

TERMS COMPLETED

ORDER SUMMARY – Case Number: C-08-406

Name(s): Lenox Financial Mortgage LLC
James Joseph Dean
Benjamin John Goodsell
Matthew Hamilton Hanger
David Henry Eck II
Sherlund Davis Lucke

Order Number: C-08-406-09-CO01

Effective Date: January 27, 2010

License Number: DFI:29335 [NMLS:3082] DFI:29336 [NMLS:6916] DFI:33238
DFI:49747 [NMLS:80055] DFI: 47217 [NMLS:6100] DFI: 49239

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: n/a

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

Investigation Costs	\$1,248.00	Due: 0	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: Jan 27/10
Fine	\$8,000.00	Due: 0	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: Jan 27/10
Examination Fee	\$18,678.73	Due: 0	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: Jan 27/10
Restitution	\$15,976.62	Due: 0	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: Jan 27/10
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: _____

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

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

NO. C-08-406-09-CO01

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LENOX FINANCIAL MORTGAGE LLC, JAMES
JOSEPH DEAN, Designated Broker, TERRENCE
STARARE PATE, loan originator, BENJAMIN
JOHN GOODSSELL, loan originator, MATTHEW
HAMILTON HANGER, Loan Originator, DAVID
HENRY ECK II, Loan Originator, and SHERLUND
DAVIS LUCKE, Loan Originator,

CONSENT ORDER

LENOX FINANCIAL MORTGAGE LLC,
JAMES JOSEPH DEAN,
BENJAMIN JOHN GOODSSELL,
MATTHEW HAMILTON HANGER,
DAVID HENRY ECK II, and
SHERLUND DAVIS LUCKE

Respondents.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
Deborah Bortner, Division Director, Division of Consumer Services, and Lenox Financial Mortgage LLC
(hereinafter Respondent Lenox), James Joseph Dean (Respondent Dean), Designated Broker, Benjamin John
Goodsell (Respondent Goodsell), loan originator, Matthew Hamilton Hanger (Respondent Hanger), Loan
Originator, David Henry Eck II (Respondent Eck), loan originator, and Sherlund Davis Lucke (Respondent
Lucke), loan originator, and finding that the issues raised in the above-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 Respondents
have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-406-09-SC01
(Statement of Charges), entered May 27, 2009, (copy attached hereto). Pursuant to chapter 19.146 RCW, the

CONSENT ORDER
C-08-406-09-CO01
LENOX FINANCIAL MORTGAGE LLC, JAMES
JOSEPH DEAN, BENJAMIN JOHN GOODSSELL,
MATTHEW HAMILTON HANGER, DAVID
HENRY ECK II, SHERLUND DAVIS LUCKE

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

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OCT 26 2009

ENFORCEMENT UNIT
DIVISION OF CONSUMER SERVICES
DEPT OF FINANCIAL INSTITUTIONS

1 Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents
2 hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-
3 captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend
4 this Consent Order to fully resolve the Statement of Charges.

5 Based upon the foregoing:

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

8 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing
9 before an administrative law judge, and that they waived their right to a hearing and any and all administrative and
10 judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondents
11 by their signatures below withdraw their appeal from the Office of Administrative Hearings.

12 C. **Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$8,000, in the form of a
13 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

14 D. **Restitution.** It is AGREED that prior to the entry of this Consent Order, Respondent Lennox paid
15 restitution to the consumers identified in the attached Restitution Schedule. Such payments were made in the form
16 of a check and were sent to borrowers' last known address via the United States mail. Respondent Lennox included
17 a letter with each check notifying the borrower that the check was a refund and that the borrower had 30 days to
18 cash the check or the refund amount would be provided to the State Department of Revenue as unclaimed
19 property. Respondent Lennox provided the Department with a signed affidavit attesting to mailing the checks, and
20 a copy of the checks mailed (each with the accompanying explanatory cover letter). All checks that were not
21 returned as undeliverable, but were not cashed within 30 days of mailing, were immediately turned over to the
22 State Department of Revenue, pursuant to Department of Revenue procedures, as unclaimed property. A list of
23 such checks was provided to the Department. Further, Respondent Lennox notified the Department of all checks

