



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

ComUnity Lending Incorporated,

Respondent.

NO. C-09-111-09-FO01

FINAL ORDER (Default)

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 May 19, 2009, 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, Impose Fine, Order Restitution, Collect Annual Assessment, Collect Late Penalties, Collect Examination Fees, and Collect Investigation Fees (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 May 21, 2009, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for ComUnity Lending Incorporated (herein ComUnity). The Department served the Statement of Charges, cover letter dated May 21, 2009, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing for ComUnity on Respondent and on Respondent's attorney, Barry Milgrom, on May 21, 2009, by First-Class mail and Federal Express overnight delivery. The documents sent by First-Class

1 mail were not returned by the postal service as undeliverable. On May 21, 2009, the documents sent
2 via Federal Express overnight delivery were delivered.

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

6 B. Record Presented. The record presented to the Director's designee for her review and for
7 entry of a final decision included the Statement of Charges, cover letter dated May 21, 2009, Notice of
8 Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing for
9 ComUnity Lending Incorporated, with documentation of service.

10 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the Director's
11 designee hereby adopts the Statement of Charges, which is attached hereto.
12

13 II. FINAL ORDER

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

17 A. IT IS HEREBY ORDERED, That:

- 18 1. Respondent ComUnity Lending Incorporated's license to conduct the business of a
19 Consumer Lender is revoked;
- 20 2. Respondent ComUnity Lending Incorporated is banned from participation in the
21 conduct of the affairs of any consumer lender subject to licensure by the Director, in
22 any manner, for a period of 5 years;
- 23 3. Respondent ComUnity Lending Incorporated pay a fine of \$73,000;
- 24 4. Respondent ComUnity Lending Incorporated pay \$111,604.73 in restitution to
25 persons injured by Respondent ComUnity Lending Incorporated's violations of the
Act;

- 1 5. Respondent ComUnity Lending Incorporated provide to the Director completed
2 Consolidated Annual Reports and Annual Assessment Worksheets for the year ended
3 December 31, 2007;
- 4 6. Respondent ComUnity Lending Incorporated pay the delinquent Annual Assessments
5 due for the year ended December 31, 2007, as calculated in accordance with the
6 instructions for the Annual Assessment Worksheets for the same year;
- 7 7. Respondent ComUnity Lending Incorporated pay a late penalty of \$36,500;
- 8 8. Respondent ComUnity Lending Incorporated pay an examination fee of \$19,122.75
9 (plus accruing interest);
- 10 9. Respondent ComUnity Lending Incorporated pay an investigation fee of \$1,587.23;
11 and
- 12 10. Respondent ComUnity Lending Incorporated maintain records in compliance with
13 the Act and provide the Director with the location of the books, records and other
14 information relating to Respondent ComUnity's consumer loan company business,
15 and the name, address and telephone number of the individual responsible for
16 maintenance of such records in compliance with the Act.

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

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

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

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

7 E. Non-compliance with Order. If you do not comply with the terms of this order, the
8 Department may seek its enforcement by the Office of Attorney General to include the collection of the
9 fines, fees and restitution imposed herein.

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

13
14 DATED this 23rd day of June, 2009.

15 STATE OF WASHINGTON
16 DEPARTMENT OF FINANCIAL INSTITUTIONS



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18 
19 DEBORAH BORTNER
20 DIRECTOR
21 DIVISION OF CONSUMER SERVICES

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

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IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

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ComUnity Lending Incorporated,

Respondent.

NO. C-09-111-09-SC01

STATEMENT OF CHARGES and NOTICE OF INTENTION
TO ENTER AN ORDER TO REVOKE LICENSE, PROHIBIT
FROM INDUSTRY, IMPOSE FINE, ORDER RESTITUTION,
COLLECT ANNUAL ASSESSMENT, COLLECT LATE
PENALTIES, COLLECT EXAMINATION FEES, AND
COLLECT INVESTIGATION FEES

24

INTRODUCTION

25
Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the
Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, 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 ComUnity Lending Incorporated (Respondent ComUnity) was licensed by the
Department of Financial Institutions of the State of Washington (Department) to conduct business as a Consumer
Loan Company on July 31, 1996, and has continued to be licensed to date.

