

Terms Completed

ORDER SUMMARY – Case Number: C-07-540

Name(s): Sokha Veng Keth

Order Number: C-07-540-08-CO01

Effective Date: March 27, 2008

License Number: DFI: 35448
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
If applicable, you must specifically note the ending dates of terms.

License Effect: Denial

Not Apply Until: n/a

Not Eligible Until:

Prohibition/Ban Until: n/a

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: Respondent Agrees to Cooperate fully with other Department investigations

Application Denial will not affect any future loan originator license application

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3 **STATE OF WASHINGTON**
4 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
5 **DIVISION OF CONSUMER SERVICES**

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

NO. C-07-540-08-CO01

CONSENT ORDER

10 SOKHA VENG KETH,

11 Respondent.

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

18 **AGREEMENT AND ORDER**

19 The Department of Financial Institutions, Division of Consumer Services (Department) and
20 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No.
21 C-07-540-07-SC01 (Statement of Charges), entered December 18, 2007, (copy attached hereto).
22 Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the
23 Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order
24 and further agrees that the issues raised in the above captioned matter may be economically and
25 efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve

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CONSENT ORDER
C-07-540-08-CO01
SOKHA VENG KETH

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

1 the Statement of Charges and agree that Respondent does not admit any wrongdoing by its entry.
2 Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this
3 Consent Order.

4 Based upon the foregoing:

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

7 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
8 hearing before an administrative law judge, and that she has waived her right to a hearing and any and all
9 administrative and judicial reviews of the issues raised in this matter, or of the resolution reached herein.
10 Accordingly, Respondent agrees to withdraw her appeal and to inform the Office of Administrative
11 Hearings in writing of the withdrawal.
12

13 **C. License Application Denial.** It is AGREED that Respondent's application to conduct the
14 business of a loan originator, received by the Department on or about December 13, 2006, is denied. It is
15 further agreed that this denial will not affect any future loan originator license application Respondent
16 may choose to file.

17 **D. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
18 investigation fee of \$192 in the form of a cashier's check made payable to the "Washington State
19 Treasurer," upon entry of this Consent Order.
20

21 **E. Complete Cooperation with the Department.** It is AGREED that Respondent shall
22 cooperate fully, truthfully, and completely with the Department and provide any and all information
23 known to her relating in any manner to Romel Ignacio and/or Lilia Campos and any and all persons
24 involved or in any way associated with Romel Ignacio and/or Lilia Campos, including, but not limited to,
25

1 employees, businesses, and persons with whom Romel Ignacio and/or Lilia Campos dealt,
2 communicated, or otherwise related. It is further AGREED that Respondent shall provide any and all
3 documents, writings or materials, or objects or things of any kind in her possession or under her care,
4 custody, or control relating directly or indirectly to all areas of inquiry and investigation of Romel Ignacio
5 and/or Lilia Campos. A failure to cooperate fully, truthfully, and completely is a breach of this Consent
6 Order. It is further AGREED that Respondent shall testify fully, truthfully, and completely at any
7 proceeding related to the Department's investigation and enforcement actions related to this matter,
8 including, but not limited to, Romel Ignacio and/or Lilia Campos, and shall provide a sworn statement to
9 the Department upon request.
10

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

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

17 **H. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this
18 Consent Order in its entirety and fully understand and agrees to all of the same.
19

20 **RESPONDENT:**

21 **SOKHA VENG KETH**

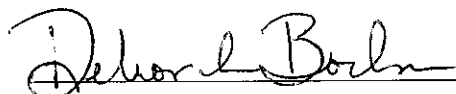
22 By:

23 
Sokha Veng Keth

3/24/08
Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 27th DAY OF March, 2008.



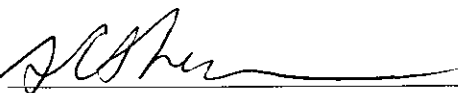
DEBORAH BORTNER

Director

Division of Consumer Services

Department of Financial Institutions


Presented by:



STEVEN C. SHERMAN
Financial Legal Examiner



Approved by:



JAMES R. BRUSSELBACK
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:

SOKHA VENG KETH,

Respondent.

NO. C-07-540-07-SC01

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

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)¹. 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 Sokha Veng Keth (Respondent Keth) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under National Lending Corporation, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 13, 2006.

