

# TERMS COMPLETE

## CONSENT ORDER SUMMARY - Case Number: C-07-216

<b>Name(s)</b>	Pamela Sue Brown, aka Pamela Sue Elmer, aka Pamela Sue Cowin		
<b>Order Number</b>	C-07-216-08-CO01		
<b>Effective Date</b>	March 25, 2008		
<b>License Number</b>	LO Application 38075		
	(Revoked, suspended, stayed, application denied or withdrawn)		
	If applicable, you must specifically note the ending dates of terms.		
<b>License Effect</b>	LO Application Denied		
<b>Not Apply until</b>	March 25, 2013		
<b>Prohibition/Ban until</b>	March 25, 2013		
<b>Investigation Costs</b>	\$0	Due	Paid Y N
			Date
<b>Assessment(s)</b>	\$0	Due	Paid Y N
			Date
<b>Monetary Penalty</b>	\$0	Due	Paid Y N
			Date
<b>Other</b>			
<b>Special Instructions</b>			

RECEIVED  
MAR 27 2008  
DIVISION OF CONSUMER SERVICES  
OLYMPIA, WASHINGTON

RECEIVED

MAR 25 2008

DEPT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION  
OLYMPIA, WASHINGTON

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES

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

NO. C-07-216-08-CO01

PAMELA SUE BROWN,  
aka PAMELA SUE ELMER,  
aka PAMELA SUE COWIN,

CONSENT ORDER

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Pamela Sue Brown (hereinafter Respondent), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-07-216-07-SC01 (Statement of Charges), entered December 19, 2007, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges.

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CONSENT ORDER  
C-07-216-08-CO01  
Pamela Sue Brown

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

1 Based upon the foregoing:

2 A. **Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the  
3 activities discussed herein.

4 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing  
5 before an administrative law judge, and that she has waived her right to a hearing and any and all administrative  
6 and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly,  
7 Respondent agrees to withdraw her appeal and to inform the Office of Administrative Hearings in writing of her  
8 withdrawal.

9 C. **License Application Denial.** It is AGREED that Respondent's application for a loan originator  
10 license is denied. It is further AGREED that Respondent shall not apply to the Department for any license under  
11 any name for a period five (5) years from the date of entry of this Consent Order. It is further AGREED that,  
12 should Respondent apply to the Department for any license under any name at any time thereafter, Respondent  
13 shall be required to meet any and all application requirements in effect at that time.

14 D. **Prohibition from Industry.** It is AGREED that Respondent is prohibited from participating in the  
15 conduct of the affairs of any mortgage broker licensed by the Department or any mortgage broker exempt from  
16 Washington law under RCW 19.146.020(1)(e) or (g) for five (5) years from the date of entry of this Consent Order  
17 in any capacity, including but not limited to: (1) any financial capacity whether active or passive or (2) as an  
18 officer, director, principal, designated broker, employee, or loan originator or (3) any management, control,  
19 oversight or maintenance of any trust account(s) in any way related to any residential mortgage transaction or (4)  
20 receiving, disbursing, managing or controlling in any way, consumer trust funds in any way related to any  
21 residential mortgage transaction.

22 E. **Complete Cooperation with the Department (statements).** It is AGREED that Respondent shall  
23 provide the Department truthful and complete sworn statements outlining her activities with respect to America  
24 One Finance, Inc. (America One), and any and all persons involved or in any way associated with America One,

1 including but not limited to owners, employees, independent contractors, agents, businesses and persons with  
2 whom America One dealt, communicated, or otherwise related. The "sworn statements" may take the form of  
3 affidavits, declarations, or deposition testimony, at the Department's discretion. A failure to cooperate fully,  
4 truthfully and completely is a breach of this Consent Order.