1.2 Licensed Location: Respondent ComUnity is licensed to conduct the business of a Consumer Lender at
610 Jarvis Dr. Suite 200 Morgan Hill, California 95037.

1.3 Surety Bond. The Hartford Fire Insurance Company notified the Department on October 5, 2007, that
Respondent ComUnity's surety bond would be cancelled effective December 12, 2007. To date, Respondent
ComUnity has not provided a reinstatement of the cancelled surety bond, or a replacement surety bond or
approved alternative.

1 **1.4 Closure Forms.** As a result of the bond cancellation notice outlined in paragraph 1.3, on November 28,
2 2007, the Department sent Respondent ComUnity a Consumer Loan Office Closure/License Surrender Form. The
3 form is required to be filled-out by licensees when they cease conducting business in the State of Washington. On
4 January 18, 2008, in response to the Department's letter, an employee of Respondent ComUnity emailed the
5 Department informing it that Respondent ComUnity had,

6 "ceased operations in November of 2007 and filed for Bankruptcy protection on January 10th,
7 2008. The corporation is not contacting¹ any lending activity in any state and is in the process
8 of winding down operations."

9 Respondent ComUnity has failed to submit the proper closure forms to the Department.

10 **1.5 Records Location:** Respondent ComUnity has not received approval from the Department to maintain
11 the records relating to its Consumer Loan license at any location outside the State of Washington

12 **1.6 Annual Report:** An annual report is due to the Department within 30 days of ceasing operations
13 concerning the business and operations of each licensed place of business conducted during the preceding
14 calendar year. The annual report must be made under oath and must be in the form prescribed by the Director. To
15 date, Respondent ComUnity has not provided the annual report relating to calendar year 2007.

16 **1.7 Annual Assessment:** A calculation worksheet and an annual assessment fee are due to the Department
17 within 30 days of ceasing operations, relating to the previous calendar year. To date, Respondent ComUnity has
18 not provided the calculation worksheets or paid the annual assessment fee for calendar year 2007.

19 **1.8 Examination Findings.** On July 9, 2007, the Department conducted an examination of the records of
20 Respondent ComUnity. The Department's examination covered a time frame from March 1, 2001, through
21 February 28, 2007, and included the review of 88 loan files that were taken from a random sample of customer
22 files that were representative of Respondent ComUnity's portfolio. As a result of the examination, the
23 Department discovered violations of the Act as outlined below.

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¹ It is believed the author of the email intended to state "conducting" rather than "contacting."

A. Loan Origination Fees on Junior Liens. Respondent ComUnity charged the following borrowers loan fees on junior loans that exceeded the limit, or were not allowed, pursuant to the Act.

Name	Loan #	Fee Not Authorized Under the Act	Amount Charged and to be Refunded
M.Z.	1000108667	Underwriting Fee	\$ 250.00
S.K.	1000094810	Underwriting Fee	460.00
S.A.	1000098282	Document Preparation Fee	460.00
S.A.	1000098282	Lender Processing Fee	300.00
S.H.	1000117824	Underwriting Fee	350.00
J.A.	1000096167	Document Preparation Fee	460.00
P.B.	1000106576	Underwriting Fee Wire Transfer Fee	150.00 37.00
E.B.	1000090121	Underwriting Fee	250.00
S.K.	1000094810	Discount Fee	2,306.25

Name	Loan #	Loan Origination Fee and Discount Fee	Max Fees Allowed (4% of Loan)	Refund Due
D.B.	1000081611	\$3,393.84	\$2,003.12	\$1,390.72

Total \$6, 413.97

B Undisclosed Fees. Respondent ComUnity did not disclose or charged higher fees on the HUD1 settlement statement than were disclosed on the most recent Good Faith Estimate (GFE) to the following borrowers:

Name	Loan Number	Type of Fee	Most Recent GFE Fee	Final HUD-1 Fee	Refund
T.A.	1000076123	Origination Fee	\$ 5,880.00	\$ 6,300.00	\$420.00
T.A.	1000076123	Preparation Document Fee	Not Disclosed	150.00	150.00
L.S.	1007063	Broker Fee	7,875.00	10,402.50	2,527.50

Total \$3,097.50

C. Broker Fees. Respondent ComUnity charged, or allowed a third-party broker to charge, discount fees to the following borrowers when it brokered the loans and was not the lender on the loans.