1.2 Prohibited Acts. Beginning on or before August 1, 2006, Respondent Keth retained the services of Romel Valdez Ignacio, a loan originator for America One Finance, Inc., (America One), to assist Respondent Keth and her husband, Sophim Keth with the refinancing of the Keth's residence located at 12719 6th Avenue,

¹ RCW 19.146 (Amended 2006; Effective January 1, 2007)

1 Tacoma, Washington (6th Avenue residence). The Keths explained to Ignacio that they were in the process of
2 looking for a new house and possibly renting out their 6th Avenue residence. In fact, on June 17, 2006,
3 Respondent Keth and her husband had entered into a Purchase and Sale Agreement for the purchase of a
4 residence located at 7088 Flute Street, Lacey, Washington. On August 7, 2006, however, Respondent Keth and
5 her husband signed a loan application stating that the loan for the 6th Avenue property was a refinance of their
6 primary residence, and signed an "Occupancy Certification" warranting and acknowledging that the loan
7 specifically required that they occupy the residence as their primary residence. That same day, Respondent
8 Keth entered into an Independent Contractor Agreement for America One, with the intention of working with
9 Ignacio and with the understanding that Ignacio would pay Respondent Keth 50% of the loan origination fee
10 and yield spread premium Ignacio received for originating Respondent Keth's loans. The loan package for the
11 6th Avenue residence was subsequently submitted to Washington Mutual Bank as a refinance of an owner
12 occupied primary residence and was approved by Washington Mutual Bank as such on or about August 18,
13 2006. On August 15, 2006, however, the Keths entered into a lease agreement to lease their 6th Avenue
14 residence to another family for two years beginning September 1, 2006. The loan closed on or about August
15 30, 2006. At no time did Respondent Keth notify Washington Mutual Bank that the Keths were not intending to
16 occupy the 6th Avenue residence.

17 Also beginning on or about August 1, 2006, Respondent Keth and her husband began working
18 with Ignacio on obtaining a loan for the residence located at 7088 Flute Street SE, Lacey, Washington (Flute
19 Street residence). Respondent Keth's applications (one for a first lien loan and one for a second lien loan),
20 signed and dated August 16, 2006, stated that the loan was for the purchase of a primary residence, and listed
21 the Keth's 6th Avenue residence as a rental property. Included with the application package was a copy of a
22 lease agreement stating that on August 15, 2006, the Keths had entered into an agreement to lease out their 6th
23 Avenue residence effective September 1, 2006. At the time Respondent Keth signed the loan applications, she
24 also signed and submitted an "Occupancy Certification" warranting and acknowledging that the loan for the
25 Flute Street residence specifically required that the Keths occupy the residence as their primary residence. The

1 loan applications for the Flute Street residence were subsequently submitted to the National Bank of Arizona on
2 or before September 1, 2006, as a purchase of an owner occupied primary residence. The loans for the Flute
3 Street residence were approved by the National Bank of Arizona as an owner occupied primary residence on or
4 about September 1, 2006. The loan closed on or about September 15, 2006. At no time during the course of
5 either loan process did Respondent Keth notify Washington Mutual Bank or the National Bank of Arizona that
6 the Keths were simultaneously obtaining two owner occupied residential mortgage loans for two different
7 residences.

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

9 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent Keth
10 is in apparent violation of former RCW 19.146.0201(1) and (2)² in connection with a residential mortgage loan
11 for directly or indirectly employing any scheme, device, or artifice to defraud or mislead borrowers or lenders
12 or to defraud any person and for engaging in any unfair or deceptive practice toward any person in connection
13 with a residential mortgage loan.

14 **2.2 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set
15 forth in Section I above, Respondent Ignacio fails to meet the requirements of RCW 19.146.310(1)(g) and
16 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the
17 confidence of the community and to warrant a belief that the business will be operated honestly and fairly
18 within the purposes of the Act.

19 **III. AUTHORITY TO IMPOSE SANCTIONS**

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

25 ² All references to former RCW 19.146 refer to that version in effect on the date of the alleged violation.

1 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
2 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
3 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
4 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).
5 **3.3 Authority to Collect Costs of Investigation.** Pursuant to RCW 19.146.228(2) and WAC 208-660-
6 550(5), the Department may collect the costs of an investigation. The investigation charge will be calculated at the
7 rate of forty-eight dollars (\$48) per hour that each staff person devoted to the investigation.

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

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

13 **4.1** Respondent Sokha Veng Keth's application for a loan originator license be denied.

14 **4.2** Respondent Sokha Veng Keth be prohibited from participation in the conduct of the affairs of any
15 mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years, and

16 **4.3** Respondent Sokha Veng Keth pay costs of investigation in the amount of \$192 calculated at \$48 per hour
for four (4) staff hours devoted to the investigation.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application, Prohibit from Industry, and Collect Costs of Investigation (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 18th day of December, 2007.



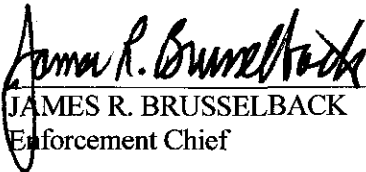
DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



STEVEN C. SHERMAN
Financial Legal Examiner

Approved by:



JAMES R. BRUSSELBACK
Enforcement Chief

