

# Terms Completed

## ORDER SUMMARY – Case Number: C-04-101

**Name(s):** Goldsmith Financial Services Inc  
Lisa Goldsmith

**Order Number:** C-04-101-04-FO01

**Effective Date:** March 1, 2005

**License Number:** DFI: 19547  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  
 If applicable, you must specifically note the ending dates of terms.

**License Effect:** Revoked

**Not Apply Until:** March 1, 2010

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

**Prohibition/Ban Until:** March 1, 2010

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

**Comments:** \_\_\_\_\_  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

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

Goldsmith Financial Services, Inc. and  
Lisa L. Goldsmith, Owner  
Respondents.

NO. C-04-101-04-FO01

FINAL ORDER

I. DIRECTOR'S CONSIDERATION

A. Default. 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(1). On October 7, 2004, the Director through her designee Consumer Services Division Director and Enforcement Chief Chuck Cross, entered a Statement of Charges and Notice of Intention to Enter an Order to Revoke License and Prohibit from Industry (Statement of Charges). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated November 15, 2004, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Goldsmith Financial Services, Inc. and Lisa Goldsmith, Owner. The Department of Financial Institutions of the State of Washington (Department) served the Statement of Charges, cover letter dated November 15, 2004, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Goldsmith Financial Services, Inc. and Lisa Goldsmith, Owner, on Respondents Goldsmith Financial Services, Inc. and Lisa Goldsmith, by Federal Express on November 16, 2004. Respondents Goldsmith Financial Services, Inc.

1 and Lisa Goldsmith have not requested an adjudicative hearing within twenty days of service as required  
2 by Department rule WAC 208-08-050.

3 B. Record Presented. The record presented to the Director for her review and for entry of a  
4 final decision included the Statement of Charges, cover letter dated November 15, 2004, Notice of  
5 Opportunity to Defend and Opportunity for Hearing, blank Applications for Adjudicative Hearing for  
6 Goldsmith Financial Services, Inc. and Lisa Goldsmith, and documentation of service.

7 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the Director  
8 hereby adopts the Statement of Charges, which is attached hereto.

9  
10 II. FINAL ORDER

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

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent Goldsmith Financial Services Inc.'s license to conduct the business of a Mortgage  
15 Broker be revoked; and  
16 2. Respondent Lisa Goldsmith be prohibited from participation in the conduct of the affairs of any  
17 licensed mortgage broker, in any manner, for a period of five (5) years.

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

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

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

7 D. Judicial Review. Respondents have the right to petition the superior court for judicial  
8 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a  
9 Petition for Judicial Review, see RCW 34.050.510 and sections following.

10 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial  
11 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service attached hereto.  
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14 DATED this 1<sup>st</sup> day of March, 2005.

15  
16 STATE OF WASHINGTON  
17 DEPARTMENT OF FINANCIAL INSTITUTIONS

18  
19 /S/  
20 Gloria Papiez  
21 Acting Director

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

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

Goldsmith Financial Services, Inc. and  
Lisa L. Goldsmith, Owner and Arthur T.  
Goldsmith, Designated Broker

Respondents.

NO. C-04-101-04-SC01

STATEMENT OF CHARGES AND  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO REVOKE LICENSE, AND  
PROHIBIT FROM INDUSTRY

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**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). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent part. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of October 4, 2004, the Director institutes this proceeding and finds as follows:

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**I. FACTUAL ALLEGATIONS**

**1.1 Respondents:**

A. **Goldsmith Financial Services, Inc.** (Goldsmith) is known to have conducted the business of a mortgage broker at the following locations:

10224-112<sup>th</sup> Street NE, Suite 2  
Arlington, WA 98223

221 State Avenue, Suite B  
Marysville, WA 98270

B. **Lisa L. Goldsmith** (L. Goldsmith) is known to be an owner of Respondent Goldsmith .

1 C. **Arthur T. Goldsmith** (T. Goldsmith) is known to be the Designated Broker. Respondent  
2 T. Goldsmith was named Designated Broker on October 27, 2002, and has continued as Designated Broker  
3 to date.

4 **1.2 License:** Respondent Goldsmith was issued a license by the Department on November 22, 1999,  
5 and has continued to be licensed to date.

6 **1.3 Failure to Pay Annual Assessment:** An annual assessment fee for each license is due to the  
7 Department no later than the last business day of May for the year then ended. To date, the Department  
8 has not received the annual assessment for \$530.86 due from Respondents on May 31, 2003.

9 **1.4 Failure to Respond to Directives:** On January 26, 2004, the Department sent a directive to  
10 Respondents to pay the annual assessment for May 2003 and complete the continuing education for that  
11 year. Because the Department received no response to its directive, it sent two more directives on April  
12 27, 2004 and May 22, 2004, regarding the annual assessments and the continuing education. These  
13 directives also required the company to disclose certain significant developments. These last two directives  
14 were successfully served on Lisa Goldsmith. Other than denying responsibility for the company, she has  
15 failed to respond.