Borrower	Loan Number	Broker Discount Fee	Refund
J.A.	1006747	\$ 2,500.00	\$ 2,500.00
A.M.	1010207	5,750.00	5,750.00
C.C.	1009140	15,900.00	15,900.00

C.L.	1006938	1434.00	1,434.00
P.B.	1000103423**	719.62	719.62
D.B.	1000078301**	405.00	405.00

** Third-party brokered loans

Total \$26,708.62

D. Disclosures. Respondent ComUnity failed to provide timely disclosures of the GFE and Truth in Lending Statement (TIL) to within the 3 days allowed under the Act to the following borrowers.

Name	Loan Number	Issues Noted
T.E.	1000131733	GFE and TIL disclosures were not provided within the 3 days allowed
T.E.	1000131738	GFE and TIL disclosures were not provided within the 3 days allowed
S.J.	1009966	GFE disclosure was not provided within the 3 days allowed

E. Failing to Disclose the Yield Spread Premium on the GFE. Respondent ComUnity did not disclose, on brokered loans, the Yield Spread Premium (YSP) to the following borrowers.

Name	Loan Number	YSP not Disclosed	Refund
J.A.	1006747	\$ 2,560.00	\$ 2,560.00
D.F.	1005938	1,440.00	1,440.00
B.C.	1008154	2,500.00	2,500.00
A.M.	1010207	9,343.75	9,343.75
C.C.	1009140	7,400.00	7,400.00
J.C.	10007269	2,041.00	2,041.00
K.D.	1005468	1,600.00	1,600.00
K.E.	1008749	2,707.50	2,707.50
J.E.	1007782	700.00	700.00
E.G.	1008786	750.00	750.00
M.R.	1006112	1,030.00	1,030.00
D.M.	1006671	11,084.80	11,084.80
V.N.	1005675	5,384.84	5,384.84
M.P.	1005030	2,674.00	2,674.00
M.P.	1005717	2,300.00	2,300.00
L.S.	1007063	1,733.00	1,733.00
D.S.	1007439	2,608.00	2608.00
S.S.	1004663	889.00	889.00
L.T.	1009153	13,424.00	13,424.00
L.W.	1008963	3,214.75	3,214.75

Total \$75,384.64

1 **F. Loan Servicing Disclosures.** Respondent ComUnity did not provide the following borrowers
2 with loan servicing disclosure statements within 3 days of receiving a loan application.

Name	Loan Number
M.Z.	1000108664
T.E.	1000131733
M.B.	1000083165
J.M.	1010134
V.N.	1005675

6
7 **G. Initial Variable Rate Mortgage Disclosures.** Respondent community did not provide proof to
8 the Department, during the examination, that the following borrowers were provided an initial variable rate
9 mortgage disclosure within 3 days of receipt of a loan application.

Name	Loan Number	Issue Noted
D.Y.	1000083871	Disclosure was not provided within the 3 days allowed
M.Z.	1000108664	Disclosure was not provided within the 3 days allowed
Q.C.	1000081330	Disclosure was not provided within the 3 days allowed
J.A.	1005747	Disclosure was not provided within the 3 days allowed
B.C.	1008154	Disclosure was not provided within the 3 days allowed
C.C.	1009140	Disclosure was not provided within the 3 days allowed
J.C.	10007269	Disclosure was not provided within the 3 days allowed
K.E.	1008749	Disclosure was not provided within the 3 days allowed
M.R.	1006112	Disclosure was not provided within the 3 days allowed
J.M.	1010134	Disclosure was not provided within the 3 days allowed
T.V.	1010009	Disclosure was not provided within the 3 days allowed
E.B.	1000090115	Disclosure was not dated; compliance could not be confirmed

17
18 **H. Initial Home Equity Line of Credit Disclosures.** Respondent ComUnity did not provide initial
19 Home Equity Line of Credit (HELOC) disclosures to the following borrowers.

