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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:

THOMAS ANTHONY LACEY, SR.,  
Respondent.

NO. C-07-185-07-FO01

FINAL ORDER

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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), through his designee, Consumer Services Division Director Deborah Bortner, pursuant to RCW 34.05.440(2). On June 11, 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 (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 June 11, 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, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on June 12, 2007 by Federal Express overnight delivery.

On June 21, 2007, Respondent filed an Application for Adjudicative Hearing. On June 22, 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 July 26, 2007, OAH issued a Notice of Assignment of Administrative Law Judge assigning ALJ

1 Barbara Boivin (ALJ Boivin) to preside over prehearing and hearing proceedings and issue an Initial  
2 Decision. On July 26, 2007, ALJ Boivin issued a Notice of Prehearing Conference scheduling a  
3 prehearing conference on August 21, 2007 at 8:15 am. That Order contained the following instruction  
4 to the parties: "You must provide the Office of Administrative Hearings with telephone number where  
5 you can be reached at the hearing time..." That Order also noted "If you fail to appear or participate in  
6 the prehearing conference, hearing, or any other scheduled stage of these proceedings, you may lose  
7 your right to a hearing as described in RCW 34.05.440."

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9 On August 21, 2007, all parties attended the telephonic prehearing conference. At the  
10 prehearing conference, a summary judgment schedule was established. On August 28, 2007, ALJ  
11 Boivin issued an Order on Prehearing Conference memorializing the summary judgment schedule.

12 In compliance with the Prehearing Conference Order, the Department's representative,  
13 Assistant Attorney General Chad Standifer, submitted its Motion for Summary Judgment on  
14 September 19, 2007. Respondent did not respond or submit a response brief.

15 On November 7, 2007, at 8:15 a.m., the date set for oral argument, ALJ Boivin attempted to  
16 contact both parties. While Mr. Standifer appeared for the Department, ALJ Boivin was unable to  
17 contact Respondent at the last telephone number provided by Respondent.

18 On November 20, 2007, ALJ Boivin considered the Department's Motion for Summary  
19 Judgment and issued an Initial Decision and Order on Summary Judgment. This Order granted the  
20 Department's Motion for Summary Judgment in its entirety. On November 20, 2007, the Office of  
21 Administrative Hearings mailed the Initial Decision and Order on Summary Judgment to  
22 Respondent's last known address.  
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1 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the  
2 date of service of the Initial Decision and Order on Summary Judgment to file a Petition for Review of  
3 the Initial Decision and Order on Summary Judgment. Respondent did not file a Petition for Review  
4 during the statutory period.

5 B. Record Presented. The record presented to the Director's designee for his review and  
6 for entry of a final decision included the following:

- 7
- 8 1. Statement of Charges, cover letter, and Notice of Opportunity to Defend and  
9 Opportunity for Hearing, with documentation of service;
- 10 2. Application for Adjudicative Hearing for Respondent;
- 11 3. Request to OAH for Assignment of Administrative Law Judge;
- 12 4. Notice of Prehearing Conference dated July 26, 2007, with documentation of service;
- 13 5. Order on Prehearing Conference dated August 28, 2007, with documentation of  
14 service;
- 15 6. Department's Motion for Summary Judgment;
- 16 7. Initial Decision and Order on Summary Judgment dated November 20, 2007, with  
17 documentation of service.

18 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director's  
19 designee hereby adopts the proposed Findings of Fact, Conclusions of Law, and Order contained in the  
20 Initial Decision and Order on Summary Judgment attached hereto.

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2 **II. FINAL ORDER**

3 Based upon the foregoing, and the Director's designee having considered the record and  
4 being otherwise fully advised, NOW, THEREFORE:

5 A. **IT IS HEREBY ORDERED, That:**

6 Respondent Thomas Anthony Lacey's application for a loan originator license is denied.

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

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

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

21 D. **Judicial Review.** Respondent has 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 filing  
23 a Petition for Judicial Review, see RCW 34.05.510 and sections following.  
24

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

4 DATED this 4<sup>th</sup> day of December, 2007.

5 STATE OF WASHINGTON  
6 DEPARTMENT OF FINANCIAL INSTITUTIONS



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*Deborah Bortner*  
DEBORAH BORTNER  
DIRECTOR  
DIVISION OF CONSUMER SERVICES

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
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IN THE MATTER OF INVESTIGATING  
the Loan Originator License Application under the  
Mortgage Broker Practices Act of Washington by:

THOMAS ANTHONY LACEY, SR,  
  
Respondent.

NO. C-07-185-07-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO DENY LICENSE APPLICATION

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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)<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 and Notice of Intention to Enter an Order to Deny License Application, 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. Respondent Thomas Anthony Lacey, Sr.** (Respondent Lacey) submitted an application to the Department of Financial Institutions of the State of Washington, Division of Consumer Services (Department) for a loan originator license under American Freedom Group Inc., a mortgage broker licensed under the Act. The on-line application was received by the Department on December 29, 2006
- 1.2 Prior Criminal Acts.** On or about August 3, 2005, Respondent was convicted under Snohomish County Superior Court Cause No. 05-1-01381-2 of Assault Third Degree-Domestic Violence, a felony, pursuant to 9A.36.031(1)(d).

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<sup>1</sup> RCW 19.146 (2007)

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**II. GROUNDS FOR ENTRY OF ORDER**

**2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section I above, Respondent Lacey fails to meet the requirements of RCW 19.146.310(1)(d) and (g) and WAC 208-660-350(2)(a) and (c) by having been convicted of a felony within seven years of the filing of the present application.

**III. AUTHORITY TO IMPOSE SANCTIONS**

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

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

Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.310.

Therefore, it is the Director's intention to ORDER that:

**4.1** Respondent Lacey's application for a loan originator license be denied.


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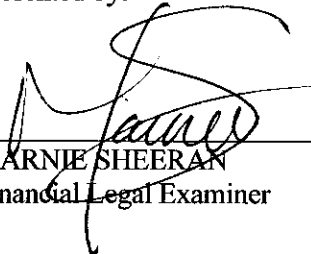
**V. AUTHORITY AND PROCEDURE**

This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application (Statement of Charges) 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). Respondent 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.


Dated this 11<sup>th</sup> day of June, 2007.

  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
MARNIE SHEERAN  
Financial Legal Examiner

Approved by:

  
FATIMA BATIE  
Financial Legal Examiner Supervisor