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25 CONSENT ORDER
C-08-406-09-CO01
LENOX FINANCIAL MORTGAGE LLC, JAMES
JOSEPH DEAN, BENJAMIN JOHN GOODSELL,
MATTHEW HAMILTON HANGER, DAVID
HENRY ECK II, SHERLUND DAVIS LUCKE

1 that were returned as undeliverable and the Department attempted to locate a current address. Upon notification
2 by the Department that no new address was available, Respondent Lenox immediately sent the refund amounts to
3 the State Department of Revenue, pursuant to Department of Revenue procedures, as unclaimed property. As
4 noted above, Respondent Lenox provided refunds to the consumers referenced in paragraphs 1.2 through 1.11 of
5 the Statement of Charges. (See attached Restitution Schedule)

6 **E. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee
7 of \$1,248, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this
8 Consent Order.

9 **F. Examination Fee.** It is AGREED that Respondents shall pay to the Department an examination and
10 travel recovery fee of \$18,678.73, in the form of a cashier's check made payable to the "Washington State
11 Treasurer," upon entry of this Consent Order.

12 **G. Complete Cooperation with the Department and the Office of the Attorney General.** It is
13 AGREED that Respondents shall cooperate fully, truthfully and completely with the Department and the Office of
14 Attorney General and provide any and all information known to them relating in any manner to Terrence Starare
15 Pate conducting or engaging in the business of a loan originator while working at Lenox Financial Mortgage LLC.
16 It is further AGREED that Respondents shall provide any and all documents, writings, materials, objects or
17 evidence of any kind in their possession or under their care, custody, or control that they are authorized to possess,
18 obtain, or distribute relating directly or indirectly to all areas of inquiry and investigation. A failure to cooperate
19 fully, truthfully and completely is a breach of this Consent Order. It is further AGREED that Respondents shall
20 testify fully, truthfully and completely at any proceeding related to the Department's investigation and
21 enforcement actions related to this matter, including, but not limited to Terrence Starare Pate.

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25 CONSENT ORDER
C-08-406-09-CO01
LENOX FINANCIAL MORTGAGE LLC, JAMES
JOSEPH DEAN, BENJAMIN JOHN GOODSSELL,
MATTHEW HAMILTON HANGER, DAVID
HENRY ECK II, SHERLUND DAVIS LUCKE

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

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

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

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

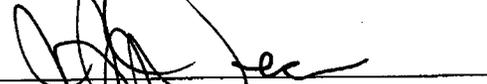
12 **RESPONDENTS:**

13 **Lenox Financial Mortgage LLC**

14 By: 

15 JACK C. STEVENS
16 Chief Operating Officer

8-17-2009
Date

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18 JAMES JOSEPH DEAN
19 Designated Broker

10-20-09
Date

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21 JAMES JOSEPH DEAN
22 Individually

10-20-09
Date

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BENJAMIN JOHN GOODSSELL
Individually

Date


MATTHEW HAMILTON HANGER

8-18-09
Date

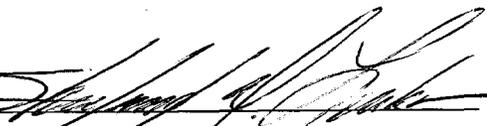
Individually



8/18/09
Date

DAVID HENRY ECK II
Individually

Date



SHERLUND DAVIS LUCKE
Individually

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS _____ DAY OF _____, 2009.

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

MARNIE SHEERAN
Financial Legal Examiner

Approved by:

JAMES R. BRUSSELBACK
Enforcement Chief

CONSENT ORDER
C-08-406-09-CO01
LENOX FINANCIAL MORTGAGE LLC, JAMES
JOSEPH DEAN, BENJAMIN JOHN GOODSSELL,
MATTHEW HAMILTON HANGER, DAVID
HENRY ECK II, SHERLUND DAVIS LUCKE

1 Benj Goodsell
BENJAMIN JOHN GOODSSELL
2 Individually

8/28/09
Date

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4 MATTHEW HAMILTON HANGER
5 Individually

Date

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8 DAVID HENRY ECK II
9 Individually

Date

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11 SHERLUND DAVIS LUCKE
12 Individually

