

## Terms Completed

### ORDER SUMMARY – Case Number: C-17-2350

**Name(s):** Carin Kjoss  
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 \_\_\_\_\_

**Order Number:** C-17-2350-18-CO02  
 \_\_\_\_\_

**Effective Date:** 11/20/18  
 \_\_\_\_\_

**NMLS Number:** NMLS No. 107914  
 \_\_\_\_\_

**License Effect:** N/A  
 \_\_\_\_\_  
 \_\_\_\_\_

**Not Apply Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Not Eligible Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Prohibition/Ban Until:** N/A  
 \_\_\_\_\_

|   |         |     |  |               |
|---|---------|-----|--|---------------|
| <b>Investigation Costs</b>              | \$      |     | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
|   |         |     |  |               |
| <b>Fine</b>                             | \$1,750 | Due | Paid<br><input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date 11/14/18 |
|   |         |     |  |               |
| <b>Assessment(s)</b>                    | \$      | Due | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
|   |         |     |  |               |
| <b>Restitution</b>                      | \$      | Due | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
|   |         |     |  |               |
| <b>Financial Literacy and Education</b> | \$      | Due | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
|   |         |     |  |               |
| <b>Cost of Prosecution</b>              | \$      | Due | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
| No. of<br>Victims:                      |         |     |  |               |

**Comments:** \_\_\_\_\_  
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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:

No.: C-17-2350-18-CO02

5 **CONSENT ORDER AS TO CARIN KJOSS**

6 WASHINGTON DISCOUNT MORTGAGE,  
LLC, NMLS #72101;

7 DAVID CHAPMAN, Owner and Designated  
Broker, NMLS #121073; and

8 CARIN KJOSS, Mortgage Loan Originator,  
NMLS #107914;

Respondents.

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

15 **AGREEMENT AND ORDER**

16 The Department of Financial Institutions, Division of Consumer Services (Department) and  
17 Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges  
18 No. C-17-2350-18-SC01 (Statement of Charges), entered August 15, 2018, (copy attached hereto)  
19 solely as related to Respondent, i.e. allegation 1.7 therein. Pursuant to chapter 19.146 RCW, the  
20 Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act,  
21 Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the  
22 issues raised in the above-captioned matter may be economically and efficiently settled by entry of  
23 this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges as  
related to Respondent.

1 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a  
5 hearing before an administrative law judge (ALJ), and hereby waives her right to a hearing and any  
6 and all administrative and judicial review of the issues raised in this matter, or of the resolution  
7 reached herein. Accordingly, Respondent, by her signature below, withdraws her appeal to the Office  
8 of Administrative Hearings.

9 C. **Fine.** It is AGREED and ORDERED that Respondent shall pay a fine to the Department  
10 in the amount of \$1,750, in the form of a cashier's check made payable to the "Washington State  
11 Treasurer," upon entry of this Consent Order.

12 D. **Change of Address.** It is AGREED that for the duration of the period this Consent Order  
13 is in effect, unless otherwise agreed to in writing by the Department, Respondent shall provide the  
14 Department with a mailing address and telephone number at which Respondent can be contacted and  
15 Respondent shall notify the Department in writing of any changes to her mailing address or telephone  
16 number within fifteen days of any such change.

17 E. **Non-Compliance with Order.** It is AGREED that Respondent understands that failure to  
18 abide by the terms and conditions of this Consent Order may result in further legal action by the  
19 Director. In the event of such legal action, Respondent may be responsible to reimburse the Director  
20 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

21 F. **Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this  
22 Consent Order, which is effective when signed by the Director's designee.

23 G. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read

1 this Consent Order in its entirety and fully understand and agree to all of the same.

2 **H. Counterparts.** This Consent Order may be executed by the Respondent in any number of  
3 counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed  
4 to be an original, but all of which, taken together, shall constitute one and the same Consent Order.

5 **Carin Kjoss:**

6 /s/ 11/6/218  
7 Carin Kjoss, Individually Date

8 **Approved for entry by:**

9 /s/ 11/9/2018  
10 Jessica Creager, WSBA No. 42183 Date  
11 Rosenberg Law Group, PLLC  
12 Attorney for Respondent

12 DO NOT WRITE BELOW THIS LINE

13 THIS ORDER ENTERED THIS 20<sup>th</sup> DAY OF November, 2018.

14  
15 /s/  
16 CHARLES E. CLARK  
17 Director  
18 Division of Consumer Services  
19 Department of Financial Institutions

18 Presented by:

19 /s/  
20 DREW STILLMAN  
21 Financial Legal Examiner

21 Approved by:

22 /s/  
23 STEVEN C. SHERMAN  
24 Enforcement Chief

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

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

WASHINGTON DISCOUNT MORTGAGE  
LLC, NMLS #72101;

DAVID CHAPMAN, Owner and Designated  
Broker, NMLS #121073; and

CARIN KJOSS, Mortgage Loan Originator,  
NMLS #107914;

Respondents.

No. C-17-2350-18-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO CEASE AND DESIST, REVOKE  
LICENSES, PROHIBIT FROM INDUSTRY,  
IMPOSE FINES, COLLECT  
INVESTIGATION FEE, and RECOVER  
COSTS AND EXPENSES

**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 her designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

**A. Washington Discount Mortgage LLC (Washington Discount Mortgage)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about September 5, 2006, and continues to be licensed to date.

**B. David Chapman (Chapman)** owns Respondent Washington Discount Mortgage.

Respondent Chapman is the designated broker of Respondent Washington Discount Mortgage and

1 has been since September 5, 2006. Respondent Chapman was licensed by the Department as a  
2 mortgage loan originator on or about January 1, 2007, and continues to be licensed to date.

3 **C. Carin Kjoss (Kjoss)** is a mortgage loan originator sponsored by Respondent  
4 Washington Discount Mortgage. Respondent Kjoss was licensed by the Department to conduct  
5 business as a loan originator on or about October 16, 2009, and continues to be licensed to date.

6 **1.2 Examination.** From October 9, 2017, through October 12, 2017, the Department conducted  
7 an examination of Respondent Washington Discount Mortgage’s business practices for the period of  
8 April 1, 2015, through September 30, 2017. During the examination, the Department identified  
9 numerous apparent violations that occurred during the period reviewed as explained below.

10 **1.3 Failure to File Accurate Reports.** Respondents Washington Discount Mortgage and  
11 Chapman failed to file accurate Mortgage Call Reports and Financial Condition Reports with the  
12 Department.

13 **1.4 Failure to Maintain an Adequate Surety Bond.** Respondents Washington Discount  
14 Mortgage and Chapman failed to maintain adequate surety bond coverage for 2017.

15 **1.5 Unfair and Deceptive Advertising.** Respondents Washington Discount Mortgage and  
16 Chapman failed to display a required item on an internet advertisement. Respondent Washington  
17 Discount Mortgage’s home web page, [www.washingtondiscountmortgage.com](http://www.washingtondiscountmortgage.com), failed to contain a  
18 link to the NMLS consumer access web site. Respondents Washington Discount Mortgage and  
19 Chapman also advertised using disallowed and misleading phrases such as, “best loan programs,”  
20 “best rate,” “best loan,” “lowest rate,” “best wholesale lenders,” “multiple wholesale lenders that rank  
21 as the top companies nationally,” and “we beat the banks.”

22 **1.6 Failure to Use a Properly Licensed Third-Party Processor.** Respondents Washington  
23 Discount Mortgage and Chapman employed Elizabeth Cousins as an independent contractor to  
24 process at least six loan files, but failed to ensure that she held a mortgage loan originator license

1 with the Department. At the time, Elizabeth Cousins was registered as a designated broker for another  
2 mortgage broker company, but did not hold a mortgage loan originator license.

3 **1.7 Originated Loans from an Unlicensed Location.** Respondent Kjoss originated at least  
4 seven loans under Respondent Washington Discount Mortgage’s mortgage broker license at  
5 Respondent Kjoss’s home. Respondent Washington Discount Mortgage did not hold a license to  
6 conduct the business of a mortgage broker from this location at the time.

7 **1.8 Failure to Complete Rate Lock Agreements.** In at least 20 instances, Respondents  
8 Washington Discount Mortgage and Chapman failed to provide borrowers with timely and complete  
9 rate lock agreements.

