

ORDER SUMMARY – Case Number: C-16-1895

Name(s): Lowenthal, Meier G. and Meier Lowenthal

Order Number: C-16-1895-17-CO01

Effective Date: March 3, 2017

License Number: Entity: 146573
Individual: 148242

Or NMLS Identifier [U/L]

License Effect: Stayed revocation

Investigation Costs	\$144	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 03/01/2017
Fine	Stayed	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input 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: Licensees to be examined within one year of entry of Consent Order.

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

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

No.: C-16-1895-17-CO01

CONSENT ORDER

5 **LOWENTHAL, MEIER G., d/b/a ALLEGRA**
6 **MORTGAGE, NMLS# 146573, and**
7 **MEIER G. LOWENTHAL, Owner and**
8 **Designated Broker, NMLS# 148242,**

Respondents.

9 COMES NOW the Acting Director of the Department of Financial Institutions (Director),
10 through her designee Charles E. Clark, Division Director, Division of Consumer Services, and
11 Lowenthal, Meier G. and Meier G. Lowenthal, Owner and Designated Broker, (Respondents) and
12 finding that the issues raised in the above-captioned matter may be economically and efficiently
13 settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter
14 19.146 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative
15 Procedure Act, based on the following:

16 **AGREEMENT AND ORDER**

17 The Department of Financial Institutions, Division of Consumer Services (Department) and
18 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges
19 No. C-16-1895-17-SC02 (Statement of Charges), entered February 23, 2017, (copy attached hereto).
20 Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of
21 the Administrative Procedure Act, Respondents hereby agree to the Department’s entry of this
22 Consent Order and further agree that the issues raised in the above-captioned matter may be
23 economically and efficiently settled by entry of this Consent Order. Respondents are agreeing not to
24 contest the Statement of Charges in consideration of the terms of this Consent Order.

1
2 Based upon the foregoing:

3 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter
4 of the activities discussed herein.

5 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
6 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
7 administrative and judicial review of the issues raised in this matter, or of the resolution reached
8 herein.

9 C. **No Admission of Liability.** The parties intend this Consent Order to fully resolve the
10 Statement of Charges and agree that Respondents do not admit to any wrongdoing by its entry.

11 D. **Stayed License Revocation.** It is AGREED and ORDERED that Respondents mortgage
12 broker and mortgage loan originator licenses are subject to revocation. It is further AGREED that
13 said revocation shall be stayed for a period of one year from the date of entry of this Consent Order
14 contingent on Respondents' future compliance with the Act, this Consent Order, a satisfactory
15 examination as detailed in Paragraph F, and is subject to being lifted pursuant to Paragraph J. Absent
16 an action by the Department to lift the stay, the stayed license revocation shall expire one year from
17 the date of entry of this Consent Order without further notice by the Department. Nothing in this
18 Consent Order shall prohibit Respondents from continuing to engage in mortgage broker and loan
19 originator activity pursuant to their mortgage broker and loan originator licenses during the period of
20 stayed revocation imposed by this Consent Order.

21 E. **Stayed Fine.** It is AGREED and ORDERED that Respondents are liable to the
22 Department for a fine of \$10,000. It is further AGREED that said fine shall be stayed for a period of
23 one year from the date of entry of this Consent Order contingent on Respondents' future compliance
24 with the Act, this Consent Order, a satisfactory examination as detailed in Paragraph F, and is subject

1 to being lifted pursuant to Paragraph J. Absent an action by the Department to lift the stay, the
2 obligation to pay the Stayed Fine shall expire one year from the date of entry of this Consent Order
3 without further notice by the Department.

4 **F. Agreement to Compliance Examination.** It is AGREED and ORDERED that within
5 one year of the entry of this Consent Order, at Respondents' cost, the Department will conduct a
6 compliance examination at a Department location of Respondents' mortgage broker business. It is
7 further AGREED and ORDERED that an examination rating of 3, 4, or 5 may result in the lifting of
8 the stayed fine and stayed license revocations. Such examination shall be scheduled based upon the
9 Department's availability between six and twelve months from the date of entry of this Consent
10 Order. It is further AGREED that Respondents shall cooperate with this examination and shall
11 provide the Department with any additional mortgage broker business records requested.

12 **G. Agreement to File Timely Mortgage Call Reports.** It is AGREED and ORDERED that
13 Respondents shall timely submit call reports through the Nationwide Mortgage Licensing System and
14 Registry in a form and containing the information as prescribed by the Director.

15 **H. Agreement to Obtain Loan Compliance Software.** It is AGREED and ORDERED that
16 Respondents shall enter into a contract for services for at least one year with at least one loan
17 compliance service provider within 30 days of entry of this Consent Order. Respondents further
18 AGREE to run all of Respondents' residential mortgage broker loan business subject to the Act
19 through said compliance program(s) for at least one year from entry of this Consent Order.

20 **I. Fine and Investigation Fee.** Pursuant to Final Order C-16-1895-16-FO01, Respondents
21 were ordered to pay to the Department a fine in the amount of \$5,000 and investigation fee in the
22 amount of \$240. It is AGREED and ORDERED that Respondents shall pay these amounts to the
23 Department in monthly payments of at least \$1,000 with the first payment due July 1, 2017, and the
24 final payment due no later than December 1, 2017.

1 **J. Lifting of Stay and Imposing Fine and License Revocations.** It is AGREED that:

- 2 1. If the Department determines that Respondents have not complied with the terms
3 of this Consent Order to a degree sufficient to warrant imposition of a fine and
4 revocation of Respondents' mortgage broker and mortgage loan originator
5 licenses, and the Department accordingly seeks to lift the stay and imposes the fine
6 and revocations set forth in section D and E above, the Department will first notify
7 Respondents in writing of its determination.
- 8 2. The Department's notification will include:
- 9 a) A description of the alleged noncompliance;
- 10 b) A statement that because of the noncompliance, the Department seeks
11 to lift the stays and impose the fine and license revocations;
- 12 c) The opportunity for Respondents to contest the Department's
13 determination of noncompliance in an administrative hearing before an
14 Administrative Law Judge (ALJ) of the Office of Administrative
15 Hearings (OAH); and
- 16 d) A copy of this Consent Order. The notification and hearing process
17 provided in this Consent Order applies only to this Consent Order. It is
18 solely provided in the event Respondents choose to contest the
19 Department's determination of noncompliance.
- 20 3. Respondents will be afforded ten business days from the date of receipt of the
21 Department's notification to submit a written request to the Department for an
22 administrative hearing to be held before an ALJ from the OAH.
- 23 4. Respondents, in addition to its request for hearing, may provide a written response
24 to include any information pertaining to the alleged noncompliance.
5. The scope and issues of the hearing are limited solely to whether or not
 Respondents are in violation of the terms of this Consent Order to a degree
 sufficient to warrant imposition of a fine and license revocations.
6. At the conclusion of the hearing, the ALJ will issue an initial decision. Either
 party may file a Petition for Review with the Director of the Department.
7. If Respondents do not request the hearing within the stated time, the Department
 will impose the fine and license revocations and pursue whatever action it deems
 necessary to enforce the fine and license revocations.

1 **K. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
2 investigation fee of \$144, in the form of a cashier’s check made payable to the “Washington State
3 Treasurer,” upon entry of this Consent Order.

4 **L. Change of Address.** It is AGREED that for the duration of the period this Consent Order
5 is in effect, unless otherwise agreed to in writing by the Department, Respondents shall provide the
6 Department with a mailing address and telephone number at which Respondents can be contacted and
7 Respondents shall notify the Department in writing of any changes to their mailing address or
8 telephone number within fifteen days of any such change.

9 **M. Authority to Execute Order.** It is AGREED that the undersigned have represented and
10 warranted that they have the full power and right to execute this Consent Order on behalf of the
11 parties represented.