Date

13 DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 27th DAY OF January, 2000



Deborah Bortner
DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

18 Presented by:
19 Marnie Shieran
20 MARNIE SHIERAN
Financial Legal Examiner

21 Approved by:
22 James R. Brusselback
23 JAMES R. BRUSSELBACK
Enforcement Chief

24 CONSENT ORDER
25 C-08-406-09-CO01
LENOX FINANCIAL MORTGAGE LLC, JAMES
JOSEPH DEAN, BENJAMIN JOHN GOODSSELL,
MATTHEW HAMILTON HANGER, DAVID
HENRY ECK II, SHERLUND DAVIS LUCKE

Restitution Schedule- Lenox Financial Mortgage

Name	Closing date (on or about)	Refund amount
J.D.	6/14/08	\$3,019.25
B.B	6/26/08	\$2,049.66
P.B	4/22/08	\$3,433.34
TLS	8/24/07	\$3,235.45
MK	2/15/08	\$4,238.92

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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:

NO. C-08-406-09-SC01

LENOX FINANCIAL MORTGAGE LLC,
JAMES JOSEPH DEAN, Designated Broker,
TERRENCE STARARE PATE, loan originator,
BENJAMIN JOHN GOODSSELL, loan originator,
MATTHEW HAMILTON HANGER, Loan
Originator, DAVID HENRY ECK II, Loan
Originator, and SHERLUND DAVIS LUCKE,
Loan Originator,

STATEMENT OF CHARGES and NOTICE OF
INTENTION REVOKE OR SUSPEND MORTGAGE
BROKER LICENSE and LOAN ORIGINATOR
LICENSE, PROHIBIT FROM INDUSTRY, IMPOSE
FINE, ORDER RESTITUTION, COLLECT
INVESTIGATION FEE AND COLLECT
EXAMINATION FEE AND TRAVEL COSTS

Respondents.

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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)¹. After having conducted an investigation pursuant to RCW 19.146.210 and RCW 19.146.235, 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 Respondents.

A. Lenox Financial Mortgage LLC (Respondent Lenox) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on January 26, 2006, and continues to be licensed to date. Respondent Lenox is licensed to conduct the business of a mortgage broker at one location in Atlanta, Georgia.

¹ RCW 19.146 (2007)

1 B. James Joseph Dean (Respondent Dean) became the Designated Broker of Respondent Lenox
2 on or about January 26, 2006 and continues as the Designated Broker to date.

3 C. Terrence Starare Pate (Respondent Pate) acted as a loan originator for Respondent Lenox between
4 at least December 1, 2006 and May 1, 2008.

5 D. Benjamin John Goodsell (Respondent Goodsell) acted as a loan originator for Respondent Lenox
6 between at least December 1, 2006 and July 1, 2008.

7 E. Matthew Hamilton Hanger (Respondent Hanger) acted as a loan originator for Respondent Lenox
8 between at least April 1, 2008 and September 1, 2008.

9 F. David Henry Eck II (Respondent Eck) acted as a loan originator for Respondent Lenox between at
10 least December 1, 2007 and March 1, 2008.

11 G. Sherlund Davis Lucke (Respondent Lucke) acted as a loan originator for Respondent Lenox
12 between at least August 1, 2007 and August 4, 2008.

13 **1.2 Unlicensed Activity.** Respondent Pate conducted the business of a loan originator for Respondent
14 Lenox between at least December 1, 2006 and May 1, 2008. Respondent Pate obtained a license to engage in the
15 business of a loan originator license from the Department on or about August 27, 2007. Respondent Pate
16 continued to be licensed until his license expired on December 31, 2007. To date, the Department has not
17 renewed or issued a new license to Respondent Pate to conduct the business of a loan originator from any
18 location.

19 **1.3** Between March 1, 2008 and May 1, 2008, Respondent Pate assisted at least one (1) borrower in
20 applying to obtain or obtaining residential mortgage loans on property located in the State of Washington from
21 Respondent Lenox's office.