5 **F. Complete Cooperation with the Department.** It is AGREED that Respondent shall cooperate fully,  
6 truthfully and completely with the Department and provide any and all information known to her relating in any  
7 manner to America One and any and all persons involved or in any way associated with America One, including  
8 but not limited to owners, employees, independent contractors, agents, businesses and persons with whom  
9 America One dealt, communicated, or otherwise related. It is further AGREED that Respondent shall provide any  
10 and all documents, writings or materials, or objects or things of any kind in her possession or under her care,  
11 custody, or control that she is authorized to possess, obtain, or distribute relating directly or indirectly to all areas  
12 of inquiry and investigation. It is further AGREED that Respondent shall testify fully, truthfully and completely at  
13 any proceeding related to any Department investigation or enforcement action or both related to America One and  
14 any Respondents named therein. A failure to cooperate fully, truthfully and completely is a breach of this Consent  
15 Order.

16 **G. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to abide  
17 by the terms and conditions of this Consent Order may result in further legal action by the Director. In the  
18 event of such legal action, Respondent may be responsible to reimburse the Director for the cost incurred in  
19 pursuing such action, including but not limited to, attorney fees.

20 **H. Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into  
21 this Consent Order, which is effective when signed by the Director's designee.

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1 I. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this Consent  
2 Order in its entirety and fully understand and agree to all of the same.

3 **RESPONDENT:**

4 [REDACTED]  
5 [REDACTED]  
6 Pamela Sue Brown

3-17-2008  
Date

7 DO NOT WRITE BELOW THIS LINE

8 THIS ORDER ENTERED THIS 25<sup>th</sup> DAY OF March, 2008.

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

16 Presented by:

17 [REDACTED]  
18 MARK T. OLSON  
19 Financial Examiner

20 Approved by:

21 [REDACTED]  
22 JAMES R. BRUSSELBACK  
23 Enforcement Chief



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25 CONSENT ORDER  
C-07-216-08-CO01  
Pamela Sue Brown

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

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

PAMELA SUE BROWN,  
aka PAMELA SUE ELMER,  
aka PAMELA SUE COWIN,

Respondent.

NO. C-07-216-07-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO DENY LICENSE APPLICATION,  
IMPOSE FINE, PROHIBIT FROM INDUSTRY,  
AND COLLECT INVESTIGATION FEE

**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 19.146.235 of both the 1994 and 2007 Acts and RCW 19.146.310 of the 2007 Act, 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 Pamela Sue Brown, aka Pamela Sue Elmer, aka Pamela Sue Cowin (Respondent Brown)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under America One Finance, Inc. (America One), a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 28, 2006<sup>2</sup>. According to Respondent Brown's application, Respondent Brown has operated as a loan originator for America One since May 2003.

<sup>1</sup> The Act, effective in 1994, was amended in 2006, with the changes effective January 1, 2007. Alleged violations referenced in this Statement of Charges that occurred in 2006 are cited as violating the 1994 Act; those that occurred in 2007 are cited as violating the 2007 Act.

<sup>2</sup> Respondent Brown signed her Form MU4, received by the Department on or about January 3, 2007, as an authorized party. Respondent Brown is not an authorized party for America One.

1 **1.2 Unlicensed Location.** Respondent Brown is known to have conducted the business of a mortgage  
2 broker from the following location:

3 20827 80<sup>th</sup> St Ct E  
4 Bonney Lake, WA 98390

5 To date, America One has never applied for or received a license from the Department to conduct the business  
6 of a mortgage broker from this location. To date, the Department has not issued a license to any person to  
7 conduct the business of a mortgage broker from this location.

8 **1.3 Complaint 21695.** On or about January 24, 2007, Borrower 1 filed a complaint with the Department  
9 alleging Respondent Brown was attempting to collect fees for a residential mortgage loan that did not close.  
10 After investigating this complaint, the Department made the following determinations.

11 **A.** On or about January 27, 2006, Respondent Brown began originating a residential mortgage  
12 loan for Borrower 1. The loan did not close.

13 **B.** Borrower 1 understood that Respondent Brown worked from her home rather than an office.

