

ORDER SUMMARY – Case Number: C-11-0847

Name(s): Alicia Ellen Marie Hall

Order Number: C-11-0847-12-FO01

Effective Date: November 27, 2012

License Number: NMLS #57764
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: None

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: November 27, 2017

Investigation Costs	\$528	Due: 12/27/12	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$15,000	Due: 12/27/12	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$21,556.11	Due: 12/27/12	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Judgment	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
No. of Victims:		7		

Comments:



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

No. C-11-0847-12-FO01

Alicia E. M. Hall,
Unlicensed Loan Originator,
NMLS #57764,

FINAL DECISION & ORDER

Respondent.

I. DIRECTOR'S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington ("Director"), pursuant to RCW 34.05.464. On January 12, 2012, the Director, through his designee, Consumer Services Division Director Deborah Bortner, issued a Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry, Order Restitution, Impose Fine, and Collect Investigation Fee ("Statement of Charges") against ALICIA E. M. HALL ("Respondent"). 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 January 12, 2012, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, "accompanying documents"). On January 12, 2012, and January 23, 2012, the Department served Respondent with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery.

On February 15, 2012, Respondent filed an Application for Adjudicative Hearing. On May 1, 2012, the Department made a request to the Office of Administrative Hearings ("OAH") to assign an

1 Administrative Law Judge (“ALJ”) to schedule and conduct a hearing on the Statement of Charges.
2 On May 24, 2012, OAH issued a Notice of Conference scheduling a prehearing conference to be
3 heard by ALJ Steven C. Smith on Tuesday, June 19, 2012, at 1:00 P.M.

4 On June 19, 2012, at about 10:00 a.m. the Respondent contacted OAH and requested a
5 continuance because Respondent was in the hospital awaiting emergency surgery. The prehearing
6 conference was convened by ALJ Smith at 1:00 p.m., and continued to September 25, 2012 at 9:00
7 a.m. A Notice and Order of Postponement of Telephonic Prehearing Conference to September 25,
8 2012 at 9:00 AM (Notice) was issued by ALJ Smith and served on Respondent the same day at the
9 address provided on Respondent’s AAH. The Notice contained the following language: **“You must
10 participate in the conference. If you do not, a default may be entered. This means you lose the
11 opportunity to further challenge the agency action. RCW 34.05.440.”**

12 On September 25, 2012, at 9:00 a.m. ALJ Smith convened the prehearing conference.
13 Respondent failed to appear, and the Department moved for an order of default dismissing the
14 administrative appeal. On September 28, 2012, ALJ Smith issued an Initial Order of Default
15 dismissing Respondent’s administrative appeal and caused the Order to be served on Respondent via
16 First-Class mail.

17 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the
18 date of service of the Initial Order of Default to file a Petition for Review. Respondent did not file a
19 Petition for Review during the statutory period.

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

- 22 1. Statement of Charges, cover letter dated January 12, 2012, and Notice of
23 Opportunity to Defend and Opportunity for Hearing, with documentation of
service.
- 24 2. Applications for Adjudicative Hearing for Alicia E. M. Hall.

3. Request to OAH for Assignment of Administrative Law Judge.
4. Notice of Conference dated May 24, 2012, with documentation of service.
5. Notice and Order of Postponement of Telephonic Prehearing Conference to September 25, 2012 at 9:00 AM dated June 19, 2012, with documentation of service.
6. Initial Order of Default, dated September 28, 2012, with documentation of service.

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

II. FINAL DECISION & ORDER

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

A. IT IS HEREBY ORDERED, That:

1. Respondent, ALICIA E. M. HALL, is prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years.
2. Respondent, ALICIA E. M. HALL, shall pay a fine to the Washington State Department of Financial Institutions, in the amount of Fifteen Thousand Dollars (\$15,000.00).
3. Respondent, ALICIA E. M. HALL, shall pay restitution to seven (7) borrowers as identified and enumerated in the attached Restitution Schedule, in the total amount of Twenty-One Thousand Five Hundred Fifty-Six Dollars and Eleven Cents (\$21,556.11).
4. Respondent, ALICIA E. M. HALL, shall pay to Washington State Department of Financial Institutions an investigation fee of Five Hundred Twenty-Eight Dollars (\$528.00).
5. Respondent, ALICIA E.M. HALL, shall return all records subject to the Mortgage Broker Practices Act, Chapter 19.146 RCW, or Consumer Loan Act, Chapter 31.04 RCW, as applicable, to the licensed Mortgage Broker or Consumer Lender under whose license Respondent, ALICIA E.M. HALL, originated the records.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a

Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition

1 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
2 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
3 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
4 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
5 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

15 E. Non-compliance with Order. If you do not comply with the terms of this order, the
16 Department may seek its enforcement by the Office of the Attorney General to include the collection
17 of the fine, fee, and restitution imposed herein. The Department also may assign the amounts owed
18 to a collection agency for collection.

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

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1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:
5 ALICIA E. M. HALL,
Unlicensed Loan Originator,
6 Respondent(s).