12 **N. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to
13 abide by the terms and conditions of this Consent Order may result in further legal action by the
14 Director. In the event of such legal action, Respondents may be responsible to reimburse the Director
15 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

16 **O. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this
17 Consent Order, which is effective when signed by the Director’s designee.

18 **P. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
19 this Consent Order in its entirety and fully understand and agree to all of the same.

20 **RESPONDENTS:**
21 **Lowenthal, Meier G. and Meier G. Lowenthal**

22 By:

23 /s/ _____
24 Meier G. Lowenthal

2/23/2017

Date

1 Owner and Designated Broker

2 _____ /s/

3 Meier G. Lowenthal
4 Individually

_____ Date

5

DO NOT WRITE BELOW THIS LINE

6

7

THIS ORDER ENTERED THIS 3rd DAY OF March, 2017.

8

9

CHARLES E. CLARK /s/ _____

10

Director
Division of Consumer Services
Department of Financial Institutions

11

Presented by:

12

13 _____ /s/

DEBORAH TAEILLIOUS
Financial Legal Examiner Supervisor

14

15 Approved by:

16

17 _____ /s/

STEVEN C. SHERMAN
Enforcement Chief

18

19

20

21

22

23

24



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-16-1895-16-FO01

LOWENTHAL, MEIER G., d/b/a ALLEGRA
MORTGAGE and
MEIER G. LOWENTHAL, Owner and
Designated Broker, NMLS# 148242,

FINAL ORDER

Respondents.

I. ACTING DIRECTOR'S CONSIDERATION

Procedural History. This matter has come before the ACTING DIRECTOR OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OF THE STATE OF WASHINGTON, pursuant to RCW 34.05.440(2). On June 8, 2016, Former Director Scott Jarvis, through his designee, Consumer Services Division Director Charles E. Clark, issued a Statement of Charges and Notice of Intent to Enter an Order to Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses ("Statement of Charges") against LOWENTHAL, MEIER G. d/b/a ALLEGRA MORTGAGE and MEIER G. LOWENTHAL ("Respondents"). On June 10, 2016, the DEPARTMENT OF FINANCIAL INSTITUTION ("Department") served Respondents with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of Charges was accompanied by a cover letter dated June 10, 2016, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents. The Statement of Charges and accompanying documents served via Federal Express were delivered to Respondents on June 13, 2016, and June 14, 2016.

1 On June 16, 2016, Respondents filed Applications for Adjudicative Hearing. On September
2 19, 2016, the Department made a request to the Office of Administrative Hearings (“OAH”) to assign
3 an Administrative Law Judge (“ALJ”) to schedule and conduct a hearing on the Statement of
4 Charges. On September 26, 2016, Administrative Law Judge Martin (ALJ Martin) issued a Notice of
5 Prehearing Conference scheduling a prehearing conference for Wednesday, October 19, 2016, at 2:00
6 p.m. The Notice of Prehearing Conference stated: “If you fail to call in, the administrative law judge
7 may hold you in default and dismiss your appeal.” The Notice of Prehearing Conference was mailed
8 to Respondents via First-Class mail on September 26, 2016.

9 On October 19, 2016, Respondents and the Department’s representative attended a telephonic
10 prehearing conference. At the October 19, 2016, prehearing conference, Respondents and the
11 Department’s representative requested a continuance. On October 26, 2016, ALJ Martin issued an
12 Order Granting Continuance and Notice of Prehearing Conference scheduling a prehearing
13 conference for Thursday, November 17, 2016, at 9:00 a.m. The Order Granting Continuance and
14 Notice of Prehearing Conference stated: “If you fail to call in, the administrative law judge may hold
15 you in default and dismiss your appeal.” The Order Granting Continuance and Notice of Prehearing
16 Conference was mailed to Respondents via First-Class mail on October 26, 2016.