14 **C.** In or around February 2006, Borrower 1 closed a residential mortgage loan through America  
15 One using another loan originator. In or around February 2006, Respondent Brown contacted Borrower 1 and  
16 orally requested payment for the processing, appraisal, and credit report fees related to the loan she had  
17 originated but which did not close. On the day of closing the loan through the other loan originator, Respondent  
18 Brown called the closing agent and threatened to place a lien on the property if she was not paid for her  
19 services.

20 **D.** In or around January 2007, almost one year after their original interaction, Respondent Brown  
21 mailed a letter dated January 12, 2007 to Borrower 1. The letter was on America One letterhead. The letter  
22 stated that Borrower 1 had an outstanding balance of \$1,017.43 for an appraisal (\$400.00 due to the appraiser),  
23 processing fees (\$600.00 to Pamela Brown Processing), and a credit report (\$17.43 "For a credit report paid by  
24 Pamela Brown."). The letter stated, in part:

25 "...AS stated on the form named, BORRWERS [sic] NOTIFACATION [sic] AND

AUTHORIZATION it plainly states that 'in the event that the loan is cancelled by either

1 borrower or declined by America One Finance, the undersigned agree to pay for the actual  
2 amount of the billing for costs incurred, including but not limited to, appraisal, title cancellation  
3 fee, credit report, document preparation, loan processing and other normal costs expended upon  
4 your [sic] behalf of the borrower(s). Borrower(s) agree to reimburse America One Finance for  
5 any costs in excess of the deposit upon Billing. Should any dispute arise from this agreement, the  
6 prevailing party shall be entitled to reasonable attorney fees....”

7 The letter threatened legal proceedings and the filing of a lien against Borrower 1’s property if they did not pay  
8 the “enclosed invoices” by January 31, 2007. Respondent Brown did not enclose any invoices with the letter.

9 E. America One’s Mortgage Broker file related to Borrower 1’s transaction originated by  
10 Respondent Brown included:

- 11 • a Good Faith Estimate prepared by Respondent Brown on January 27, 2006 disclosing a \$400  
12 processing fee, a \$490 admin fee, a \$400 appraisal fee, and a \$17 credit report fee;
- 13 • a Broker Demand form signed by Respondent Brown and dated February 23, 2006 listing a  
14 \$500 processing fee, a \$490 admin fee, a \$400 appraisal fee, and a \$17 credit report fee;
- 15 • a Good Faith Estimate disclosure that did not specify the fee or fees which inured to the benefit  
16 of the mortgage broker; and
- 17 • a Rate Lock Agreement disclosure that was not completed properly.

18 F. America One and Respondent Brown provided the Department with an explanation that  
19 Respondent Brown decided to “re-open the [Borrower 1] issue” only after Borrower 1 became friends with  
20 Borrower 2 (see paragraph 1.4 below) and “[Borrower 1] talked me down to [Borrower 2].” Respondent Brown  
21 stated that she had heard from friends that Borrower 1 and Borrower 2 were bragging that they had “screwed  
22 me over” and were laughing about it. Respondent Brown also provided a screenshot of a message from  
23 Borrower 2’s “myspace” account which Respondent Brown believed was referring to her and which  
24 Respondent Brown took offense to. America One ultimately informed the Department and Borrower 1 that they  
25 would not attempt any further collection of any fees related to the transaction.



1 **1.4 Complaint 21259.** On or about November 15, 2006, Borrower 2 filed a complaint with the Department  
2 alleging Respondent Brown was attempting to collect fees for a residential mortgage loan that did not close.

3 After investigating this complaint, the Department made the following determinations.

4 **A.** On or about October 2, 2006, Respondent Brown began originating a residential mortgage loan  
5 for Borrower 2. The loan did not close.

6 **B.** On at least two occasions during the loan origination process, Borrower 2 met with Respondent  
7 Brown at the unlicensed location listed in paragraph 1.2 above to discuss their loan.

8 **C.** On or about November 15, 2006, Respondent Brown sent Borrower 2 an email that stated, in  
9 part:

10 "...I wanted to take a moment to remind you of the fees that you are responsible for if you choose  
11 not to sign on the loan today...."

