

ORDER SUMMARY – Case Number: C-20-2963-21-FO02

Name(s): Liberty Mortgage Company, Inc., Monica J. Smith, Karen Sue Richmond

Order Number: C-20-2963-21-FO02

Effective Date: September 22, 2021

License Number: Liberty #212679, Richmond #212574, Smith #498007
Or NMLS Identifier [U/L]

License Effect: Revoked

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until: 5 years

| | | | | |
|---|-----------------|-------------|--|------|
| Investigation Costs | \$ 979.94 | 30 days | Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N | Date |
| Fine | \$ 12,000.00 | Due 30 days | Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N | Date |
| Assessment(s): Late fee | \$5,000.00 | Due 30 days | Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N | Date |
| Restitution | \$ | Due | Paid <input type="checkbox"/> Y <input type="checkbox"/> N | Date |
| Financial Literacy and Education | \$ | Due | Paid <input type="checkbox"/> Y <input type="checkbox"/> N | Date |
| Cost of Prosecution | \$10,468.36 | Due 30 days | Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N | Date |
| | No. of Victims: | | | |

Comments:



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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

No.: C-20-2963-21-FO02

LIBERTY MORTGAGE COMPANY, INC.,
NMLS # 212679,
KAREN SUE RICHMOND, Direct Owner,
Executive Officer, and President,
NMLS # 212574,
CAROLENE JEAN VLAHOS, Direct Owner,
Executive Officer, and Shareholder,
NMLS # 784939, and
MONICA J. SMITH, Executive Officer, and
Corporate Secretary, NMLS # 498007,

FINAL ORDER RE:

LIBERTY MORTGAGE COMPANY, INC.,
KAREN SUE RICHMOND, and
MONICA J. SMITH

Respondents.

I. DIRECTOR'S CONSIDERATION

Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington ("Director"), pursuant to RCW 34.05.440(2) and RCW 34.05.464. On July 30, 2020, the Director, through his designee, Consumer Services Division Director Lucinda Fazio, issued a Statement of Charges and Notice of Intent to Enter an Order to Revoke License, Prohibit from Industry, File Annual Reports, Collect Annual Assessment, Assess Late Penalties, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses ("Statement of Charges") against Liberty Mortgage Company, Inc. (Respondent Liberty), Karen Sue Richmond (Respondent Richmond), Carolene Jean Vlahos (Respondent Vlahos), and Monica J. Smith (Respondent Smith). On August 3, 2020, the Department of Financial Institutions ("Department") served all Respondents with the Statement of Charges and accompanying documents, sent by First-

1 Class mail and FedEx overnight delivery. The Statement of Charges was accompanied by a cover
2 letter dated August 3, 2020, a Notice of Opportunity to Defend and Opportunity for Hearing, and a
3 blank Application for Adjudicative Hearing for each Respondent. On August 20, 2020, Respondent
4 Smith filed an Application for Adjudicative Hearing. On September 3, 2020, Respondent Liberty,
5 and Respondent Richmond filed an Application for Adjudicative Hearing.¹ On November 3, 2020,
6 the Department made a request to the Office of Administrative Hearings (“OAH”) to assign an
7 Administrative Law Judge (“ALJ”) to schedule and conduct a hearing on the Statement of Charges.

8 On November 6, 2020, OAH issued a Notice of Prehearing Conference, scheduling a
9 prehearing conference on November 17, 2020, at 11:00 a.m., with ALJ Travis Dupree (ALJ Dupree).
10 On November 17, 2020, ALJ Dupree issued an Order Granting Continuance and Notice of Prehearing
11 Conference rescheduling the prehearing conference to December 16, 2020. That Order stated: “You
12 must call in to the conference. If you fail to call in, the administrative law judge may hold you in
13 default and dismiss your appeal.”

14 ALJ Dupree convened the prehearing conference at 1:00 p.m., on December 16, 2020.
15 Representatives for the Department, Respondent Richmond, and Respondent Smith attended the
16 telephonic prehearing conference. Respondent Liberty failed to appear and the Department moved
17 for an order of default dismissing Respondent Liberty’s administrative appeal. On December 22,
18 2020, ALJ Dupree issued a Prehearing Conference Order and Notice of Hearing (Notice of Hearing)
19 scheduling a hearing September 7, 2021, through September 8, 2021, at 9:00 a.m. each day. In
20 addition, ALJ Dupree found Respondent Liberty in default and issued a separate Order Dismissing
21 Appeal (Order of Default) on December 22, 2020, dismissing Respondent Liberty’s administrative
22 appeal. On December 22, 2020, ALJ Dupree sent the Notice of Hearing and Order of Default to
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24 ¹ Respondent Vlahos failed to submit an Application for Adjudicative Hearing. The Department issued Final Order C-20-2963-20-FO01 against Respondent Vlahos on September 9, 2020.