16 On September 4, 2002, the Department received a complaint and allegation that someone at  
17 Goldsmith Financial Services had run an unauthorized credit report and provided the information to an  
18 individual against whom the complainant had a restraining order. The Department issued a Directive for  
19 the Production of Records and Explanation to Goldsmith on July 1, 2004. Respondents failed to respond to  
20 the directive.

21 On March 7, 2003, the Department received a complaint from Matt Howard Appraisals. The  
22 complainant alleged that Goldsmith Financial Services failed to pay for services provided by the appraiser  
23 in violation of RCW 19.146.0201(11). The Department issued a Directive and Requirement on March 28,  
24 2003. Respondents failed to respond to the directive.

1 On May 19, 2003, the Department received a complaint from a consumer who alleged that  
2 Respondents had used various unfair and predatory tactics to get their business, including asking the  
3 consumers to backdate certain required disclosure documents. The Department issued a Directive and  
4 Requirement for Production of Records and Explanation on June 9, 2003. Respondents failed to respond to  
5 the Directive.

6 On April 22, 2004, the Department received a complaint from Precision Appraisal. The  
7 complainant alleged that Goldsmith Financial Services failed to pay for services provided by the appraiser  
8 in violation of 19.146.0201(11). The Department issued a Directive and Requirement on July 1, 2004.  
9 Respondents have not responded.

## 10 II. GROUNDS FOR ENTRY OF ORDER

11 **2.1 Requirement to Pay Annual Assessments:** Based on the Factual Allegations set forth in Section  
12 I above, Respondents are in apparent violation of RCW 19.146.228(1), WAC 208-660-060(3) and WAC  
13 208-660-061 for failing to pay to the Director annual assessment fees no later than the last business day of  
14 the month in which the anniversary date of the issuance of the mortgage broker's license occurs.

15 **2.2 Requirement to Submit Certificate of Completion of Continuing Education:** Based on the  
16 Factual Allegations set forth in Section I above, Respondent T. Goldsmith was in apparent violation of  
17 RCW 19.146.215 and WAC 208-660-042 for failing to complete the annual continuing education  
18 requirement and file a certificate of satisfactory completion.

19 **2.3 Requirement to Comply with Directive:** Based on the Factual Allegations set forth in Section I  
20 above, Respondents are in apparent violation of RCW 19.146.235 for failing to comply with a directive within  
21 the time period established in the directive.

22 **2.4 Authority to Impose Fine:** Pursuant to RCW 19.146.220(2)(c) and WAC 208-660-165, the Director  
23 may impose fines on a licensee that fails to maintain the required bond or fails to comply with any directive or  
24 order of the Director.

1 **2.5 Authority to Charge Investigation Fee:** Pursuant to RCW 19.146.228(2), WAC 208-660-060(4) and  
2 WAC 208-660-061, upon completion of any investigation of the books and records of a licensee, the Department  
3 will furnish to the licensee a billing to cover the cost of the investigation. The investigation charge will be  
4 calculated at the rate of forty-seven dollars and seventy-eight cents (\$47.78) per hour that each staff person devoted  
5 to the investigation.

6 **2.6 Authority to Revoke License:** Pursuant to RCW 19.146.220(2)(b)(ii), (iii) and (iv), and WAC  
7 208-660-160(1), (2), (8) and (13), the Director may revoke a license if a licensee fails to pay a fee required  
8 by the Director, fails to maintain the required bond, or fails to comply with any directive or order of the  
9 Director.

10 **2.7 Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e)(i) and (iv), the  
11 Director may prohibit from participation in the conduct of the affairs of a licensed mortgage broker,  
12 any officer, principal, employee, or loan originator of any licensed mortgage broker or any person  
13 subject to licensing under the Act that fails to maintain the required bond or fails to comply with any  
14 directive or order of the Director.

### 15 **III. NOTICE OF INTENTION TO ENTER ORDER**

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

- 20 3.1 Respondent Goldsmith's license to conduct the business of a Mortgage Broker be revoked; and
- 21 3.2 Respondent Lisa Goldsmith and Arthur T. Goldsmith be prohibited from participation in the  
22 conduct of the affairs of any licensed mortgage broker, in any manner, for a period of five (5)  
23 years; and
- 24 3.3 Respondents jointly and severally pay a fine of \$3000 for failure to comply with a directive, calculated  
at \$100 per day for 30 days;

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**IV. AUTHORITY AND PROCEDURE**

This Statement of Charges and Notice of Intention to Enter an Order to Revoke License and Prohibit from Industry, is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges and Notice of Intention to Enter an Order to Revoke License and Prohibit from Industry.

Dated this 7th day of October, 2004.

/s/  
\_\_\_\_\_  
CHUCK CROSS  
Director and Enforcement Chief  
Division of Consumer Services  
Department of Financial Institutions

Presented by:  
Deborah Bortner  
Financial Legal Examiner