17 On November 17, 2016, the prehearing conference hearing was convened by ALJ Martin at
18 9:00 a.m. Respondents failed to appear and the Department moved for an order of default dismissing
19 the administrative appeal. On November 28, 2016, ALJ Martin issued an Order Dismissing Appeal
20 dismissing Respondents administrative appeal. The Order Dismissing Appeal was mailed to
21 Respondents via First-Class mail on November 28, 2016.

22 Pursuant to RCW 34.05.440(3), Respondents had seven (7) days from the date of service of
23 the Order Dismissing Appeal to file a written motion with OAH requesting that the Order Dismissing
24

1 Appeal be vacated and stating the grounds relied upon. Respondents did not make a request to vacate
2 during the statutory period.

3 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from
4 the date of service of the Order Dismissing Appeal to file a Petition for Review of the Order
5 Dismissing Appeal. Respondents did not file a Petition for Review during the statutory period.

6 A. Record Presented. The record presented to the Acting Director for her review and for
7 entry of a final decision included the following:

- 8 1. Statement of Charges, cover letter dated June 10, 2016, and Notice of Opportunity
9 to Defend and Opportunity for Hearing, with documentation of service.
- 10 2. Application for Adjudicative Hearing for Lowenthal, Meier G. d/b/a Allegra
11 Mortgage.
- 12 3. Application for Adjudicative Hearing for Meier G. Lowenthal.
- 13 4. Request to OAH for Assignment of Administrative Law Judge, dated
14 September 19, 2016.
- 15 5. Notice of Prehearing Conference dated September 26, 2016, with documentation
16 of service.
- 17 6. Order Granting Continuance and Notice of Prehearing Conference dated
18 October 26, 2016, with documentation of service.
- 19 7. Order Dismissing Appeal dated November 28, 2016, with documentation of
20 service.

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

23 II. FINAL ORDER

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

A. IT IS HEREBY ORDERED, That:

- 1 1. Respondents LOWENTHAL, MEIER G. and MEIER G. LOWENTHAL shall
2 jointly and severally pay to the WASHINGTON STATE DEPARTMENT OF
3 FINANCIAL INSTITUTIONS a fine of Five Thousand Dollars (\$5,000).
- 4 2. Respondents LOWENTHAL, MEIER G. and MEIER G. LOWENTHAL shall
5 jointly and severally pay to the WASHINGTON STATE DEPARTMENT OF
6 FINANCIAL INSTITUTIONS an investigation fee of Two Hundred Forty Dollars
7 (\$240).

8 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
9 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
10 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
11 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
12 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
13 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
14 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

21 D. Judicial Review. Respondents have the right to petition the superior court for judicial
22 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
23 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

24 E. Non-compliance with Order. If you do not comply with the terms of this order,
including payment of any amounts owed within thirty (30) days of receipt of this order, the
Department may seek its enforcement by the Office of the Attorney General to include the collection

1 of the fine and investigation fee imposed herein. The Department also may assign the amounts owed
2 to a collection agency for collection.

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

6 DATED this 5th day of January, 2017.

7
8 STATE OF WASHINGTON
9 DEPARTMENT OF FINANCIAL INSTITUTIONS

10 _____
11 /s/
12 GLORIA PAPIEZ
13 Acting Director
14
15
16
17
18
19
20
21
22
23
24

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 LOWENTHAL, MEIER G., d/b/a ALLEGRA
MORTGAGE, NMLS# 146573, and
6 MEIER G. LOWENTHAL, Owner and
Designated Broker, NMLS# 148242,

7 Respondents.

No. C-16-1895-17-SC02

8 STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO REVOKE LICENSES, IMPOSE
FINE, COLLECT INVESTIGATION FEE,
and RECOVER COSTS AND EXPENSES

9 **INTRODUCTION**

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

16 **I. FACTUAL ALLEGATIONS**

17 **1.1 Respondents.**

18 A. **Lowenthal, Meier G. d/b/a Allegra Mortgage (Respondent Allegra)** was licensed
19 by the Department of Financial Institutions of the State of Washington (Department) to conduct
20 business as a mortgage broker on or about January 29, 2009, and continues to be licensed to date.

