

ORDER SUMMARY – Case Number: C-11-0857

Name(s): Denise Gail Cole Paul

Order Number: C-11-0857-13-FO01

Effective Date: November 19, 2013

License Number: DFI: 40101 NMLS ID: 58059
Or NMLS Identifier [U/L] _____

License Effect: N/A

Not Apply Until: November 19, 2018

Not Eligible Until: November 19, 2018

Prohibition/Ban Until: November 19, 2018

Investigation Costs	\$1,665.60	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$3,000.00	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$1,500.00	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: _____

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

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Mortgage Broker Practices Act of Washington by:
7
8 DENISE PAUL, Loan Originator,
9 NMLS #58059
10
11 Respondent.

No.: C-11-0857-13-FO01

FINAL ORDER

12 I. DIRECTOR'S CONSIDERATION

13 A. Default. This matter has come before the Director of the Department of Financial
14 Institutions of the State of Washington (Director), through his designee, Consumer Services Division
15 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On March 28, 2013,
16 the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention
17 to Enter an Order to Cease and Desist, Prohibit From Industry, Order Restitution, Impose Fine, and
18 Collect Investigation Fee (Statement of Charges) against Denise Paul (Respondent). A copy of the
19 Statement of Charges is attached and incorporated into this order by this reference. The Statement of
20 Charges was accompanied by a cover letter dated March 28, 2013, a Notice of Opportunity to Defend
21 and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent
22 (collectively, accompanying documents).

23 On June 7, 2013, the Department served Respondent with the Statement of Charges and
24 accompanying documents by First-Class mail and Federal Express overnight delivery. On June 10,
2013, the documents sent by Federal Express overnight delivery were delivered. The documents sent
by 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 the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for
3 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 following:

6 Statement of Charges, cover letter dated March 28, 2013, Notice of Opportunity to Defend
7 and Opportunity for Hearing, and blank Application for Adjudicative Hearing for
8 Respondent, with documentation for service.

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

11 II. FINAL ORDER

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

14 A. IT IS HEREBY ORDERED, That:

- 15 1. Respondent Denise Paul cease and desist offering loan modification services to
16 Washington residents on Washington residential real estate without an active
17 license to do so.
- 18 2. Respondent Denise Paul be prohibited from participation in the conduct of the
19 affairs of any mortgage broker subject to licensure by the Director, in any manner,
20 for a period of five (5) years.
- 21 3. Respondent Denise Paul pay a fine of \$3,000.00.
- 22 4. Respondent Denise Paul pay restitution totaling \$1,500.00 to the borrower
23 identified in paragraph 1.3 of the Statement of Charges.
- 24 5. Respondent Denise Paul pay an investigation fee of \$1,665.60.
6. Respondent Denise Paul maintain records in compliance with the Act and provide
the Department with the location of the books, records and other information
relating to Respondent Paul's mortgage broker business, and the name, address
and telephone number of the individual responsible for maintenance of such
records in compliance with the Act.

1 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
2 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
3 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
4 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
5 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
6 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
7 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

17 E. Non-compliance with Order. If you do not comply with the terms of this order,
18 **including payment of any amounts owed within 30 days of receipt of this order**, the Department
19 may seek its enforcement by the Office of the Attorney General to include the collection of the fines,
20 fees, and restitution imposed herein. The Department also may assign the amounts owed to a
21 collection agency for collection.

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

4 DATED this 19th day of November, 2013



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS



8 DEBORAH BORTNER
9 Director
10 Division of Consumer Services

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

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

DENISE PAUL, Loan Originator,
NMLS #58059

Respondent.

No. C-11-0857-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO CEASE AND DESIST,
PROHIBIT FROM INDUSTRY, ORDER
RESTITUTION, 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)¹. After having conducted an investigation pursuant to RCW 19.146.235, 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. Denise Paul (Paul) was a loan originator formerly licensed under the Act. Respondent Paul was licensed by the Department to conduct business as a loan originator on or about September 17, 2007. Respondent Paul was licensed until her license expired on December 31, 2008. Respondent Paul was again licensed from July 30, 2009, until her license again expired on December 31, 2009. Respondent Paul was finally licensed from April 5, 2010, until her license expired on December 31, 2010.

¹ RCW 19.146 (2008)
STATEMENT OF CHARGES
C-11-0857-13-SC01
DENISE PAUL

1 **1.2 Inactive License.** Respondent Paul's loan originator license was inactive from July 30, 2009,
2 until January 6, 2010. Respondent Paul was employed by a licensed consumer loan company from
3 February 2009 through October 2010, however, the company was not in the business of providing
4 loan modification services.

5 **1.3 Unlicensed Activity.** On or about August 17, 2009, Respondent Paul offered residential
6 mortgage loan modification services to Washington consumers on property located in Washington
7 State. Respondent Paul entered into a contractual relationship with at least one Washington
8 consumer to provide those services and collected an advance fee for the provision of those services.
9 The Department has received at least one complaint from a Washington consumer alleging
10 Respondent Paul provided or offered to provide residential mortgage loan modification services
11 while Respondent Paul's loan originator license was inactive. Consumer J.P. paid Respondent Paul a
12 fee of \$1,500.