12 An invoice dated November 15, 2006 was attached to the email. The invoice was not on letterhead and was  
13 titled "Invoice." The invoice totaled \$2,359.96 for processing fees (\$600 for first mortgage, \$400 for second  
14 mortgage), expedite fee (\$500), two credit reports (\$17.48 each), document re-draw fee (\$150), appraisal fee  
15 (\$425), document preparation fees (\$100 each for first and second mortgages), and UPS fee for delivery of file  
16 to the lender (\$50). The invoice directed payment to be made to Respondent Brown at the unlicensed location  
17 listed in paragraph 1.2 above, with the exception of the appraisal fee which the invoice directed should be paid  
18 directly to the appraiser at an address provided. The invoice stated, in part

19 "...Total Due within 3 days of invoice...Please note: Borrowers [sic] Notice and Authorization  
20 for such fee's [sic]."

21 Invoices from the appraiser and the credit reporting agency and a disclosure titled "Borrower's  
22 Notification and Authorization" were also attached to the email.

23 **D.** On or about November 15, 2006, Respondent Brown sent Borrower 2 a second email that  
24 stated, in part:

1 "...Regardless of your council [sic] you ARE and will be RESPONSIBLE FOR ALL FEE's [sic]  
2 incurred on your behalf. I did send over the invoices for your review. With your signature on the  
3 forms you will be required by LAW to pay these fee's [sic]...."

4 E. On or about November 15, 2006, Respondent Brown sent Borrower 2 a third email that stated,  
5 in part:

6 "...She is advising you that you will not have to pay the fees I am requesting. That is grossly  
7 wrong. I can and will be paid one way or another. I too have rights....You may not have to pay  
8 it directly at Close possibly but with EVERYTHING that I am and have I will File a Civil suit. It  
9 is within my right to file a Lien on your home as WELL....I am willing to loose [sic] my job, My  
10 house, just for the principal here...."

11 F. On or around November 16, 2006, Respondent Brown sent Borrower 2 an email with the  
12 subject line of "Invoice due now." The \$2,359.96 invoice Respondent Brown had previously sent Borrower 2  
13 was attached to this email.

14 G. On or around November 20, 2006, Respondent Brown faxed Borrower 2 an invoice dated  
15 November 17, 2006 for \$1,781.96, along with invoices from the appraiser and credit reporting agency and the  
16 Borrower's Notification disclosure previously sent to Borrower 2. This invoice was not on letterhead and was  
17 titled "Processing Invoice." The invoice contained all the same fees as the prior invoice with the exception of  
18 the \$150 document re-draw fee and the \$425 appraisal fee. The invoice also stated, in part:

19 "...Please note: Credit report fee's [sic] and USP [sic] fee's [sic] were Paid directly by me to  
20 accommodate your loan closing...."

21 The invoice contained the same instructions to pay the fees to Respondent Brown at the unlicensed address  
22 listed in paragraph 1.2 above within 3 days and to pay the appraiser directly at the address provided. The  
23 invoice again stated that the "Borrower [sic] Notice and Authorization" disclosure authorized such fees.

1           **H.**       On or around November 21, 2006, Respondent Brown sent Borrower 2 an email asking  
2 Borrower 2's intentions regarding the invoices and stating Respondent Brown would proceed with further  
3 collection action if she did not hear from Borrower 2 by 3:00 p.m. on November 22, 2006.

4           **I.**       On or around November 22, 2006, Borrower 2 sent Respondent Brown an email requesting  
5 certain invoices to support Respondent Brown's invoice, as well as the address and phone number of  
6 Respondent Brown's corporate office. On or around November 27, 2006, Respondent Brown sent Borrower 2 a  
7 response email stating that Respondent Brown had paid for the credit reports and the mailing and copying of  
8 files from her personal account and so those fees were payable directly to Respondent Brown. Respondent  
9 Brown did not provide Borrower 2 with any contact information for America One.