21 B. **Meier G. Lowenthal (Respondent Lowenthal)** is Owner and Designated Broker of
22 Respondent Allegra. Respondent Lowenthal was named Designated Broker of Respondent Allegra
23 on or about January 29, 2009, and continues to be Designated Broker to date.

1 **1.2 Examination.** On January 30, 2017, the Department conducted an examination of
2 Respondents' Washington State loan portfolio and business practices under the Act for the period of
3 July 1, 2013, through December 31, 2016. The Department reviewed eleven loan files and identified
4 numerous violations as follows.

5 **1.3 Failed to Display Required Information on Internet Advertisement.** Respondents'
6 website failed to list the company license name, company Nationwide Multistate Licensing System
7 and Registry (NMLS) number, mortgage loan originator (MLO) NMLS number, and a link to the
8 NMLS on its home page.

9 **1.4 Failed to Deliver or Delivered of Incomplete Rate Lock Agreements.** In at least four
10 borrower files, Respondents failed to deliver complete rate lock agreements or failed to deliver
11 timely rate lock agreements.

12 **1.5 Failed to Provide Written Notice on Borrower Paid Services.** In at least nine borrower
13 files, Respondents failed to provide notice to the borrower that if the borrower is unable to obtain a
14 loan copies of certain reports must be made available within five days of a request.

15 **1.6 Failed to Provide Good Faith Estimate.** In at least four borrower files, Respondents failed
16 to provide borrowers with a Good Faith Estimate within three days of applying for a residential
17 mortgage loan.

18 **1.7 Failed to Complete Good Faith Estimate.** In at least six borrower files, Respondents failed
19 to provide borrowers with a complete and accurate Good Faith Estimate.

20 **1.8 Failed to Provide Truth in Lending Disclosure Statement.** In at least two borrower files,
21 Respondents failed to provide borrowers with a Truth in Lending disclosure statement within three
22 days of applying for a residential mortgage loan.

1 **1.9 Failed to Provide Complete Truth in Lending Disclosure Statement.** In at least six
2 borrower files, Respondents failed to provide borrowers with a complete Truth in Lending disclosure
3 statement.

4 **1.10 Failed to Provide Loan Estimate.** In at least one borrower file, Respondents failed to
5 provide the borrower with a Loan Estimate within three days of applying for a residential mortgage
6 loan.

7 **1.11 Failed to Complete Anti-Steering Disclosure.** In at least three borrower files, Respondents
8 failed to complete Anti-Steering Disclosures that were provided to borrowers.

9 **1.12 Failed to Provide Complete and Accurate Privacy Policy.** In at least nine borrower files,
10 Respondents failed to provide borrowers with a complete and accurate privacy policy disclosure.

11 **1.13 Failed to Provide Homeownership Counseling List.** In at least four borrower files,
12 Respondents failed to provide a written list of Homeownership Counseling Organizations to
13 borrowers.

14 **1.14 Failed to Develop an Adequate Anti-Money Laundering Policy.** Respondents failed to
15 develop an adequate anti-money laundering program as required by the Financial Crimes
16 Enforcement Network.

17 **1.15 Failed to Develop an Adequate Red Flags Policy.** Respondents failed to develop a policy
18 compliant with the Red Flags Rule as required by the Federal Trade Commission.

19 **1.16 Failed to Maintain Books and Records.** In at least three borrower files, Respondents failed
20 to maintain loan records as required by the Act.

21 **1.17 On-Going Investigation.** The Department's investigation into the alleged violations of the
22 Act by Respondents continues to date.

23 //

24 //

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

2 **2.1 Definition of Borrower.** Pursuant to RCW 19.146.010(2), a “borrower” is defined as
3 “any person who consults with or retains a mortgage broker or loan originator in an effort to
4 obtain or seek advice or information on obtaining or applying to obtain a residential mortgage
5 loan, or a residential mortgage loan modification, for himself, herself, or persons including
6 himself or herself, regardless of whether the person actually obtains such a loan.”

7 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed
8 mortgage broker must at all times have a designate broker responsible for all activities of the
9 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or
10 owner who has supervisory authority over a mortgage broker is responsible for a licensee’s,
11 employee’s, or independent contractor’s violations of the Act if: the designated broker, principal, or
12 owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows
13 the conduct; or the designated broker, principal, or owner who has supervisory authority over the
14 licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known
15 of the conduct, at a time when its consequences can be avoided or mitigated and fails to take
16 reasonable remedial action.

17 **2.3 Requirement to Display Required Information.** Based on the Factual Allegations set forth
18 in Section I above, Respondents are in apparent violation of WAC 208-660-446(1) and (4) for failing
19 to list the company license name, company NMLS number, MLO NMLS number, and a link to the
20 NMLS.

21 **2.4 Requirement to Provide Rate Lock Agreements.** Based on the Factual Allegations set
22 forth in Section I above, Respondents are in apparent violation of RCW 19.146.030 for failing to
23 provide a Rate Lock Agreement within three days of locking or extending a borrower’s locked
24 interest rate.

1 **2.5 Requirement to Provide Written Notice on Borrower Paid Services.** Based on the Factual
2 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
3 19.146.030(2)(d) for failing to provide notice that copies of certain reports must to made available to
4 the borrower.

5 **2.6 Requirement to Timely and Accurately Complete the Good Faith Estimate.** Based on
6 the Factual Allegations set forth in Section I above, Respondents are in apparent violation of
7 RCW 19.146.030 and RCW 19.146.0201(11) for failing to provide initial Good Faith Estimates
8 within three days of taking an application or failing to provide complete and accurate Good Faith
9 Estimates.

10 **2.7 Requirement to Provide Accurate and Complete Truth-in-Lending Disclosure**
11 **Statements.** Based on the Factual Allegations set forth in Section I above, Respondents are in
12 apparent violation of RCW 19.146.030 and RCW 19.146.0201(11) for failing to provide initial
13 Truth-in-Lending disclosure statements within three days of taking an application or failing to
14 provide complete and accurate Truth-in-Lending disclosure statements.

15 **2.8 Requirement to Provide Loan Estimate.** Based on the Factual Allegations set forth in
16 Section I above, Respondents are in apparent violation of RCW 19.146.0201(11) and Regulation Z
17 for failing to provide a Loan Estimate within three days of taking an application.

18 **2.9 Requirement to Provide Complete Anti-Steering Disclosure.** Based on the Factual
19 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
20 19.146.0201(11) and Regulation Z for failing to complete Anti-Steering Disclosures provided to
21 borrowers.

22 **2.10 Requirement to Provide Accurate and Complete Privacy Policy Disclosures.** Based
23 on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of
24

1 RCW 19.146.0201(11) and Regulation P for failing to provide accurate or complete privacy
2 policy disclosures.

3 **2.11 Requirement to Provide Accurate and Complete a Homeownership Counseling List.**

4 Based on the Factual Allegations set forth in Section I above, Respondents are in apparent
5 violation of RCW 19.146.0201(11) and Regulation X by failing to provide an accurate and
6 complete written list of Homeownership Counseling Organizations.

7 **2.12 Requirement to Develop Adequate Anti-Money Laundering Program.** Based on the

8 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
9 19.146.0201(11) and Regulation Z by failing to develop a Bank Secrecy Act/Anti-Money
10 Laundering Program.

11 **2.13 Requirement to Develop Red Flags Policy.** Based on the Factual Allegations set forth in

12 Section I above, Respondents are in apparent violation of RCW 19.146.0201(11) and the Fair and
13 Accurate Credit Transactions Act by failing to develop a Red Flag policy.

14 **2.14 Requirement to Maintain Accurate and Current Books and Records.** Based on the

15 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
16 19.146.060 and WAC 208-660-450 for failing to keep all books and records in a location that is on
17 file with and readily available to the Department until at least three years have elapsed following the
18 effective period to which the books and records relate.