13 **1.4 Prohibited Acts.** Respondent Paul represented that a specific attorney would perform
14 Consumer J.P.'s loan modification services. Respondent Paul presented Consumer J.P. with a service
15 agreement bearing the name of the attorney. The attorney did not, in fact, represent J.P. or perform
16 any services for J.P.

17 **1.5 Failure to Respond to Directive.** On September 15, 2010, the Department issued a Directive
18 to Respondent Paul requiring production of identified records. The Directive was sent via First-Class
19 mail to Respondent Paul's address of record, and it was not returned by the United States Postal
20 Service as undeliverable. Respondent Paul never provided any response to the Directive.

21 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the
22 Act by Respondent Paul continues to date.

23 //

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

2 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,

3 "Mortgage broker" means any person who, for compensation or gain, or in the expectation of
4 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage
5 loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to
6 obtain a residential mortgage loan.

7 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10) and WAC 208-660-006,

8 "Loan originator" means a natural person who (a) takes a residential mortgage loan application for a
9 mortgage broker, or (b) offers or negotiates terms of a mortgage loan, for direct or indirect
10 compensation or gain, or in the expectation of direct or indirect compensation or gain. "Loan
11 originator" also includes a person who holds themselves out to the public as able to perform any of
12 these activities.

13 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(3) and WAC 208-660-006,

14 "Borrower" means any person who consults with or retains a mortgage broker or loan originator in an
15 effort to obtain or seek advice or information on obtaining or applying to obtain a residential
16 mortgage loan for himself, herself, or persons including himself or herself, regardless of whether the
17 person actually obtains such a loan.

18 **2.4 Inactive License.** Pursuant to WAC 208-660-350(12) if an individual holds a loan originator
19 license but is not working with a licensed mortgage broker, they hold an inactive license. A person
20 holding an inactive license may not hold themselves out as a licensed loan originator.

21 **2.5 Prohibition on Activity with an Inactive License.** Based upon the factual allegations set
22 forth in Section I above, Respondent Paul is in apparent violation of RCW 19.146.0201(2), WAC
23

1 208-660-350(12), and WAC 208-660-350(15) for acting as a mortgage broker or loan originator with
2 an inactive license.

3 **2.6 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent
4 Paul is in apparent violation of RCW 19.146.0201(2) and (3) engaging in an unfair or deceptive
5 practice toward any person and obtaining property by fraud or misrepresentation.

6 **2.7 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
7 19.146.060 and WAC 208-660-450, Respondent Paul is required to keep all books and records in a
8 location that is on file with and readily available to the Department until at least twenty-five months
9 have elapsed following the effective period to which the books and records relate.

10 III. AUTHORITY TO IMPOSE SANCTIONS

11 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
12 Director may issue orders directing a licensee, its employee, loan originator, independent contractor,
13 agent, or other person subject to the Act to cease and desist from conducting business.

14 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
15 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
16 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
17 mortgage broker or any person subject to licensing under the Act for: any violation of RCW
18 19.146.0201(1) through (9) or (13), or failure to comply with any directive or order of the Director.

19 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
20 restitution against licensees or other persons subject to the Act for any violation of the Act.

21 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
22 against a licensee or other persons subject to the Act for: failure to comply with any directive, order,
23 or subpoena of the Director; or any violation of the Act. Pursuant to RCW 19.146.220(3), the

1 Director may impose fines on an employee, loan originator, independent contractor, or agent of the
2 licensee, or other person subject to the Act, for: any violations of RCW 19.146.0201(1) through (9) or
3 (13), or failure to comply with any directive or order of the Director.

4 **3.5 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 will charge forty-eight dollars per hour
6 for an examiner's time devoted to an investigation of a licensee or other person subject to the Act.

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

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

- 12 **4.1** Respondent Denise Paul cease and desist offering loan modification services to
13 Washington residents on Washington residential real estate without an active license
to do so.
- 14 **4.2** Respondent Denise Paul be prohibited from participation in the conduct of the affairs
15 of any mortgage broker subject to licensure by the Director, in any manner, for a
period of five (5) years.
- 16 **4.3** Respondent Denise Paul pay a fine. As of the date of this Statement of Charges, the
17 fine totals \$3,000.00.
- 18 **4.4** Respondent Denise Paul pay restitution totaling \$1,500.00 to the borrower identified
in paragraph 1.3 of this Statement of Charges.
- 19 **4.5** Respondent Denise Paul pay an investigation fee. As of the date of this Statement of
20 Charges, the investigation fee totals \$1,665.60.
- 21 **4.6** Respondent Denise Paul maintain records in compliance with the Act and provide the
22 Department with the location of the books, records and other information relating to
Respondent Paul's mortgage broker business, and the name, address and telephone
number of the individual responsible for maintenance of such records in compliance
with the Act.

23 //

1 **V. AUTHORITY AND PROCEDURE**

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

7
8 Dated this 28th day of March, 2013



[Redacted signature]

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

13 Presented by:

14 [Redacted signature]

15 ROBERT E. JONES
16 Financial Legal Examiner

17 Approved by:

18 [Redacted signature]

19 CHARLES E. CLARK
20 Enforcement Chief