1 Respondents Liberty, Richmond, and Smith, via First-Class mail, and to their counsel via First-Class
2 mail and e-mail.

3 Pursuant to RCW 34.05.440(3), Respondent Liberty had seven (7) days from the date of
4 service of the Order of Default to file a written motion with OAH requesting that the Order of Default
5 be vacated, and stating the grounds relied upon. Respondent Liberty did not make a request to vacate
6 during the statutory period.

7 On or about May 17, 2021, a representative for the Department filed a Motion for Summary
8 Judgment. Respondents Richmond and Smith did not file a Response. On July 1, 2021, ALJ Dupree
9 issued an Initial Order on Summary Judgment Motion (Initial Order) and caused it to be mailed to
10 Respondents Richmond and Smith. This Initial Order made findings of fact for the purpose of
11 summary judgement and conclusions of law, which granted the Department's Motion for Summary
12 Judgement and affirmed the Department's Statement of Charges, including an additional \$10,468.36
13 in costs and expenses.

14 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from
15 the date of service of the Initial Order to file a Petition for Review of the Initial Order. Respondents
16 Richmond and Smith did not file a Petition for Review during the statutory period.

17 A. Record Presented. The record presented to the Director for his review and for entry of
18 a final decision included the following:

- 19 1. Statement of Charges, cover letter dated August 3, 2020, and Notice of
20 Opportunity to Defend and Opportunity for Hearing, with documentation of
service.
- 21 2. Applications for Adjudicative Hearing for Liberty Mortgage Company, Inc., Karen
22 Sue Richmond, and Monica J. Smith.
- 23 3. Request to OAH for Assignment of Administrative Law Judge.

- 1 4. Final Order for Carolene Jean Vlahos, cover letter dated September 15, 2020, with
2 documentation of service.
- 3 5. Notice of Prehearing Conference dated November 6, 2020, with documentation of
4 service.
- 5 6. Order Granting Continuance and Notice of Prehearing Conference dated
6 November 17, 2020, with documentation of service.
- 7 7. Prehearing Conference Order and Notice of Hearing dated December 22, 2020,
8 with documentation of service.
- 9 8. Order of Default dated December 22, 2020, with documentation of service.
- 10 9. Department's Motion for Summary Judgment, Declaration of Ian S. McDonald, in
11 Support of Department's Recovery of Fees and Costs with Attachment (Exhibit 1),
12 and Declaration of Amanda Starnes in Support of Department's Motion for
13 Summary Judgment with Attachments (Exhibits 1 through 28), dated May 17,
14 2021, with documentation of service.
- 15 10. Initial Order on Summary Judgment Motion dated July 1, 2021, with
16 documentation of service.

17 B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(2), the Director
18 hereby adopts the Statement of Charges against Respondent Liberty Mortgage Company, Inc., which
19 is attached hereto.

20 Pursuant to RCW 34.05.461, the Director hereby adopts the Initial Order Granting
21 Department's Motion for Summary Judgment which is attached hereto.

22 II. FINAL ORDER

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

A. IT IS HEREBY ORDERED, That:

1. Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, and Monica
J. Smith's license to conduct the business of a consumer loan company is revoked.
2. Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, and Monica
J. Smith are each prohibited from participation in the conduct of the affairs of any

1 consumer loan company subject to licensure by the Director, in any manner, for a
2 period of five (5) years.