Name	Loan number
C.G.	1004616
E.G.	1008786
J.K.	1010304

1 **I. Unlicensed Mortgage Brokers.** Respondent ComUnity originated 2 loans through a loan
2 originator who was not properly licensed with the Department when the mortgage applications were accepted by
3 Respondent ComUnity.

4 **J. Unlicensed Escrow Agents.** Respondent ComUnity used an unlicensed settlement service
5 provider to process funds from escrow on at least one loan.

6
7 **1.9 Examination Fee:** As a result of the examination conducted in paragraph 1.8, an invoice for the
8 expenses related to the examination was mailed to Respondent ComUnity on or around September 4, 2007. To
9 date, Respondent ComUnity has not paid the Department \$19,122.75, for the cost of the examination, plus
10 accrued interest. The Department has filed a claim against Respondent ComUnity's bond, but the claim has yet
11 to be satisfied.

12 **1.10 Issuance of Demand.** After completion of the examination outlined in paragraph 1.8, the Department
13 sent Respondent ComUnity a copy of the Report of Examination with a letter requesting a response to the
14 examination findings be provided to the Department by October 4, 2007. On October 3, 2007, the Department
15 received a letter from Respondent ComUnity requesting a 90-day extension to provide a response to the
16 examination findings. The Department responded by letter on October 9, 2007, and agreed to an extension to
17 October 18, 2007. To date, Respondent ComUnity has not provided the Department with a response to the
18 examination findings as required by the Department.

19 **1.11 Failing to Report Significant Developments to the Department.** Respondent ComUnity did not
20 notify the Department within 20 days of ceasing operations in the State of Washington. Respondent ComUnity
21 did not notify the Department it had filed for Chapter 11 bankruptcy within 10 days of doing so. Respondent
22 ComUnity filed for bankruptcy on January 4, 2008, but didn't notify the Department until January 18, 2008.
23 Respondent ComUnity did not notify the Department its Chapter 11 bankruptcy was converted to a Chapter 7
24 bankruptcy within 10 days of the conversion and Respondent ComUnity has not delivered the annual report and
25 worksheet for the year 2007 within 60 days of filing the Chapter 7 bankruptcy.

1 **1.12 On-Going Investigation:** The Department's investigation into the alleged violations of the Act by
2 Respondent continues to date.

3 **II. GROUNDS FOR ENTRY OF ORDER**

4 **2.1 Requirement to Maintain Surety Bond:** Based on the Factual Allegations set forth in Section I above,
5 Respondent is in apparent violation of RCW 31.04.045(3) and WAC 208-620-320 for failing to file and maintain
6 a surety bond or approved alternative with the Director.

7 **2.2 Requirement to File Closure Forms.** Based on the Factual Allegations set forth in Section I above,
8 Respondent is apparent violation of WAC 208-620-475 for failing to notify the Department it had ceased doing
9 business in the State of Washington and for not filing the Consumer Loan Closure Form.

10 **2.3 Requirement to File Annual Report:** Based on the Factual Allegations set forth in Section I above,
11 Respondent is in apparent violation of RCW 31.04.155 and WAC 208-620-220(1) for failing to provide an
12 annual report to the Director, under oath and in the form prescribed by the Director, on or before the first day of
13 March, concerning the business and operations of each licensed place of business conducted during the
14 preceding calendar year.

15 **2.4 Requirement to Calculate and Pay Annual Assessment:** Based on the Factual Allegations set forth in
16 Section I above, Respondent is in apparent violation of RCW 31.04.085, WAC 208-620-190(3) and WAC 208-
17 620-220(1) for failing to provide to the Director a completed annual assessment calculation worksheet and
18 failing to pay to the Director an annual assessment fee on or before the first day of March, relating to the
19 previous calendar year.

