Respondent faxed to the real estate agent was  
19 a copy of the mortgage broker license for Nationwide Home Lending, LLC, but the license had been  
20 altered to change the name of the Designated Broker from Alla Sobol to Bryant Luke. Additionally,  
21 the license had been altered to replace the true license number for Nationwide, 510-MB-30749, to  
22

23  
24  
25 <sup>2</sup> It does not appear that Respondent filed a MU4 notifying the Department of this transfer. The date of the transfer was  
obtained from a subsequent application the Respondent filed in April 2008.

<sup>3</sup> Respondent also failed to renew his license on or before the February 15, 2008, deadline.

1 510-MB-32631; the last five digits of which were Respondent's cancelled loan originator license  
2 number.

3 **1.3 Unlicensed Activity.** As indicated above, on or about March 3, 2008, Respondent provided a  
4 "Loan Pre-Approval" letter to a real estate agent for John L. Scott for the purpose of supporting a  
5 purchase offer for a residence in Clyde Hill, Washington. The letter identifies the Respondent as a  
6 "Mortgage Banker." On or about October 10, 2008, Respondent provided another "Loan Pre-  
7 Approval" to the same real estate agent for the purpose of supporting another purchase offer on the  
8 same residence by the same buyer. The residence was intended to be the buyer's primary residence.

9 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the  
10 Act by Respondent continues to date.  
11

## 12 **II. GROUNDS FOR ENTRY OF ORDER**

13 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,  
14 Respondent is in apparent violation of RCW 19.146.0201(1) and (2) and WAC 208-660-500(3)(a) and  
15 (b) for directly or indirectly employing any scheme, device, or artifice to mislead any person and by  
16 engaging in any unfair or deceptive practice.

17 **2.2 Requirement to Obtain a Loan Originator License.** Based on the Factual Allegations set  
18 forth in Section I above, Respondent is in apparent violation of RCW 19.146.200(1) and WAC 208-  
19 660-350(3) for engaging in the business of a mortgage broker or loan originator without first obtaining  
20 a license under the Act..  
21

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

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

### 3 III. AUTHORITY TO IMPOSE SANCTIONS

4 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW  
5 19.146.220(1) and (2), the Director may deny a license to a loan originator for any violation of the  
6 Acts. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the Director shall not issue a loan  
7 originator license if the conditions of RCW 19.146.310(1) have not been met by the applicant, and  
8 shall notify the loan originator applicant and any mortgage brokers listed on the application of the  
9 denial.  
10

11 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may  
12 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a  
13 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed  
14 mortgage broker or any person subject to licensing under the Act for any violation of RCW  
15 19.146.0201(1) through (9) or RCW 19.146.200.

16 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(3)(a), the Director may impose fines  
17 on a licensee, employee or loan originator of the licensee, or other person subject to the Act for any  
18 violations of RCW 19.146.0201(1) through (9) or RCW 19.146.200.

19 **3.4 Authority to Collect Costs of Investigation.** Pursuant to RCW 19.146.228(2) and WAC 208-  
20 660-550(5), the Department may collect the costs of an investigation. The investigation charge will be  
21 calculated at the rate of \$48 per hour that each staff person devoted to the investigation.  
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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  
3 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
4 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW  
5 19.146.223, and RCW 19.146.310. Therefore, it is the Director's intention to ORDER that:

- 6 **4.1** Respondent Bryant Chi-Ken Luke's application for a loan originator license be denied; and  
7  
8 **4.2** Respondent Bryant Chi-Ken Luke be prohibited from participation in the conduct of the affairs  
9 of any mortgage broker subject to licensure by the Director, in any manner, for a period of five  
10 years; and  
11 **4.3** Respondent Bryant Chi-Ken Luke pay a fine which as of the date of these charges totals  
12 \$5,000; and  
13 **4.4** Respondent Bryant Chi-Ken Luke pay costs of investigation which as of the date of these  
14 charges totals \$288, calculated at \$48 per hour for six staff hours devoted to the investigation.

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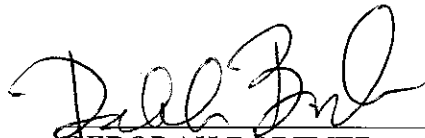


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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application, Prohibit from Industry, Impose Fine, and Collect Investigation Fee (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 4<sup>th</sup> day of December, 2008.

  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
STEVEN C. SHERMAN  
Financial Legal Examiner

Approved by:

  
JAMES R. BRUSSELBACK  
Enforcement Chief