10          **J.**       On or around December 28, 2006, Respondent Brown sent Borrower 2 an email stating that  
11 Respondent Brown had not received payment for services and asking what Borrower 2's intent was.

12          **K.**       On or around January 18, 2007, Respondent Brown mailed a letter dated January 12, 2007 to  
13 Borrower 2 via certified mail. The letter was on America One letterhead. The letter stated that Borrower 2 had  
14 an outstanding balance of \$2,359.96 due and payable immediately. The letter contained the same language  
15 regarding the Borrower's Notification disclosure discussed in paragraph 1.3D above. The letter threatened legal  
16 proceedings and the filing of a lien against Borrower 2's property if she did not pay the "enclosed invoices" by  
17 January 31, 2007. An invoice dated January 18, 2007 was enclosed with the letter. This invoice was identical  
18 to the invoice discussed in paragraph 1.4C above with the exception of the date at the top.

19          **L.**       America One's Mortgage Broker file related to Borrower 2's transaction included:

- 20           •       two sets of Good Faith Estimate disclosures for a first and second mortgage prepared by  
21                   Respondent Brown October 6, 2006 and October 13, 2006, all signed by Borrower 2, disclosing  
22                   a \$490 admin fee, a \$425 appraisal fee, and a \$16.50 credit report fee;
- 23           •       a Loan Submission worksheet signed by Respondent Brown and dated October 25, 2006 listing  
24                   a \$600 processing fee, a \$490 admin fee, a \$425 appraisal fee, and a \$30 credit report fee;

- a Good Faith Estimate disclosure for a first mortgage prepared by Respondent Brown November 3, 2006, not signed by Borrower 2, disclosing a \$600 processing fee, a \$490 admin fee, a \$500 expedite fee, a \$425 appraisal fee, and a \$17.48 credit report fee;
- a Broker Demand form signed by Respondent Brown and dated November 3, 2006 listing \$600 and \$440 processing fees, a \$490 admin fee, and a \$425 appraisal fee; and
- Good Faith Estimate disclosures that did not specify the fee or fees which inured to the benefit of the mortgage broker.

**M.** America One ultimately informed the Department and Borrower 2 that they would not attempt any further collection of any fees related to the transaction.

**1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by Respondent Brown continues to date.

## II. GROUNDS FOR ENTRY OF ORDER

**2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) of both the 1994 and 2007 Acts, "Mortgage Broker" means any person who for compensation or gain, or in the expectation of compensation or gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person in obtaining or applying to obtain a residential mortgage loan.

**2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10) of the 1994 Act, "Loan Originator" means a person employed, either directly or indirectly, or retained as an independent contractor by a person required to be licensed as a mortgage broker, or a natural person who represents a person required to be licensed as a mortgage broker, in the performance of any act specified in RCW 19.146.010(12) of the 1994 Act (see paragraph 2.1 above). Pursuant to RCW 19.146.010(10) of the 2007 Act, "Loan Originator" means a natural person who (a) takes a residential mortgage loan application for a mortgage broker, or (b) offers or negotiates terms of a mortgage loan, for direct or indirect compensation or gain, or in the expectation of direct or indirect

1 compensation or gain. "Loan originator" also includes a person who holds themselves out to the public as able  
2 to perform any of these activities. "Loan originator" does not mean persons performing purely administrative or  
3 clerical tasks for a mortgage broker. For the purposes of this subsection, "administrative or clerical tasks"  
4 means the receipt, collection, and distribution of information common for the processing of a loan in the  
5 mortgage industry and communication with a borrower to obtain information necessary for the processing of a  
6 loan. A person who holds himself or herself out to the public as able to obtain a loan is not performing  
7 administrative or clerical tasks.

8 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(2) of the 1994 Act and RCW 19.146.010(3) of  
9 the 2007 Act, "Borrower" means any person who consults with or retains a mortgage broker or loan originator  
10 in an effort to obtain or seek advice or information on obtaining or applying to obtain a residential mortgage  
11 loan for himself, herself, or persons including himself or herself, regardless of whether the person actually  
12 obtains such a loan.