20 **2.5 Disclosures.** Based upon the Factual Allegations set forth in Section I above, Respondent is in apparent
21 violation of RCW 31.04.027(6), RCW 31.04.102 (2), (3), and WAC 208-620-510 for failure to provide GFE and
22 TIL disclosures within three business days of receiving a loan application, for failure to disclose APR and
23 prepayment penalties, and for failing to properly disclose YSP fees.

24 **2.6 Fees.** Based upon the Factual Allegations set forth in Section I above, Respondent is in apparent
25 violation of RCW 31.04.105(2) for charging origination fees exceeding four percent of the first twenty thousand

1 dollars loaned and two percent thereafter of the principal amount of the loan and for charging fees not allowed by
2 the Act.

3 **2.7 Deceptive and Unfair Practices.** Based Upon the Factual Allegations set forth in Section I above, the
4 Respondent is in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging in any unfair or
5 deceptive practice toward any person.

6 **2.8 Fraudulent Activity.** Based upon the Factual Allegations set forth in Section I above, the Respondent is
7 in apparent violation of RCW 31.04.027(1) for directly or indirectly employing any scheme or device, or artifice
8 to defraud or mislead any borrower, to defraud or mislead any lender, or to defraud or mislead any person.

9 **2.9 Prohibited Practices.** Based upon the Factual Allegations set forth in Section I above, Respondent is in
10 apparent violation of RCW 31.04.027(10) for failing to comply with any requirement of the Truth in Lending
11 Act, 15 U.S.C. Sec. 1601 and Regulation Z, 12 C.F.R. Sec. 226, the Real Estate Settlement Procedures Act, 12
12 U.S.C. Sec. 2601 and Regulation X, 24 C.F.R. Sec. 3500, or the Equal Credit Opportunity Act, 15 U.S.C. Sec.
13 1691 and Regulation B, 12 C.F.R. Sec. 202.9, or any other applicable federal statute.

14 **2.10 Requirement to Report Significant Developments.** Based upon the Factual Allegations set forth in
15 Section I above, Respondent is in apparent violation of WAC 208-620-475 and 480 for failing to notify the
16 Department within 20 days that it had ceased operations in the State of Washington and failing to notify the
17 Department within 10 days that it had filed for bankruptcy in the State of California.

18 **2.11 Requirement to Comply with Directive.** Based upon the Factual Allegations set forth in Section I
19 above, Respondent is in apparent violation of RCW 31.04.145, for not complying with a directive issued by the
20 Department.

21 **III. AUTHORITY TO IMPOSE SANCTIONS**

22 **3.1 Authority to Revoke License:** Pursuant to RCW 31.04.093(3)(a) and (b), the Director may revoke a
23 license if a licensee fails to pay any fee due the state of Washington, fails to maintain in effect the required bond
24 or permitted substitute, or fails to comply with any specific order or demand of the Director, or violates any
25 provision of the Act or any rule adopted under the Act.

1 **3.2 Authority to Prohibit from the Industry:** Pursuant to RCW 31.04.093(6)(d) and (e), the Director may
2 issue an order removing from office or prohibiting from participation in the affairs of any licensee, or both, any
3 officer, principal, employee, or loan originator, or any person subject to the Act, for failure to comply with any
4 order or subpoena issued under the Act, or for a violation of RCW 31.04.027.

5 **3.3 Authority to Impose Fine:** Pursuant to RCW 31.04.093(4)(a), the Director may impose fines of up to one
6 hundred dollars per day upon the licensee for any violation of the Act.

7 **3.4 Authority to Issue Orders to Pay Restitution.** Pursuant to RCW 31.04.093(5)(c), the Director may
8 issue an order directing a licensee, its employee, or any other person, subject to the Act to make restitution to a
9 borrower or other person who is damaged as a result of a violation of the Act.

