

# TERMS COMPLETED

## FINAL ORDER SUMMARY – Case Number: C-07-102

**Name(s)** Karl York

**Order Number** C-07-102-08-FO01

**Effective Date** April 8, 2008

**License Number** 510-LO-33211  
(Revoked, suspended, stayed, application denied or withdrawn)  
If applicable, you must specifically note the ending dates of terms.

**License Effect** Denied

**Not Apply until** December 10, 2013

**Prohibition/Ban until** December 10, 2013

<b>Investigation Costs</b>	\$ 0	Due	Paid	Date
			Y N	

<b>Assessment(s)</b>	\$ 0	Due	Paid	Date
			Y N	

<b>Monetary Penalty</b>	\$ 0	Due	Paid	Date
			Y N	

**Other**

**Special Instructions**

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

IN THE MATTER OF INVESTIGATING  
the Loan Originator License Application under the  
Mortgage Broker Practices Act of Washington by:

KARL YORK,

Respondent.

NO. C-07-102-08-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(2). On April 25, 2007, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Deny License Application 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 May 7, 2007, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing. The Department served the Statement of Charges, cover letter dated May 7, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on May 9, 2007, by first class mail and Federal Express overnight delivery.

On May 10, 2007, Respondent filed an Application for Adjudicative Hearing. On May 14, 2007, the Department made a request to the Office of Administrative Hearings (OAH) to assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of Charges. On June 1, 2007, OAH issued a Notice of Prehearing Conference and on June 1, 2007, a Notice of Assignment of Administrative Law Judge was issued assigning ALJ Carolyn L. Pinkett (ALJ Pinkett) to preside over prehearing and hearing proceedings

1 and issue an Initial Decision. On June 1, 2007, ALJ Pinkett issued an Order for Telephonic Prehearing  
2 Conference scheduling a prehearing conference on Thursday, June 28, 2007 at 8:30 a.m.

3 On June 28, 2007, all parties attended the prehearing conference. The parties agreed on a schedule for  
4 the Department to file a Motion for Summary Judgment.

5 On July 6, 2007, a Notice of Hearing was issued by ALJ Pinkett regarding the Motion for Summary  
6 Judgment. This hearing was scheduled for August 31, 2007, at 9:00 a.m.

7 On August 2, 2007, Assistant Attorney General Charles Clark prepared and sent a Motion for  
8 Summary Judgment to Respondent York. Respondent York did not file any opposing affidavits, memoranda of  
9 law, or any other documentation opposing the Department's Motion for Summary Judgment.

10 On October 15, 2007, ALJ Pinkett issued a Proposed Findings of Fact, Conclusions of Law, and Initial  
11 Order on Motion for Summary Judgment. The Department's Motion for Summary Judgment was GRANTED  
12 by ALJ Pinkett. ALJ Pinkett ruled that Respondent York's application to be licensed as a loan originator is  
13 DENIED and that Respondent York is prohibited from participating in the conduct of the affairs of any licensed  
14 mortgage broker through December 10, 2013.

15 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the date of  
16 service of the Findings of Fact, Conclusions of Law, and Initial Order on Motion for Summary Judgment with  
17 the Director. Respondent did not file a Petition for Review during the statutory period.

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

- 20 1. Statement of Charges, cover letter, and Notice of Opportunity to Defend and Opportunity for  
21 Hearing, with documentation of service;
- 22 2. Application for Adjudicative Hearing for Respondent;
- 23 3. Request to OAH for Assignment of Administrative Law Judge;
- 24 4. Notice of Appearance, with documentation of service;
- 25 5. Notice of Prehearing Conference;

6. Notice of Assignment of Administrative Law Judge;
7. Notice of Hearing;
8. Department's Motion for Summary Judgment, with documentation of service,
9. ALJ Pinkett's Proposed Findings of Fact, Conclusions of Law, and Initial Order on Motion for Summary Judgment.

C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director hereby adopts the proposed Findings of Fact, Conclusions of Law, and Order contained in the Order Granting Summary Judgment attached hereto.

## II. FINAL ORDER

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

A. IT IS HEREBY ORDERED, That:

1. Respondent Karl York's application for a loan originator license is denied; and
2. Respondent Karl York is banned from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, through December 10, 2013.

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

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

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

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

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

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10 DATED this 8<sup>th</sup> day of April, 2008.



11 STATE OF WASHINGTON  
12 DEPARTMENT OF FINANCIAL INSTITUTIONS

13 [Redacted Signature]  
14 SCOTT JARVIS  
15 DIRECTOR

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

IN THE MATTER OF INVESTIGATING  
the Loan Originator License Application under the  
Mortgage Broker Practices Act of Washington by:

Karl York,

Respondent.

NO. C-07-102-07-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO DENY LICENSE APPLICATION  
AND PROHIBIT FROM INDUSTRY

**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)<sup>1</sup>. After having conducted an investigation pursuant to RCW 19.146.310, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Karl York (Respondent York)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Pacific Northwest Mortgage, Inc., a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 10, 2006.