- 3 3. Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, and Monica
4 J. Smith shall provide the Department with a complete CAR and AAR for 2019,
5 including all required supporting documentation.
- 6 4. Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, and Monica
7 J. Smith shall jointly and severally pay to the Washington State Department of
8 Financial Institutions, within thirty (30) days of receipt of this order, an annual
9 assessment for 2019, as calculated in accordance with the instructions for the
10 AAR, plus all accrued interest.
- 11 5. Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, and Monica
12 J. Smith shall jointly and severally pay to the Washington State Department of
13 Financial Institutions, within thirty (30) days of receipt of this order, a \$5,000.00
14 penalty for failing to timely file Respondents' CAR and AAR for 2019.
- 15 6. Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, and Monica
16 J. Smith shall jointly and severally pay to the Washington State Department of
17 Financial Institutions, within thirty (30) days of receipt of this order, a fine, which
18 as of the date of the Statement of Charges totaled \$12,000.00.
- 19 7. Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, and Monica
20 J. Smith shall jointly and severally pay to the Washington State Department of
21 Financial Institutions, within thirty (30) days of receipt of this order, an
22 investigative fee, which as of the date of the Statement of Charges totaled \$979.94.
- 23 8. Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, and Monica
24 J. Smith shall jointly and severally pay to the Washington State Department of
Financial Institutions, within thirty (30) days of receipt of this order, the
Department's costs and expenses for prosecuting violations of the Act, which
totaled \$10,468.36.
9. Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, and Monica
J. Smith shall maintain records in compliance with the Act and provide the
Director with the location of the books, records and other information relating to
Respondents' consumer loan business, and the name, address and telephone
number of the individual responsible for maintenance of such records in
compliance with the Act.

21 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents Liberty, Richmond, and
22 Smith have the right to file a Petition for Reconsideration stating the specific grounds upon which
23 relief is requested. The Petition must be filed in the Office of the Director of the Department of
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1 Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S.
2 Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the
3 Final Order upon Respondents Liberty, Richmond, and Smith. The Petition for Reconsideration shall
4 not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking
5 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. Respondents Liberty, Richmond, and Smith have the right to
13 petition the superior court for judicial review of this agency action under the provisions of chapter
14 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and
15 sections following.

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

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

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DATED this 22nd day of September, 2021.

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

 /s/
CHARLES E. CLARK
Director

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
Consumer Loan Act of Washington by:

5 LIBERTY MORTGAGE COMPANY, INC.,
6 NMLS # 212679,
KAREN SUE RICHMOND, Direct Owner,
7 Executive Officer, and President,
NMLS # 212574,
8 CAROLINE JEAN VLAHOS, Direct Owner,
Executive Officer, and Shareholder,
9 NMLS # 784939, and
MONICA J. SMITH, Executive Officer, and
10 Corporate Secretary, NMLS # 498007,

11 Respondents.

No. C-20-2963-20-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO REVOKE LICENSE, PROHIBIT
FROM INDUSTRY, FILE ANNUAL
REPORTS, COLLECT ANNUAL
ASSESSMENT, ASSESS LATE PENALTIES,
IMPOSE FINE, COLLECT INVESTIGATION
FEE, and RECOVER COSTS AND
EXPENSES

12 INTRODUCTION

13 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
14 Institutions of the State of Washington (Director) is responsible for the administration of chapter
15 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to
16 RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the
17 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this
18 proceeding and finds as follows:

19 I. FACTUAL ALLEGATIONS

20 1.1 Respondents.

21 A. Respondent Liberty Mortgage Company, Inc. was licensed by the Department of
22 Financial Institutions of the State of Washington (Department) to conduct business as a consumer
23 loan company on or about June 30, 2016, until its license expired on or about April 20, 2020.

1 **B. Respondent Karen Sue Richmond (Richmond)** is known to be a Direct Owner,
2 Executive Officer, President, and Primary Company and Regulatory Contact of Liberty Mortgage
3 Company, Inc.

4 **C. Respondent Carolene Jean Vlahos** is known to be a Direct Owner, Executive
5 Officer, and Shareholder of Liberty Mortgage Company, Inc.

6 **D. Respondent Monica J. Smith** is known to be an Executive Officer, and Corporate
7 Secretary of Liberty Mortgage Company, Inc.

8 **1.2 Failure to File Annual Reports.** Respondents' Consolidated Annual Report (CAR) and
9 Annual Assessment Report (AAR) concerning Respondents' business and operations in 2019 were
10 due to the Department on or before March 1, 2020, or within thirty (30) days of closure. Respondents
11 did not file Respondents' CAR and AAR for 2019 on or before March 1, 2020.

12 **1.3 Failure to Pay Annual Assessment.** Respondents' payment of an annual assessment fee for
13 2019, as calculated in the AAR, was due to the Department on or before March 1, 2020, or within
14 thirty (30) days of closure. Respondents did not pay the annual assessment fee for 2019 on or before
15 March 1, 2020.

16 **1.4 Failure to Comply with Department's Directive.** On or about March 13, 2020, the
17 Department's Examinations Unit delivered a late notice to Respondents via e-mail, and via First-
18 Class and Certified Mail to Respondents' last known business address listed in the Nationwide
19 Mortgage Licensing System (NMLS). On or about March 23, 2020, the notice was returned to the
20 Department.

21 On or about April 3, 2020, the Department's Examinations Unit delivered a license expiration
22 notice to Respondents via e-mail, and via First-Class and Certified Mail to Respondent Richmond's
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1 last known mailing address listed in NMLS. On or about April 16, 2020, the notice was returned to
2 the Department.

3 On or about June 2, 2020, the Department's Enforcement Unit delivered a Directive, via e-
4 mail, and via First-Class Mail and FedEx to Respondent Richmond's last known mailing address
5 listed in NMLS, and Respondent Richmond's residence. The Department gave Respondents until
6 June 17, 2020, to file Respondents' CAR and AAR for 2019, and pay Respondents' annual
7 assessment fee and any applicable late fee for 2019.

8 Respondent Richmond contacted the Department via e-mail on or about June 17, 2020.
9 Respondent Richmond stated Respondents ceased doing business on or about February 8, 2019. As
10 of the date of this Statement of Charges, Respondents have not filed Respondents' CAR and AAR for
11 2019, or paid the annual assessment fee and any applicable late fee for 2019.

12 **1.5 Failure to Notify Department of Significant Developments.**

13 A. On or about April 3, 2019, the California Department of Business Oversight revoked
14 Respondents' Finance Lenders Law License. On or about December 19, 2019, the Indiana
15 Department of Financial Institutions revoked Respondents' Mortgage Lending License. As of the
16 date of this Statement of Charges, Respondents have not updated Respondents' NMLS record to
17 reflect either revocation.

18 B. Respondent Richmond contacted the Department on or about June 17, 2020.
19 Respondent Richmond stated Respondents ceased doing business on or about February 8, 2019. As
20 of the date of this Statement of Charges, Respondents have not updated Respondents' NMLS record
21 to reflect Respondents' closure.

22 C. Respondent Richmond contacted the Department on or about June 17, 2020.
23 Respondent Richmond stated future correspondence for Respondents should be sent to P.O. Box 918,

1 Powell, OH, 43065. As of the date of this Statement of Charges, Respondents have not updated
2 Respondents' NMLS record to reflect Respondents' current mailing address.

3 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the
4 Act by Respondents continues to date.

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

6 **2.1 Requirement to File Reports.** Based upon the Factual Allegations set forth in Section I
7 above, Respondents are in apparent violation of RCW 31.04.155, WAC 208-620-430(1), WAC 208-
8 620-460(1), and WAC 208-620-499(2) for failing to file Respondents' CAR and an AAR for 2019 on
9 or before March 1, 2020, or within thirty (30) days of closure.

10 **2.2 Requirement to Pay Annual Assessment.** Based upon the Factual Allegations set forth in
11 Section I above, Respondents are in apparent violation of RCW 31.04.085, WAC 208-620-430(1),
12 WAC 208-620-460(1), and WAC 208-620-499(2) for failing to pay Respondents' annual assessment
13 for 2019, as calculated in the AAR, to the Director on or before March 1, 2020, or within thirty (30)
14 days of closure.

15 **2.3 Requirement to Comply with Department's Directive.** Based upon the Factual Allegations
16 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.145 for failing to
17 comply with the Department's June 2, 2020, Directive.

18 **2.4 Requirement to Report Significant Developments.** Based upon the Factual Allegations set
19 forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(1) and WAC 208-
20 620-490(4)(a) for failing to notify the Department in NMLS within twenty (20) days of receipt of
21 notification of license revocation procedures against Respondents' license in any state, and RCW
22 31.04.027(1) and WAC 208-620-490(2)(c) for failing to notify the Department in NMLS within ten
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1 (10) days of Respondents' change in mailing address, and for failing to notify the Department in
2 NMLS within ten (10) days of Respondents' closure.

3 **2.5 Requirement to Comply with State and Federal Laws.** Based upon the Factual Allegations
4 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(m) for violating
5 any state or federal law relating to the activities governed by this chapter.

6 **III. AUTHORITY TO IMPOSE SANCTIONS**

7 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3), the Director may revoke a
8 license for failure to pay any fee due to the state of Washington, failure to maintain the required
9 surety bond, failure to comply with any specific order or demand, or failure to comply with any
10 directive, order, or subpoena issued by the Director under the Act.

11 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
12 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
13 employee, mortgage loan originator, or any other person subject to the Act for (c) Suspension or
14 revocation of a license to engage in lending or residential mortgage loan servicing, or perform a
15 settlement service related to lending or residential mortgage loan servicing in this state or another
16 state; or (e) a violation of RCW 31.04.027 or RCW 31.04.155.

17 **3.3 Authority to Order Affirmative Action.** Pursuant to RCW 31.04.093(5)(b), the Director
18 may issue an order directing a licensee, its employee, loan originator, or other person subject to the
19 Act to take such affirmative action as is necessary to comply with the Act.

20 **3.4 Authority to Collect Annual Assessment.** Pursuant to RCW 31.04.085 and WAC 208-620-
21 430, every licensee shall pay to the Director, on or before the first day of each March or within thirty
22 (30) days of ceasing Washington operations, an annual assessment for the previous calendar year if
23 the licensee had a license for any time during the preceding calendar year. Pursuant to RCW

1 43.17.240, interest at the rate of one percent per month, or fraction thereof, shall accrue on debts owed to
2 the state, starting on the date the debts become past due.

3 **3.5 Authority to Assess Late Report Penalties.** Pursuant to RCW 31.04.155 and WAC 208-620-
4 430(2), a licensee that fails to file a report that is required to be filed by the Act, within the time frame
5 required under the Act, is subject to a penalty of \$50.00 per item for each day of delay. The maximum
6 late penalty that will be assessed is \$5,000.00 per year.

7 **3.6 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
8 up to \$100.00 per day, per violation, upon the licensee, its employee or loan originator, or any other
9 person subject to the Act for any violation of the Act or failure to comply with any order or subpoena
10 issued by the Director under the Act.

11 **3.7 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
12 610(7), every licensee investigated by the Director or the Director's designee shall pay for the cost of
13 the investigation, calculated at the rate of \$69.01 per staff hour spent on the investigation.

14 **3.8 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
15 may recover the state's costs and expenses for prosecuting violations of the Act.

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

17 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
18 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
19 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
20 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

21 **4.1** Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, Carolene Jean
22 Vlahos, and Monica J. Smith's license to conduct the business of a consumer loan
company be revoked.

23 **4.2** Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, Carolene Jean

Vlahos, and Monica J. Smith be prohibited from participation in the conduct of the affairs of any consumer loan company subject to licensure by the Director, in any manner, for a period of five (5) years.

4.3 Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, Carolene Jean Vlahos, and Monica J. Smith provide the Department with a complete CAR and AAR for 2019, including all required supporting documentation.

4.4 Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, Carolene Jean Vlahos, and Monica J. Smith jointly and severally pay an annual assessment for 2019, as calculated in accordance with the instructions for the AAR, plus all accrued interest, or in an amount to be determined by declaration with supporting documentation in the event of default by Respondents.

4.5 Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, Carolene Jean Vlahos, and Monica J. Smith jointly and severally pay a \$5,000.00 penalty for failing to timely file Respondents' CAR and AAR for 2019.

4.6 Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, Carolene Jean Vlahos, and Monica J. Smith jointly and severally pay a fine, which as of the date of this Statement of Charges totals \$12,000.00.

4.7 Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, Carolene Jean Vlahos, and Monica J. Smith jointly and severally pay an investigation fee, which as of the date of this Statement of Charges totals \$979.94.

4.8 Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, Carolene Jean Vlahos, and Monica J. Smith jointly and severally 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 Respondents.

4.9 Respondents Liberty Mortgage Company, Inc., Karen Sue Richmond, Carolene Jean Vlahos, and Monica J. Smith maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondents' consumer loan business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Revoke License, Prohibit
3 from Industry, File Annual Reports, Collect Annual Assessment, Assess Late Penalties, Impose Fine,
4 Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) is entered
5 pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW
6 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure
7 Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF
8 OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND accompanying this
9 Statement of Charges.

10 Dated this 30 day of July, 2020.

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12
13 /s/ _____
14 LUCINDA FAZIO, Director
15 Division of Consumer Services
16 Department of Financial Institutions

17 Presented by:

18 /s/ _____
19 AMANDA B. STARNES
20 Financial Legal Examiner

21 Approved by:

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