13 **2.4 Fee, Commission, or Compensation.** Pursuant to RCW 19.146.070(1) of the 2007 Act and WAC  
14 208-660-300(4) and (5), a loan originator may not accept a fee, commission, or compensation of any kind from  
15 borrowers in connection with the preparation, negotiation, and brokering of a residential mortgage loan.  
16 Pursuant to RCW 19.146.070(3) of the 2007 Act and WAC 208-660-410(12), a loan originator may not solicit  
17 or receive fees for a third-party provider of goods or services except that a loan originator may transfer funds  
18 from a borrower to a licensed mortgage broker, exempt mortgage broker, or third-party provider, if the loan  
19 originator does not deposit, hold, retain, or use the funds for any purpose other than the payment of bona fide  
20 fees to third-party providers.

21 **2.5 Suit or Action as a Mortgage Broker.** Pursuant to RCW 19.146.200 of both the 1994 and 2007 Acts  
22 and WAC 208-660-300(6), a loan originator may not bring a lawsuit against a borrower for collection of  
23 compensation. Only a licensed mortgage broker, or mortgage broker exempt from the licensing requirement,  
24 may bring collection actions against a borrower to collect compensation.  
25

1 **2.6 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent Brown is  
2 in apparent violation of:

- 3 • RCW 19.146.0201(1) of both the 1994 and 2007 Acts for directly or indirectly employing a scheme,  
4 device or artifice to defraud or mislead borrowers or lenders or any person;
- 5 • RCW 19.146.0201(2) of both the 1994 and 2007 Acts for engaging in an unfair or deceptive practice  
6 toward any person;
- 7 • RCW 19.146.0201(6) of the 1994 Act for failing to make disclosures to loan applicants as required by  
8 RCW 19.146.030 of the 1994 Act and any other applicable state or federal law; and
- 9 • RCW 19.146.0201 (12) of the 1994 Act and RCW 19.146.0201(13) of the 2007 Act for charging,  
10 attempting to collect or charge or using or proposing any agreement purporting to collect or charge a  
11 fee prohibited by RCW 19.146.030 or RCW 19.146.070 of both the 1994 and 2007 Acts.

12 **2.7 Requirement to Provide Certain Residential Mortgage Loan Disclosures.** Based on the Factual  
13 Allegations set forth in Section I above, Respondent Brown is in apparent violation of:

- 14 • RCW 19.146.030(1) of the 1994 Act for failing to provide borrowers with full written disclosures,  
15 containing an itemization and explanation of all fees and costs that the borrowers were required to pay  
16 in connection with obtaining a residential mortgage loan, and specifying the fee or fees which inured to  
17 the benefit of the mortgage broker; and
- 18 • RCW 19.146.030(2)(c) of the 1994 Act for failing to provide at least one borrower with a properly  
19 completed Rate Lock Agreement Disclosure.

20 **2.8 Prohibited Fee, Commission, or Compensation.** Based on the Factual Allegations set forth in  
21 Section I above, Respondent Brown is in apparent violation of RCW 19.146.070(3) of the 2007 Act for  
22 soliciting fees for a third-party provider of goods or services with the intent to deposit, hold, retain, or use the  
23 funds for a purpose other than the payment of bona fide fees to third-party providers..

24 **2.9 Requirement to Obtain and Maintain License and Branch License.** Based on the Factual  
25 Allegations set forth in Section I above, Respondent Brown is in apparent violation of RCW 19.146.200 and

1 RCW 19.146.265 of both the 1994 and 2007 Acts for engaging in the business of a mortgage broker without  
2 first obtaining and maintaining a license under the Act, and for engaging in the business of a mortgage broker  
3 from a fixed physical location without first obtaining and maintaining a branch license for that fixed physical  
4 location under the Act.