19 **III. AUTHORITY TO IMPOSE SANCTIONS**

20 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke

21 licenses for any violation of the Act.

22 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines

23 against a licensee, employees, or other persons subject to the Act for any violation of the Act.

1 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
2 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour
3 for an examiner's time devoted to an investigation.

4 **3.4 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director
5 may recover the state's costs and expenses for prosecuting violations of the Act.

6 **IV. NOTICE OF INTENT TO ENTER ORDER**

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

11 **4.1** Respondent Lowenthal, Meier G., d/b/a Allegra Mortgage's license to conduct the
12 business of a mortgage broker be revoked.

13 **4.2** Respondent Meier Lowenthal's license to conduct the business of a mortgage loan
14 originator be revoked.

15 **4.3** Respondents Lowenthal, Meier G., d/b/a Allegra Mortgage and Meier Lowenthal
16 jointly and severally pay a fine. As of the date of this Statement of Charges, the
17 fine totals \$10,000.

18 **4.4** Respondents Lowenthal, Meier G., d/b/a Allegra Mortgage and Meier Lowenthal
19 jointly and severally pay an investigation fee. As of the date of these charges totals
20 \$144.

21 **4.5** Respondents Lowenthal, Meier G., d/b/a Allegra Mortgage and Meier Lowenthal
22 jointly and severally pay the Department's costs and expenses for prosecuting
23 violations of the Act in an amount to be determined at hearing or by declaration
24 with supporting documentation in event of default by Respondents.

4.6 Respondent Lowenthal, Meier G., d/b/a Allegra Mortgage and Meier Lowenthal
maintain records in compliance with the Act and provide the Director with the
location of the books, records, and other information relating to Respondent
Lowenthal, Meier G., d/b/a Allegra Mortgage's mortgage broker company business,
and the name, address, and telephone number of the individual responsible for
maintenance of such records in compliance with the Act.

//

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). Respondents may make a written request for a
5 hearing as set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND
6 TO DEFEND accompanying this Statement of Charges.

7
8 Dated this 23rd day of February, 2017.

9
10 /s/ _____
11 CHARLES E. CLARK
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 /s/ _____
17 DEBORAH TAELLIUS
18 Financial Legal Examiner Supervisor

19 Approved by:

20 /s/ _____
21 STEVEN C. SHERMAN
22 Enforcement Chief

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

**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:

LOWENTHAL, MEIER G., d/b/a ALLEGRA
MORTGAGE and
MEIER G. LOWENTHAL, Owner and
Designated Broker, NMLS# 148242,

No. C-16-1895-16-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO IMPOSE FINE, COLLECT
INVESTIGATION FEE, AND RECOVER
COSTS AND EXPENSES

Respondents.

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). 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 Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Lowenthal, Meier G. d/b/a Allegra Mortgage (Respondent Allegra)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about January 29, 2009, and continues to be licensed to date.

B. **Meier G. Lowenthal (Respondent Lowenthal)** is Owner and Designated Broker of Respondent Allegra. Respondent Lowenthal was named Designated Broker of Respondent Allegra on or about January 29, 2009, and continues to be Designated Broker to date.

1 **1.2 Failed to Comply with Director’s Examination Authority.** On or about July 21, 2015, in
2 preparation to conduct an examination, the Department sent Respondents an Entry Letter requiring
3 Respondents to provide specified records to the Department. The response was due by August 21,
4 2015. Respondent failed to timely provide the required records. On or about August 24, 2015,
5 Respondents contacted the Department and stated that the records would be provided to the
6 Department. The Department agreed to extend the due date to September 18, 2015. Respondents
7 failed to timely produce the records to the Department by the extension date. On or about September
8 25, 2015, Respondents provided an incomplete response. Following the incomplete response, the
9 Department contacted Respondents multiple times to obtain the additional records necessary to
10 conduct the examination of Respondents. To date, Respondents have failed to provide the
11 Department with the records requested.