10 **3.5 Authority to Collect Annual Assessment.** Pursuant to RCW 31.04.085, WAC 208-620-430(1) and
11 WAC 208-620-440, a licensee shall pay to the director an annual assessment

12 **3.1 Authority to Impose Late Penalties:** Pursuant to RCW 31.04.155 and WAC 208-620-220(2), a
13 licensee that fails to file a report required to be filed by the Act within the time required is subject to a penalty of
14 fifty dollars per day for each day's delay.

15 **3.2 Authority to Charge Examination and Investigation Fees:** Pursuant to RCW 31.04.145(3) and WAC
16 208-620-590, every licensee examined or investigated by the Director or the Director's designee shall pay for the
17 cost of the examination or investigation, calculated at the rate of \$69.01 per staff hour devoted to the
18 examination or investigation, and shall pay travel costs if the licensee maintains its records outside the state.

19 **3.3 Authority to Issue Orders Directing Action:** Pursuant to RCW 31.04.093(5)(b), the Director may issue
20 an order directing a licensee to take such affirmative action as is necessary to comply with the Act.

21 IV. NOTICE OF INTENTION TO ENTER ORDER

22 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set forth in
23 the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under
24 RCW 31.04.093, RCW 31.04.165 and RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

- 1 4.1 Respondent ComUnity Lending Incorporated's license to conduct the business of a Consumer Loan Company be revoked;
- 2 4.2 Respondent ComUnity Lending Incorporated be prohibited from participation in the conduct of the
- 3 affairs of any licensed consumer loan company, in any manner, for a period of five (5) years;
- 4 4.3 Respondent ComUnity Lending Incorporated pay a fine which as of the date of these charges totals
- 5 \$73,000;
- 6 4.4 Respondent ComUnity Lending Incorporated pay restitution to the persons injured by Respondent's
- 7 violations of the Act, in an amount which as of the date of these charges totals \$111,604.73;
- 8 4.5 Respondent ComUnity Lending Incorporated provide to the Director completed Consolidated Annual
- 9 Reports and Annual Assessment Worksheets;
- 10 4.6 Respondent ComUnity Lending Incorporated pay the delinquent Annual Assessments due for the years
- 11 ended December 31, 2007, as calculated in accordance with the instructions for the Annual Assessment
- 12 Worksheets for the same year;
- 13 4.7 Respondent ComUnity Lending Incorporated pay a late penalty which, at the time of this document,
- 14 totals \$36,500 calculated at \$50 per day for each report since they were due.
- 15 4.8 Respondent ComUnity Lending Incorporated pay an examination fee in the amount of \$19,122.75
- 16 calculated at \$69 per hour for 190 staff hours devoted to the examination (plus interest and travel
- 17 expenses);
- 18 4.9 Respondent ComUnity Lending Incorporated pay an investigation fee which, at the time of this
- 19 document, totals \$1,587.23 calculated at \$69.01 per hour for 23 staff hours devoted to the investigation;
- 20 and
- 21 4.10 Respondent ComUnity Lending Incorporated maintain records in compliance with the Act and provide
- 22 the Director with the location of the books, records and other information relating to Respondent
- 23 ComUnity's consumer loan company business, and the name, address and telephone number of the
- 24 individual responsible for maintenance of such records in compliance with the Act.

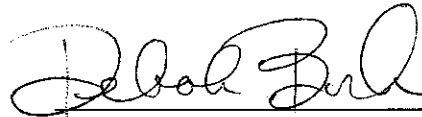
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IV. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, Order Restitution, Collect Annual Assessment, Collect Late Penalties, Collect Examination Fees, and Collect Investigation Fees is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202 and RCW 31.04.205, 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 and Notice of Intention to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, Order Restitution, Collect Annual Assessments, Late Penalties, Examination Fees and Investigation Fees.

Dated this 19th day of May, 2009.



DEBORAH BORTNER
Director Division of Consumer Services
Department of Financial Institutions


Presented by:



WILLIAM HALSTEAD
Financial Legal Examiner



Approved by:


JAMES R. BRUSSELBACK
Enforcement Chief