

1  
2  
3  
4  
5  
6  
7  
8

**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:

SHARON MARIE ELZIE,  
Respondent.

NO. C-07-205-07-FO01

FINAL ORDER

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**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(1). On June 18, 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 June 18, 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 June 18, 2007, Notice of Opportunity to Defend and Opportunity for Hearing and blank Application for Adjudicative Hearing on Respondent on June 21, 2007 by first class mail and Federal Express overnight delivery. On June 21, 2007, the documents sent via Federal Express overnight delivery were delivered. The documents sent via first class mail were not returned to the Department by the United States Postal Service.

1 Respondent did not request an adjudicative hearing within twenty calendar days after the  
2 Department served her with the Notice of Opportunity to Defend and Opportunity for Hearing, as  
3 provided for in WAC 208-08-050(2).

4 B. Record Presented. The record presented to the Director's designee for her review and  
5 for entry of a final decision included the Statement of Charges, cover letter dated June 18, 2007, Notice  
6 of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing,  
7 with documentation of service.

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

11 II. FINAL ORDER

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

14 A. IT IS HEREBY ORDERED, That:

- 15  
16 1. Respondent Sharon Marie Elzie's application for a loan originator license is denied;  
and  
17  
18 2. Respondent Sharon Marie Elzie is banned from participation in the conduct of the  
affairs of any mortgage broker subject to licensure by the Director, in any manner,  
19 through December 14, 2013.

20 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
21 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
22 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150  
23 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
24 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
2 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

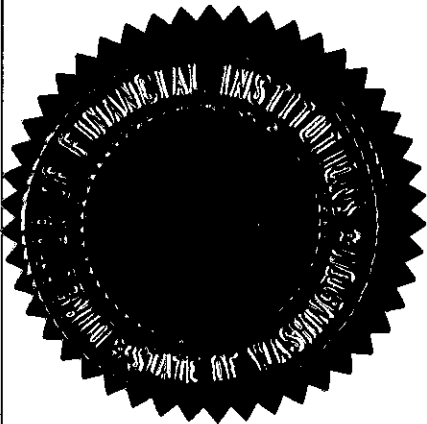
12 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for  
13 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
14 attached hereto.

15  
16 DATED this 17<sup>th</sup> day of July, 2007.

17  
18 STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

19  
20 

21 DEBORAH BORTNER  
22 DIRECTOR  
23 DIVISION OF CONSUMER SERVICES



1  
2  
3  
4  
5  
6  
7  
8  
9

**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:

SHARON MARIE ELZIE,  
  
Respondent.

NO. C-07-205-07-SC01

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

10  
11  
12  
13  
14  
15  
16

**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:

17  
18  
19  
20  
21  
22  
23  
24  
25

**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Sharon Marie Elzie (Respondent Elzie)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Loan Network, LLC, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 14, 2006.

**1.2 Responses to Application Questions.** The "Employment History" section of the loan originator license application requests the applicant to "Provide complete employment history for the past 10 years. Account for all time including full & part-time employments, self-employment, military service and homemaking."

---

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

1 Respondent Elzie was obligated by statute to answer questions on the loan originator license application  
2 truthfully and to provide the Department with complete details. Respondent stated her only employer over the  
3 past 10 years was "Loan Network, LLC dba Many Ways Lending Group Mortgage Consultant Spanaway WA."  
4 Investigation conducted by the Department revealed Respondent Elzie was employed as a real estate agent by  
5 Magic Realty Inc. in 1998 and RE/MAX Advantage Inc. in 2000 (within the 10 year timeframe since her date of  
6 application with the Department).

7 **1.3** The "Regulatory Action Disclosure" section of the loan originator license application consists of nine  
8 questions, and includes the following instruction:

9 "If the answer to any of the following is "YES", provide complete details of all events or proceedings."

10 Respondent Elzie answered "no" to the following questions on the "Regulatory Action Disclosure" section of  
11 her loan originator license application:

12 Has any State or federal regulatory agency or foreign financial regulatory authority ever:

- 13 1. Found you to have made a false statement or omission or been dishonest, unfair or unethical?
- 14 2. Issued charges or an order based on violations of any law or regulations that prohibit  
15 fraudulent, manipulative, or deceptive conduct?

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

18 **1.4 Prior Regulatory History.** Through investigation, the Department has discovered Respondent Elzie  
19 possessed a real estate license issued to her on July 7, 1994. On or about November 7, 2000 the Department of  
20 Licensing issued a Statement of Charges against Respondent Elzie for numerous violations pursuant to RCW  
21 18.85, the Real Estate Broker and Salespersons Act. A Final Order revoking Respondent Elzie's real estate  
22 license was issued on January 9, 2001, which banned Respondent Elzie from applying for a real estate license  
23 for ten (10) years. Respondent Elzie failed to disclose this regulatory action in her on-line application to the  
24 Department.

25

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

2 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent Elzie  
3 is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making any false  
4 statement or willfully making any omission of material fact in connection with any application or any  
5 information filed by a licensee in connection with any application, examination or investigation conducted by  
6 the Department.

7 **2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set  
8 forth in Section I above, Respondent Elzie fails to meet the requirements of RCW 19.146.300(1) and (2) and  
9 RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form  
10 prescribed by the Director.

11 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set  
12 forth in Section I above, Respondent Elzie fails to meet the requirements of RCW 19.146.310(1)(g) and WAC  
13 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the confidence of  
14 the community and to warrant a belief that the business will be operated honestly and fairly within the purposes  
15 of the Act.

16 **III. AUTHORITY TO IMPOSE SANCTIONS**

17 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the  
18 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the  
19 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by  
20 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application  
21 of the denial.

22 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue  
23 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
24 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
25 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

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

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

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

6 **4.1** Respondent Sharon Marie Elzie's application for a loan originator license be denied.

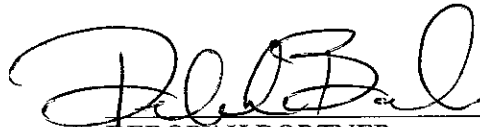
7 **4.2** Respondent Sharon Marie Elzie be prohibited from participation in the conduct of the affairs of any  
8 mortgage broker subject to licensure by the Director, in any manner, through December 14, 2013.

9 **V. AUTHORITY AND PROCEDURE**

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


16  
17 Dated this 18th day of June, 2007.



18  
19 

20 DEBORAH BORTNER  
21 Director  
22 Division of Consumer Services  
23 Department of Financial Institutions

24 Presented by:

25   
WILLIAM J. HALSTEAD  
Financial Legal Examiner

1 Approved by:

2

3

FATIMA BATIE

4

Financial Legal Examiner Supervisor

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25