10 **1.9 Failure to Maintain Records.** Respondents Washington Discount Mortgage and Chapman  
11 failed to properly maintain loan records. During the examination, the Department requested  
12 documents that Respondents Washington Discount Mortgage and Chapman were not able to produce.

13 **1.10 Failure to Develop a Compliant Compensation Plan.** Respondents Washington Discount  
14 Mortgage and Chapman failed to develop a mortgage loan originator compensation plan compliant  
15 with the Truth-In-Lending Act. Respondent Kjoss’s compensation plan allowed her compensation to  
16 vary based on the terms of loans across several lenders.

17 **1.11 Failure to Provide Timely, Complete, and Accurate Loan Estimates.** In at least one  
18 instance, Respondents Washington Discount Mortgage and Chapman failed to provide a borrower  
19 with a complete and accurate Loan Estimate. In at least two instances, Respondents Washington  
20 Discount Mortgage and Chapman failed to provide borrowers with a Loan Estimate within three days  
21 of accepting a residential mortgage loan application.

22 **1.12 Failure to Deliver a Complete and Accurate Privacy Policy.** In at least 27 instances,  
23 Respondents Washington Discount Mortgage and Chapman failed to deliver complete and accurate

1 privacy policies to borrowers and, instead, provided borrowers with privacy policy disclosures that  
2 had missing, incorrect, and conflicting information.

3 **1.13 Failure to Provide Electronic Signatures Act Disclosure.** In at least 27 instances,  
4 Respondents Washington Discount Mortgage and Chapman failed to provide an Electronic  
5 Signatures in Global and National Commerce Act disclosure to borrowers.

6 **1.14 Failure to Provide Special Information Booklet.** In at least one instance, Respondents  
7 Washington Discount Mortgage and Chapman failed to provide a borrower with the special  
8 information booklet within three days of the application.

9 **1.15 Failure to Develop an Adequate Anti-Money Laundering Policy.** Respondents  
10 Washington Discount Mortgage and Chapman failed to develop an adequate anti-money laundering  
11 program as required by the Financial Crimes Enforcement Network.

12 **1.16 Failure to Provide Accurate Equal Credit Opportunity Act Notice.** In at least 18  
13 instances, Respondents Washington Discount Mortgage and Chapman provided borrowers with  
14 inaccurate Equal Credit Opportunity Act (ECOA) notices.

15 **1.17 On-Going Investigation.** The Department's investigation into the alleged violations of the  
16 Act by Respondents continues to date.

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

18 **2.1 Responsibility of Mortgage Broker.** Pursuant to RCW 19.146.245, a licensed mortgage  
19 broker is liable for any conduct violating the Act by the designated broker, a loan originator, or other  
20 licensed mortgage broker while employed or engaged by the licensed mortgage broker.

21 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed  
22 mortgage broker must at all times have a designated broker responsible for all activities of the  
23 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or  
24 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,

1 employee's, or independent contractor's violations of the Act if: the designated broker, principal, or  
2 owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows  
3 the conduct; or the designated broker, principal, or owner who has supervisory authority over the  
4 licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known  
5 of the conduct, at a time when its consequences can be avoided or mitigated and fails to take  
6 reasonable remedial action.

7 **2.3 Requirement to File Accurate Reports.** Based on the Factual Allegations set forth in  
8 Section I above, Respondents Washington Discount Mortgage and Chapman are in apparent violation  
9 of RCW 19.146.390 and WAC 208-660-400(1) for failing to file accurate reports with the  
10 Department.

11 **2.4 Requirement to Maintain an Adequate Surety Bond.** Based on the Factual Allegations set  
12 forth in Section I above, Respondents Washington Discount Mortgage and Chapman are in apparent  
13 violation of RCW 19.146.205(6)(a) for failing to file and maintain an adequate surety bond with the  
14 Department.

15 **2.5 Requirement to Refrain from Unfair and Deceptive Advertising.** Based on the Factual  
16 Allegations set forth in Section I above, Respondents Washington Discount Mortgage and Chapman  
17 are in apparent violation of RCW 19.146.0201(2) and (7), WAC 208-660-440(7), and WAC 208-660-  
18 446(1) for failing to include a link to the NMLS consumer access website on Respondent Washington  
19 Discount Mortgage's home page and for advertising loan programs, rates, fees, and lenders using  
20 unsubstantiated or false statements.

21 **2.6 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
22 Allegations set forth in Section I above, Respondents Washington Discount Mortgage and Chapman  
23 are in apparent violation of RCW 19.146.0201(2) and (11), RCW 19.146.200, WAC 208-660-155(4),  
24 WAC 208-660-300(13), and the Secure and Fair Enforcement for Mortgage Licensing Act of 2008,

1 12 USC § 5103(b)(2), for utilizing the services of an unlicensed loan originator to act as a loan  
2 processor or underwriter engaged as an independent contractor.

3 **2.7 Requirement to Obtain and Maintain Branch License.** Based on the Factual Allegations  
4 set forth in Section I above, Respondents Washington Discount Mortgage and Chapman are in  
5 apparent violation of RCW 19.146.0201(16), RCW 19.146.265, and WAC 208-660-195 for engaging  
6 in the business of a mortgage broker from a location not licensed by the Department.

7 **2.8 Unlicensed Location.** Based on the Factual Allegations set forth in Section I above,  
8 Respondent Kjoss is in apparent violation of RCW 19.146.0201(16) and WAC 208-660-300(4) for  
9 conducting business from an unlicensed location and/or from a location other than the location listed  
10 on her loan originator license.

11 **2.9 Requirement to Complete Rate Lock Agreements.** Based on the Factual Allegations set  
12 forth in Section I above, Respondents Washington Discount Mortgage and Chapman are in apparent  
13 violation of RCW 19.146.0201(2), RCW 19.146.030(2)(c), and WAC 208-660-430(3) and (6) for  
14 failing to provide complete Rate Lock Agreements to within the required deadlines.

15 **2.10 Requirement to Maintain Accurate and Current Books and Records.** Based on the  
16 Factual Allegations set forth in Section I above, Respondents Washington Discount Mortgage and  
17 Chapman are in apparent violation of RCW 19.146.060 and WAC 208-660-450 for failing to keep all  
18 books and records in a location that is on file with and readily available to the Department until at  
19 least three years have elapsed following the effective period to which the books and records relate.

20 **2.11 Requirement to Develop a Compliant Compensation Plan.** Based on the Factual  
21 Allegations set forth in Section I above, Respondents Washington Discount Mortgage and Chapman  
22 are in apparent violation of RCW 19.146.0201(2) and (11) and Regulation Z, 12 CFR §  
23 1026.36(d)(1)(i), for compensating a mortgage loan originator based on the terms of the transaction  
24 or the terms of multiple transactions.

1 **2.12 Requirement to Provide Timely, Complete, and Accurate Loan Estimates.** Based on the  
2 Factual Allegations set forth in Section I above, Respondents Washington Discount Mortgage and  
3 Chapman are in apparent violation of RCW 19.146.0201(2) and (11) and Regulation Z, 12 CFR §§  
4 1026.19(e)(1) and 1026.37, for failing to provide timely, complete, and accurate Loan Estimate  
5 disclosures to borrowers.

6 **2.13 Requirement to Deliver a Complete and Accurate Privacy Policy.** Based on the Factual  
7 Allegations set forth in Section I above, Respondents Washington Discount Mortgage and Chapman  
8 are in apparent violation of RCW 19.146.0201(2) and (11) and Regulation P, 12 CFR § 1016.4,  
9 including the Appendix, for failing to provide complete and accurate privacy policy notices to  
10 borrowers.

11 **2.14 Requirement to Provide Electronic Signatures Act Disclosure.** Based on the Factual  
12 Allegations set forth in Section I above, Respondents Washington Discount Mortgage and Chapman  
13 are in apparent violation of RCW 19.146.0201(2) and (11) and the Electronic Signatures in Global  
14 and National Commerce Act, 15 USC § 7001(c), for failing to provide required disclosures regarding  
15 electronic records.

16 **2.15 Requirement to Provide Special Information Booklet.** Based on the Factual Allegations  
17 set forth in Section I above, Respondents Washington Discount Mortgage and Chapman are in  
18 apparent violation of RCW 19.146.0201(2) and (11) and Regulation Z, 12 CFR § 1026.19(g), for  
19 failing to deliver or place in the mail the required special information booklet no later than three  
20 business days after a consumer's application is received.

21 **2.16 Requirement to Develop an Adequate Anti-Money Laundering Policy.** Based on the  
22 Factual Allegations set forth in Section I above, Respondents Washington Discount Mortgage and  
23 Chapman are in apparent violation of RCW 19.146.0201(2) and (11) and 31 CFR § 1029.210 for  
24 failing to develop an adequate anti-money laundering policy.

1 **2.17 Requirement to Provide Accurate Equal Credit Opportunity Act Notice.** Based on the  
2 Factual Allegations set forth in Section I above, Respondents Washington Discount Mortgage and  
3 Chapman are in apparent violation of RCW 19.146.0201(2) and (11) and Regulation B, 12 CFR §  
4 1002, for failing to provide accurate Equal Credit Opportunity Act Notices.

### 5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(3), the  
7 Director may issue orders directing a licensee, its employee, loan originator, independent contractor,  
8 agent, or other person subject to the Act to cease and desist from conducting business or take such  
9 other affirmative action as is necessary to comply with the Act.

10 **3.2 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke  
11 licenses for any violation of the Act.

12 **3.3 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(4), the Director may  
13 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a  
14 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed  
15 mortgage broker or any person subject to licensing under the Act for any violation of the Act.

16 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
17 against persons subject to the Act for any violation of the Act.

18 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-  
19 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour  
20 for an examiner's time devoted to an investigation.

21 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director  
22 may recover the state's costs and expenses for prosecuting violations of the Act.

### 23 **IV. NOTICE OF INTENT TO ENTER ORDER**

24 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,

1 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
2 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and  
3 RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

- 4       **4.1**     Respondents Washington Discount Mortgage, LLC, David Chapman, and Carin Kjoss  
5               cease and desist from the violations set forth in Section II above.
- 6       **4.2**     Respondent Washington Discount Mortgage, LLC's license to conduct the business of  
7               a mortgage broker be revoked.
- 8       **4.3**     Respondent David Chapman's license to conduct the business of a mortgage loan  
9               originator be revoked.
- 10       **4.4**     Respondent Washington Discount Mortgage, LLC be prohibited from participation in  
11              the conduct of the affairs of any mortgage broker subject to licensure by the Director,  
12              in any manner, for a period of 5 years.
- 13       **4.5**     Respondent David Chapman be prohibited from participation in the conduct of the  
14              affairs of any mortgage broker subject to licensure by the Director, in any manner, for  
15              a period of 5 years.
- 16       **4.6**     Respondents Washington Discount Mortgage, LLC and David Chapman jointly and  
17              severally pay a fine. As of the date of this Statement of Charges, the fine totals  
18              \$50,000.
- 19       **4.7**     Respondents Washington Discount Mortgage, LLC and David Chapman jointly and  
20              severally pay an investigation fee. As of the date of this Statement of Charges, the  
21              investigation fee totals \$1,226.40.
- 22       **4.8**     Respondent Carin Kjoss pay a fine, which as of the date of this Statement of Charges  
23              totals \$7,000.
- 24       **4.9**     Respondents Washington Discount Mortgage, LLC, David Chapman, and Carin Kjoss  
              maintain records in compliance with the Act and provide the Department with the  
              location of the books, records and other information relating to Respondent  
              Washington Discount Mortgage'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.
- 4.10**    Respondents Washington Discount Mortgage, LLC, David Chapman, and Carin Kjoss  
              pay the Department's costs and expenses for prosecuting violations of the Act in an  
              amount to be determined at hearing or by declaration with supporting documentation  
              in event of default by any Respondent.

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 15<sup>th</sup> day of August, 2018.

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 DREW STILLMAN  
18 Financial Legal Examiner

19 Approved by:

20 /s/ \_\_\_\_\_  
21 STEVEN C. SHERMAN  
22 Enforcement Chief