12 **1.3 Late Filing of 2014 Mortgage Call Reports.** Mortgage Call Reports are due no later than 45
13 days after the end of the calendar quarter. On or about December 31, 2014, Respondents filed their
14 2014 Quarter 1, Quarter 2, and Quarter 3 Mortgage Call Reports. On or about December 29, 2015,
15 Respondents filed their 2014 Quarter 4 and 2014 Financial Condition Reports.

16 **1.4 Late Filing of 2015 Mortgage Call Report.** On or about December 29, 2015, Respondents
17 filed their 2015 Quarter 1, Quarter 2, and Quarter 3 Mortgage Call Reports. To date, Respondents
18 have not filed their 2015 Quarter 4 Mortgage Call Report and have not filed their 2015 Financial
19 Condition Report.

20 **1.5 On-Going Investigation.** The Department’s investigation into the alleged violations of the
21 Act by Respondents continues to date.

22 //

23 //

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

2 **2.1 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed
3 mortgage broker must at all times have a designated broker responsible for all activities of the
4 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or
5 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,
6 employee's, or independent contractor's violations of this chapter and its rules if: (a) The designated
7 broker, principal, or owner directs or instructs the conduct or, with knowledge of the specific
8 conduct, approves or allows the conduct; or (b) The designated broker, principal, or owner who has
9 supervisory authority over the licensed mortgage broker knows or by the exercise of reasonable care
10 and inquiry should have known of the conduct, at a time when its consequences can be avoided or
11 mitigated and fails to take reasonable remedial action.

12 **2.2 Director's Investigation and Examination Authority.** Pursuant to RCW 19.146.235(1),
13 (2), and (9)(a), the Director has authority to conduct investigations and examinations, every mortgage
14 broker shall make available to the director or a designee its books and records relating to its
15 operations, and no person subject to examination or investigation under this chapter may knowingly
16 withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or
17 other information. .

18 **2.3 Mortgage Call Reports.** Based on the Factual Allegations set forth in Section I above,
19 Respondents are in apparent violation of RCW 19.146.390 for failing to submit call reports through
20 the nationwide mortgage licensing system and registry in a form and containing the information as
21 prescribed by the Director.

22 **2.4 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
23 are in apparent violation of RCW 19.146.0201(8) for willfully making an omission of material fact in

1 connection with any reports filed by a mortgage broker or in connection with an investigation
2 conducted by the Department.

3 III. AUTHORITY TO IMPOSE SANCTIONS

4 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
5 against a licensee or other persons subject to the Act for failure to comply with any directive, order,
6 or subpoena of the Director or any violation of the Act.

7 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
8 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour
9 for an examiner's time devoted to an investigation of a licensee or other person subject to the Act.

10 **3.3 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director
11 may recover the state's costs and expenses for prosecuting violations of the Act.

12 IV. NOTICE OF INTENTION TO ENTER ORDER

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

- 17
- 18 **4.1** Respondents Lowenthal, Meier G and Meier G. Lowenthal jointly and severally pay a
fine. As of the date of this Statement of Charges, the fine totals \$5,000.
- 19 **4.2** Respondents Lowenthal, Meier G and Meier G. Lowenthal jointly and severally pay
20 an investigation fee. As of the date of this Statement of Charges, the investigation fee
totals \$240.
- 21 **4.3** Respondents Lowenthal, Meier G and Meier G. Lowenthal pay the Department's costs
22 and expenses for prosecuting violations of the Act in an amount to be determined at
23 hearing or by declaration with supporting documentation in event of default by
Respondents.

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). Respondents 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 8th day of June, 20176.

9
10 /s/ _____
11 CHARLES E. CLARK
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 /s/ _____
17 DEBORAH TAELLIUS
18 Financial Legal Examiner Supervisor

19 Approved by:

20 /s/ _____
21 STEVEN C. SHERMAN
22 Enforcement Chief