No. C-11-0847-11-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO PROHIBIT FROM INDUSTRY,
ORDER RESTITUTION, IMPOSE FINE,
AND COLLECT INVESTIGATION FEE

7
8 **INTRODUCTION**

9 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of
10 Financial Institutions of the State of Washington (Director) is responsible for the administration of
11 chapter 19.146 RCW, the Mortgage Broker Practices (Act)¹. After having conducted an investigation
12 pursuant to RCW 19.146.235, and based upon the facts available as of date of this Statement of
13 Charges, the Director, through his designee, Division of Consumer Services Director Deborah
14 Bortner, institutes this proceeding and finds as follows:

15 **I. FACTUAL ALLEGATIONS**

16 **1.1 Respondent Alicia E. M. Hall (Respondent)** was licensed by the Department to conduct
17 business as a loan originator on or about May 5, 2008. Respondent Hall's loan originator license
18 expired and was cancelled effective December 31, 2008, when Respondent Hall did not renew the
19 license on or before February 28, 2009. On or about May 28, 2009, Respondent Hall re-applied for a
20 license to conduct business as a loan originator, but the application was incomplete and no license
21 was issued.
22

23
24 ¹ RCW 19.146 (1994) OR (2006) OR both
STATEMENT OF CHARGES
C-11-0847-11-SC01
Alicia E. M. Hall

1 **1.2 Misrepresentation of Borrower Information.** On or about January 10, 2008, borrower [REDACTED]
2 applied with Metropolitan Mortgage Group, Inc. (Metropolitan), a licensee under the Act, to
3 refinance a residence at [REDACTED]. On the same day, [REDACTED] applied with
4 Metropolitan to purchase a residence at [REDACTED]. Respondent was
5 employed as a loan originator for Metropolitan at the time and prepared the applications for both
6 loans. Respondent stated in each loan application that the residence would be [REDACTED]'s primary
7 residence, but on the purchase loan application Respondent stated that the residence at [REDACTED]
8 [REDACTED] would be a rental. Additionally, on the refinance application Respondent stated that the co-
9 borrower's gross monthly income was \$ [REDACTED] but on the purchase application Respondent stated
10 that the co-borrower's gross monthly income was [REDACTED]. The refinance loan subsequently closed with
11 Lehman Brothers Bank on or about February 15, 2008, and the purchase loan subsequently closed
12 with IndyMac Bank on or about March 31, 2008.

13 **1.3 Unlicensed Loan Originator Activity.**

14 A. At all times relevant to the residential mortgage loan transactions set forth in
15 paragraph 1.2, Respondent was not licensed by the Department to conduct business as a loan
16 originator.

17 B. Between at least March 18, 2009, and July 1, 2009, Respondent was employed as a
18 loan originator for 1st Rate Home Mortgage, Inc., a licensee under the Act. During that period of
19 time, Respondent assisted at least eight borrowers in obtaining residential mortgage loans. 1st Rate
20 collected at least \$22,052.11 in fees at the closing of these transactions, of which at least \$9,756.45
21 was paid to Respondent. Respondent's commissions on two of the loans, totaling \$6,883.82, were
22 withheld by 1st Rate.

1 **1.1 On-Going Investigation.** The Department’s investigation into the alleged violations of the
2 Act by Respondent continues to date.

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

4 **2.1 Definition of Loan Originator.** Pursuant to RCW 19.146.010(11) and WAC 208-660-006,
5 “Loan originator” means a natural person who for direct or indirect compensation or gain, or in the
6 expectation of direct or indirect compensation or gain, takes a residential mortgage loan application
7 for a mortgage broker, offers or negotiates terms of a mortgage loan, or holds themselves out to the
8 public as able to perform any of these activities.

9 **2.2 Prohibition against Misrepresentation of Borrower Information.** Based on the Factual
10 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(2)
11 and (3) for misrepresenting borrower’s occupancy and income information on a residential mortgage
12 loan application.

13 **2.3 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
14 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(2)
15 and (3), RCW 19.146.200(1), and WAC 208-660-155 for engaging in the business of a loan
16 originator without first obtaining and maintaining a license under the Act.

17 **III. AUTHORITY TO IMPOSE SANCTIONS**

18 **3.1 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
19 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker,
20 any employee or loan originator of any licensed mortgage broker or any person subject to licensing
21 under the Act for any violation of RCW 19.146.0201(1) through (9) or RCW 19.146.200.

22 **3.2 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
23 restitution against any persons subject to the Act for any violation of the Act.

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

4 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
5 520(9) & (11), and WAC 208-660-550(4)(a), the Department may collect the costs of investigation.
6 The Department will charge \$48 per hour for an examiner's time devoted to an investigation of any
7 person subject to the Act.

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

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

13 **4.1** Respondent Alicia E. M. Hall be prohibited from participation in the conduct of the affairs of
14 any mortgage broker subject to licensure by the Director, in any manner, for a period of five
years.

15 **4.2** Respondent Alicia E. M. Hall pay a fine which as of the date of this Statement of Charges
16 totals \$15,000.

17 **4.3** Respondent Alicia E. M. Hall pay restitution totaling \$21,556 to the seven borrowers
18 identified in the attached Restitution Schedule. Restitution shall be joint and several with any
restitution ordered under case C-10-301-11-SC01.

19 **4.4** Respondent Alicia E. M. Hall pay an investigation fee which as of the date of this Statement
of Charges totals \$528.

20 **4.5** Respondent Alicia E.M. Hall return all records subject to the Act to the licensed Mortgage
21 Broker or Consumer Lender under whose license Respondent Hall originated the records.

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2 **V. AUTHORITY AND PROCEDURE**

3 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
4 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
5 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a
6 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
7 HEARING accompanying this Statement of Charges.

8
9 Dated this 12th day of January, 2012.

10
11 /s/
12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17 /s/
18 STEVEN C. SHERMAN
19 Financial Legal Examiner

20 Approved by:

21 /s/
22 JAMES R. BRUSSELBACK
23 Enforcement Chief