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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:

JAMES MICHAEL KUHN,  
Respondent.

NO. C-07-436-07-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(1). On October 22, 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 October 23, 2007, a Notice of Opportunity to Defend and Opportunity for Proceeding, and a blank Application for Adjudicative Hearing. The Department served the Statement of Charges, cover letter dated October 23, 2007, Notice of Opportunity to Defend and Opportunity for Proceeding, and blank Application for Adjudicative Proceeding on Respondent on October 23, 2007, by first class mail and Federal Express overnight delivery. On October 25, 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 him with the Notice of Opportunity to Defend and Opportunity for Proceeding, 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 October 23, 2007,  
6 Notice of Opportunity to Defend and Opportunity for Proceeding, and blank Application for Adjudicative  
7 Proceeding, with documentation of service.

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

15 A. IT IS HEREBY ORDERED, That:

16 1. Respondent James Michael Kuhn's application for a loan originator license is denied.

17 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
18 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
19 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150  
20 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
21 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The  
22 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
23 Reconsideration a prerequisite for seeking judicial review in this matter.  
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1 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date  
2 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written  
3 notice specifying the date by which it will act on a petition.

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

7 D. Judicial Review. Respondent has 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  
9 a Petition for Judicial Review, see RCW 34.05.510 and sections following.

10 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for  
11 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
12 attached hereto.  
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14 DATED this 5<sup>th</sup> day of December, 2007.



15 STATE OF WASHINGTON  
16 DEPARTMENT OF FINANCIAL INSTITUTIONS

17   
18 DEBORAH BORTNER  
19 DIRECTOR  
20 DIVISION OF CONSUMER SERVICES

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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:

NO. C-07-436-07-SC01

JAMES MICHAEL KUHN,  
  
Respondent.

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, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

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**I. FACTUAL ALLEGATIONS**

**1.1 James Michael Kuhn (Respondent Kuhn)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Morgan Financial Inc., a mortgage broker licensed under the Act. The on-line application was received by the Department on or about May 16, 2007.

**1.2 Prior Criminal Acts.** On March 25, 2002, Respondent Kuhn was convicted of Manufacture of a Controlled Substance, Marijuana, pursuant to ORS 475.992, a felony, in the Circuit Court of the State of Oregon for the County of Douglas (Cause No. 01CR2455FA).

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

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

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

5 **III. AUTHORITY TO IMPOSE SANCTIONS**

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

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

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

16 **4.1** Respondent James Michael Kuhn's application for a loan originator license be denied.

17 **V. AUTHORITY AND PROCEDURE**

18 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application  
19 (Statement of Charges) is issued pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW  
20 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative  
21 Procedure Act). Respondent may make a written request for a Brief Adjudicative Proceeding as set forth in the  
22 **NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR BRIEF ADJUDICATIVE**  
23 **PROCEEDING** accompanying this Statement of Charges.

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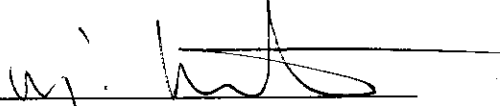
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Dated this 27<sup>th</sup> day of October 2007.



DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

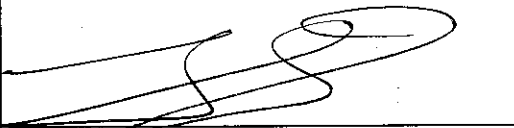
Presented by:



WILLIAM J. HALSTEAD  
Financial Legal Examiner



Approved by:



FATIMA BATIE  
Financial Legal Examiner Supervisor