5 **2.10 Requirement to Provide Information on License Application.** Based on the Factual Allegations set  
6 forth in Section I above, Respondent Brown fails to meet the requirements of RCW 19.146.300(1) and (2) and  
7 RCW 19.146.310(1)(b) of the 2007 Act by failing to provide an accurate and complete license application in the  
8 form prescribed by the Director.

9 **2.11 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set  
10 forth in Section I above, Respondent Brown fails to meet the requirements of RCW 19.146.310(1)(g) of the  
11 2007 Act and WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to  
12 command the confidence of the community and to warrant a belief that the business will be operated honestly  
13 and fairly within the purposes of the Act.

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

15 **3.1 Authority to Deny Application for License.** Pursuant to RCW 19.146.220(1) of the 2007 Act, the  
16 Director may deny licenses to loan originators. Pursuant to RCW 19.146.220(2)(e) of the 2007 Act, the  
17 Director may deny licenses for any violation of the Act. Pursuant to RCW 19.146.310(2) of the 2007 Act and  
18 WAC 208-660-350(7), the Director shall not issue a loan originator license if the conditions of RCW  
19 19.146.310(1) of the 2007 Act have not been met by the applicant, and shall notify the loan originator applicant  
20 and any mortgage brokers listed on the application of the denial.

21 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c) of the 1994 Act and RCW  
22 19.146.220(3)(a) of the 2007 Act, the Director may impose fines on an employee, loan originator, independent  
23 contractor, or agent of the licensee, or other person subject to the Act for any violation of RCW 19.146.0201(1)  
24 through (9) of both the 1994 and 2007 Acts, RCW 19.146.0201(12) of the 1994 Act, RCW 19.146.0201(13) of  
25

1 the 2007 Act, RCW 19.146.030 through RCW 19.146.080 of both the 1994 and 2007 Acts, RCW 19.146.200 of  
2 both the 1994 and 2007 Acts, or RCW 19.146.265 of both the 1994 and 2007 Acts.

3 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(2)(e) of the 1994 Act and  
4 RCW 19.146.220(5)(a) of the 2007 Act, the Director may issue orders removing from office or prohibiting from  
5 participation in the conduct of the affairs of a licensed mortgage broker, or both, any officer, principal,  
6 employee, or loan originator of any licensed mortgage broker or any person subject to licensing under the Act  
7 for any violation of RCW 19.146.0201(1) through (9) of both the 1994 and 2007 Acts, RCW 19.146.0201(12)  
8 of the 1994 Act, RCW 19.146.0201(13) of the 2007 Act, RCW 19.146.030 through RCW 19.146.080 of both  
9 the 1994 and 2007 Acts, RCW 19.146.200 of both the 1994 and 2007 Acts, or RCW 19.146.265 of both the  
10 1994 and 2007 Acts.

11 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) of the 2007 Act and WAC 208-  
12 660-550(5)(a), the Department may charge forty-eight dollars (\$48.00) per hour for an examiner's time devoted to  
13 an investigation of the books and records of a licensee or other person subject to the Act.

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

15 Respondent Brown's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
16 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions,  
17 constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW  
18 19.146.310 of the 2007 Act. Therefore, it is the Director's intention to ORDER that:

19 **4.1** Respondent Pamela Sue Brown's application for a loan originator license be denied; and

20 **4.2** Respondent Pamela Sue Brown pay a fine of \$4,800; and

21 **4.3** Respondent Pamela Sue Brown be prohibited from participation in the conduct of the affairs of any  
22 mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years; and

23 **4.4** Respondent Pamela Sue Brown pay an investigation fee in the amount of \$1,104.00.

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**V. AUTHORITY AND PROCEDURE**

This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application, Impose Fine, Prohibit from Industry, and Collect Investigation Fee (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 of the 2007 Act, 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.

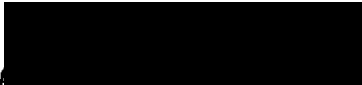
Dated this 19<sup>th</sup> day of December, 2007.

  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by: 

  
MARK T. OLSON  
Financial Examiner

Approved by:

  
JAMES R. BRUSSELBACK  
Enforcement Chief