**1.2 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator license application consists of eight questions, and includes the following instruction:

"If the answer to any of the following is "YES", provide complete details of all events or proceedings"  
Respondent York answered "no" to the following question on the "Criminal Disclosure" section of his loan originator license application:

<sup>1</sup> RCW 19.146 (Amended 2006; Effective January 1, 2007)

- 1-Have you ever been charged with a Felony?

Respondent York was obligated by statute to answer questions on the loan originator license application truthfully and to provide the Department with complete details of all events or proceedings.

**1.3 Prior Criminal Acts.** On June 9, 2003, in King County Superior Court under Cause No. 03-1-06638-5, Respondent York was charged by Information with a [REDACTED], [REDACTED] a class C felony. On July 21, 2003, in King County Superior Court under Cause No. 03-1-07734-4, Respondent York was charged by Information with [REDACTED], a class C felony. On October 22, 2001, in King County Superior Court under Cause No. 01-1-08362-3SEA, Respondent York was charged by Information with [REDACTED], a class C felony.

## II. GROUNDS FOR ENTRY OF ORDER

**2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent York is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making any false statement or willfully making any omission of material fact in connection with any application or any information filed by a licensee in connection with any application, examination or investigation conducted by the Department.

**2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set forth in Section I above, Respondent York fails to meet the requirements of RCW 19.146.300(1) and (2) and RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form prescribed by the Director.

**2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set forth in Section I above, Respondent York fails to meet the requirements of RCW 19.146.310(1)(g) and WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the confidence of

1 the community and to warrant a belief that the business will be operated honestly and fairly within the purposes  
2 of the Act.

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

4 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the  
5 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the  
6 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by  
7 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application  
8 of the denial.

9 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue  
10 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
11 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
12 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

### 13 **IV. NOTICE OF INTENTION TO ENTER ORDER**

14 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth  
15 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis  
16 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.310.  
17 Therefore, it is the Director's intention to ORDER that:

18 **4.1** Respondent Karl York's application for a loan originator license be denied.

19 **4.2** Respondent Karl York be prohibited from participation in the conduct of the affairs of any licensed  
20 mortgage broker, in any manner, through December 10, 2013.

### 21 **V. AUTHORITY AND PROCEDURE**

22 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and  
23 Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,  
24 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05  
25 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in



1 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this  
2 Statement of Charges.



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8 Dated this 25<sup>th</sup> day of April, 2007

9  
10 [Redacted]  
11 DEBORAH BORTNER  
12 Director  
13 Division of Consumer Services  
14 Department of Financial Institutions

15 Presented by:

16 [Redacted]  
17 NED JURSEK  
18 Financial Legal Examiner

19 Approved by:

20 [Redacted]  
21 JAMES R. BRUSSELBACK  
22 Enforcement Chief  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF INVESTIGATING  
the Loan Originator License Application under the  
Mortgage Broker Practices Act of Washington by:

Karl York,

Respondent.

C-07-102-07-SC01

NOTICE OF OPPORTUNITY TO DEFEND  
AND OPPORTUNITY FOR HEARING

THE STATE OF WASHINGTON TO:

Karl York

YOU ARE HEREBY NOTIFIED that a STATEMENT OF CHARGES has been filed by the Department  
of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the  
Washington State Department of Financial Institutions on the Statement of Charges. Service of this notice is  
deemed complete upon deposit in the United States mail. YOUR APPLICATION MUST BE RECEIVED BY  
THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE  
YOU RECEIVED THIS NOTICE. If you demand a hearing, you will be notified of the time and place for the  
hearing at least seven (7) days in advance of the hearing date.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal  
as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The hearing  
will be recorded. The primary concern will be getting to the truth of the matter insofar as the Statement of Charges  
is concerned. Technical rules of evidence will not be binding at the hearing except for the rules of privilege  
recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-examine  
those witnesses presented in support of the Statement of Charges. You may require the attendance of witnesses by  
subpoena. If you are limited English- speaking or hearing impaired, you have the right to have an interpreter  
appointed at no cost to you, as discussed below.

NOTICE OF OPPORTUNITY TO DEFEND  
AND OPPORTUNITY FOR HEARING

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

1 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-  
2 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for  
3 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate  
4 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN  
5 INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the witness. You may request  
6 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative  
7 Hearing form.

8 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the  
9 Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice, this will  
10 constitute a waiver of your right to a hearing and the Director will find that you do not contest the allegations of the  
11 Statement of Charges. Upon such a finding by the Director a final order will be immediately entered disposing of  
12 this matter as described in the Statement of Charges. If you desire a hearing in this matter, please return the  
13 attached Application for Adjudicative Hearing to:

14 Department of Financial Institutions  
15 Division of Consumer Services  
16 Attn: Fatima Batic  
PO Box 41200  
Olympia, Washington 98504-1200

17 Dated this 25<sup>th</sup> day of April, 2007.



*Deborah Bortner*

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions