

Terms Completed

ORDER SUMMARY – Case Number: C-08-404

Name(s): Ward Lending Group LLC
Sterling Matthew Ward
Janet Mary Ward
Cecil A. Clayborn
Kathy S. Cooper

Order Number: C-08-404-09-CO01

Effective Date: January 20, 2009

License Number: DFI: 27597 [NMLS: 37633] -Ward Lending Group
Or NMLS Identifier [U/L] DFI: 23482 & 27599 [NMLS: 39153] –Sterling Ward
DFI: 32311 [NMLS: 37936] –Janet Ward
[NMLS: 37935] –Cecil Clayborn
DFI: 31934 [NMLS: 37923] –Kathy Cooper

(Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: n/a

Not Apply Until: n/a

Not Eligible Until: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$300	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$525	Due	Paid <input checked="" 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: Exam Fees: \$5,856 -Paid

1
2
3
4
5
6
7
8

**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-08-404-09-CO01

WARD LENDING GROUP LLC, AND
STERLING M. WARD, Designated Broker,
Member, AND CECIL A. CLAYBORN, Member,
AND KATHY S. COOPER, Member, AND JANET
M. WARD, Member

CONSENT ORDER

Respondents.

9 COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
10 Deborah Bortner, Division Director, Division of Consumer Services, and Ward Lending Group LLC (Respondent
11 WLG), Sterling M. Ward, Designated Broker and Owner (Respondent Sterling Ward), Cecil A. Clayborn,
12 Member (Respondent Clayborn), Kathy S. Cooper, Member (Respondent Cooper), and Janet M. Ward, Member
13 (Respondent Janet Ward), and finding that the issues raised in the captioned matter may be economically and
14 efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter
15 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based
16 on the following:

17
18

AGREEMENT AND ORDER

19 The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents
20 have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-404-08-SC01
21 (Statement of Charges), entered December 29, 2008, (copy attached hereto). Pursuant to chapter 19.146 RCW,
22 the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents
23 hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-
24 captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend
25 this Consent Order to fully resolve the Statement of Charges.

CONSENT ORDER
C-08-404-09-CO01
WARD LENDING GROUP LLC, AND
STERLING M. WARD, CECIL A. CLAYBORN,
KATHY S. COOPER, and JANET M. WARD

1

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Based upon the foregoing:

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

B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing before an administrative law judge, and that they hereby waive their right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

Accordingly, Respondents agree to withdraw their appeal and to inform the Office of Administrative Hearings in writing of their withdrawal.

C. **Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$525, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

D. **Examination Fee.** It is AGREED that Respondents shall pay to the Department an examination fee of \$5,856, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

E. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee of \$300, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

F. **Authority to Execute Order.** It is AGREED that the undersigned Respondents have represented and warranted that they have the full power and right to execute this Consent Order on behalf of the parties represented.

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

1 H. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into
2 this Consent Order, which is effective when signed by the Director's designee.

3 I. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this
4 Consent Order in its entirety and fully understand and agree to all of the same.

5 **RESPONDENTS:**

6 **Ward Lending Group LLC**

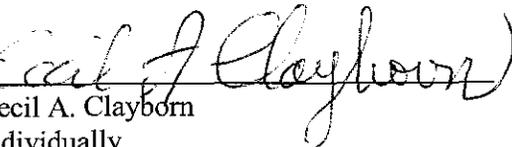
By:

7
8 
9 Sterling M. Ward
Designated Broker, Owner

1-14-09
Date

10
11 
12 Sterling M. Ward
Individually

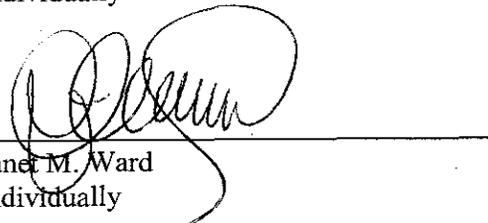
1-14-2009
Date

13
14 
15 Cecil A. Clayborn
Individually

1-14-2009
Date

16
17 
18 Kathy S. Cooper
Individually

1-14-2009
Date

19
20 
21 Janet M. Ward
Individually

1-14-2009
Date

22 //

23 //

24 //

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 20th DAY OF January, 2009.

Deborah Bortner

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Marnie Sheeran

MARNIE SHEERAN
Financial Legal Examiner



Approved by:

James R. Brusselback

JAMES R. BRUSSELBACK
Enforcement Chief

1
2
3
4
5
6
7
8

**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:

WARD LENDING GROUP LLC, AND
STERLING M. WARD, Designated Broker,
Member, AND CECIL A. CLAYBORN,
Member, AND KATHY S. COOPER, Member,
AND JANET M. WARD, Member,
Respondents.

NO. C-08-404-08-SC01

STATEMENT OF CHARGES and NOTICE OF
INTENTION TO ENTER AN ORDER TO IMPOSE
FINE AND COLLECT INVESTIGATION FEE

9
10
11
12
13
14

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 19.146.235, and based upon the facts available as of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

15
16
17
18
19
20
21
22
23
24
25

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Ward Lending Group LLC, (Respondent WLK)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on March 22, 2005, and continued to be licensed through December 31, 2007 when its license expired². Respondent WLK renewed its license on January 8, 2008. Respondent WLK was not licensed from January 1, 2008, through January 7, 2008.

B. **Sterling Ward (Respondent Sterling Ward)** is a member and the Designated Broker of Respondent WLK. Respondent Sterling Ward was issued a Loan Originator license on or about November 15, 2006, and continues to be licensed to date.

¹ RCW 19.146 (2006).

² RCW 19.146.210(4).

1 C. **Cecil A. Clayborn (Respondent Clayborn)** is a member and majority owner of Respondent
2 WLG.

3 D. **Kathy S. Cooper (Respondent Cooper)** is a member and manager of Respondent WLG.

4 E. **Janet M. Ward (Respondent Ward)** is a member of Respondent WLG.

5 **1.2 Untimely Renewal of Mortgage Broker License.** In order to continue conducting business in 2008,
6 Respondents were required to renew their mortgage broker license before January 1, 2008. Respondents did not
7 renew their mortgage broker license in a timely manner and as a result could not conduct the business of a
8 mortgage broker until their license was renewed on January 8, 2008.

9 **1.3 Unlicensed Location.** Respondents conducted the business of a mortgage broker at 2950 Limited Lane
10 NW, Olympia, Washington, from January 1, 2008 through January 7, 2008. Respondents did not have a license
11 from the Department to conduct business as a mortgage broker between January 1, 2008, and January 7, 2008.

12 **1.4 Unlicensed Activity.** Between January 1, 2008, and January 7, 2008, Respondents assisted at least 4
13 borrowers to obtain residential mortgage loans on property located in the State of Washington from the
14 unlicensed location discussed in paragraph 1.3.

15 **1.5 Operating and Advertising Under Unlicensed Name.** Between January 1, 2008, and January 7,
16 2008, Respondents were not licensed to conduct the business of a Mortgage Broker in the State of Washington
17 under the name "Ward Lending Group LLC." or any other name. Respondents maintained a website
18 (<http://www.wardlendinggroup.com/>) on the internet for the purpose of advertising as a mortgage
19 broker and to conduct the business of a mortgage broker.

20 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
21 Respondents continues to date.

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

23 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
24 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of compensation or
25 gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential

1 mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
2 person in obtaining or applying to obtain a residential mortgage loan.

3 **2.2 Definition of Borrower.** Pursuant to RCW 19.146.010(3) and WAC 208-660-006, a "Borrower" is
4 defined as any person who consults with or retains a mortgage broker or loan originator in an effort to obtain or
5 seek advice or information on obtaining or applying to obtain a residential mortgage loan for himself, herself, or
6 persons including himself or herself, regardless of whether the person actually obtains such a loan.

7 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in
8 apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a scheme, device or
9 artifice to defraud or mislead borrowers or lenders or any person, for engaging in an unfair or deceptive practice
10 toward any person, and for obtaining property by fraud or misrepresentation.

11 **2.4 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in Section
12 I above, Respondents are in apparent violation of RCW 19.146.200 for engaging in the business of a mortgage
13 broker without first obtaining and maintaining a license under the Act.

14 **2.5 Requirement to Timely Renew License and Refrain from Conducting Business.** Based on the
15 Factual Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-
16 163(16), (17) and (18) for continuing to conduct the business of a mortgage broker after failing to timely renew
17 a license under the Act.

18 **2.6 Operating and Advertising Under Unlicensed Name.** Based on the Factual Allegations set forth in
19 Section I above, Respondents are in apparent violation of RCW 19.146.250 for operating and advertising under
20 a name not licensed by the Department.

21 III. AUTHORITY TO IMPOSE SANCTIONS

22 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), and (3)(a), the Director may impose
23 fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act for any
24 violations of RCW 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, RCW
25 19.146.200, RCW 19.146.205(4), or RCW 19.146.265, or any violation of the Act.

1 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520, and WAC
2 208-660-550(5), upon completion of any investigation of the books and records of a licensee or other person subject
3 to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of
4 the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each staff person
5 devoted to the investigation.

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

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

- 11 **4.1** Respondents Ward Lending Group LLC, Sterling M. Ward, Cecil A. Clayborn, Kathy S. Cooper and Janet
12 M. Ward jointly and severally pay a fine of \$525;
- 13 **4.2** Respondents Ward Lending Group LLC, Sterling M. Ward, Cecil A. Clayborn, Kathy S. Cooper and Janet
14 M. Ward jointly and severally pay an investigation fee, which as of the date of these charges is \$300
15 calculated at \$48 per hour for 6.25 staff hours devoted to the investigation.
- 16 **4.3** Respondents Ward Lending Group LLC, Sterling M. Ward, Cecil A. Clayborn, Kathy S. Cooper and Janet
17 M. Ward jointly and severally pay an examination fee, which as of the date of these charges is \$5,856
18 calculated at \$48 per hour for 122 staff hours devoted to the examination.

19 //
20 //
21 //
22 //
23 //
24 //
25 //

1 **V. AUTHORITY AND PROCEDURE**

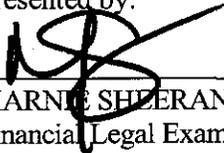
2 This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and Collect
3 Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,
4 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05
5 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth
6 in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying
7 this Statement of Charges.

8 Dated this 29th day of December, 2008.



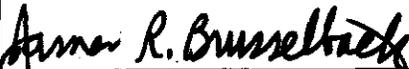
9 DEBORAH BORTNER
10 Director Division of Consumer Services
Department of Financial Institutions

11 Presented by:



12 MARNE SHEERAN
13 Financial Legal Examiner

14 Approved by:



17 JAMES R. BRUSSELBACK
18 Enforcement Chief