22 **1.4** Respondent Goodsell conducted the business of a loan originator for Respondent Lenox between at
23 least December 1, 2006 and July 1, 2008. Respondent Goodsell obtained a license to engage in the business of a
24 loan originator from the Department on or about February 23, 2007. Respondent Goodsell continued to be
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1 licensed until his license expired on December 31, 2007. To date, the Department has not renewed or issued a
2 new license to Respondent Goodsell to conduct the business of a loan originator from any location.

3 **1.5** Between May 1, 2008 and August 1, 2008, Respondent Goodsell assisted at least one (1) borrower in
4 applying to obtain or obtaining residential mortgage loans on property located in the State of Washington from
5 Respondent Lenox's office

6 **1.6** Respondent Hanger conducted the business of a loan originator for Respondent Lenox between at least
7 May 1, 2008 and September 1, 2008. Respondent Hanger applied for a loan originator's license with the
8 Department on or about June 23, 2008. The Department rejected Respondent Hanger's application as incomplete.
9 Respondent Hanger reapplied for a loan originator's license with the Department on or about July 25, 2008, and the
10 Department issued a license to Respondent Hanger on or about August 15, 2008. Respondent Hanger continues to
11 be licensed to date.

12 **1.7** Between April 1, 2008 and June 30, 2008, Respondent Hanger assisted at least one (1) borrower in
13 applying to obtain or obtaining a residential mortgage loan on property located in the State of Washington from
14 Respondent Lenox's office.

15 **1.8** Respondent Eck conducted the business of a loan originator for Respondent Lenox between at least
16 December 1, 2007 and March 1, 2008. Respondent Eck applied for a loan originator's license with the Department
17 on or about January 14, 2008. The Department issued a loan originator's license to Respondent Eck on or about
18 February 22, 2008. Respondent Eck continues to be licensed to date.

19 **1.9** Between December 1, 2007 and February 22, 2008, Respondent Eck assisted at least one (1) borrower
20 in apply to obtain or obtaining a residential mortgage loan on property located in the State of Washington from
21 Respondent Lenox's office.

22 **1.10** Respondent Lucke conducted the business of a loan originator for Respondent Lenox between at least
23 between at least August 1, 2007 and August 4, 2008. Respondent Lucke applied for a loan originator's license with
24 the Department on or about June 24, 2008. The Department issued a loan originator's license to Respondent Lucke
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1 on or about August 4, 2008. Respondent Lucke continued to be licensed until his license expired on December
2 31, 2008.

3 **1.11** Between July 1, 2007 and September 1, 2007, Respondent Lucke assisted at least one (1) borrower in
4 apply to obtain or obtaining a residential mortgage loan on property located in the State of Washington from
5 Respondent Lenox's office.

6 **1.12 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
7 Respondents continues to date.

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

9 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
10 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of compensation or
11 gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential
12 mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
13 person in obtaining or applying to obtain a residential mortgage loan.

14 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10) and WAC 208-660-006, "Loan
15 Originator" means a natural person who (a) takes a residential mortgage loan application for a mortgage broker,
16 or (b) offers or negotiates terms of a mortgage loan, for direct or indirect compensation or gain, or in
17 expectation of direct or indirect compensation or gain. "Loan Originator" also includes a person who holds
18 themselves out to the public as able to perform any of these activities.

19 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(2), a "Borrower" is defined as any person who
20 consults with or retains a mortgage broker or loan originator in an effort to obtain or seek advice or information
21 on obtaining or applying to obtain a residential mortgage loan for himself, herself, or persons including himself
22 or herself, regardless of whether the person actually obtains such a loan.

23 **2.4 Requirement to Obtain or Maintain Loan Originator License.** Based on the Factual Allegations set
24 forth in Section I above, Respondents Pate, Goodsell, Hanger, Eck and Lucke are in apparent violation of RCW

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1 19.146.0201(2) and (3), RCW 19.146.200(1), and WAC 208-660-350(3) for engaging in the business of a loan
2 originator without first obtaining and maintaining a license under the Act.

3 **2.5 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245 and WAC 208-660-
4 155(3), a licensed mortgage broker is liable for any conduct violating the Act by the designated broker or loan
5 originator employed or engaged by the licensed mortgage broker. Pursuant to RCW 19.146.200(4)(a) and (b), a
6 designated broker or principal of a licensed mortgage broker is liable for an employee's violations of the act if
7 the designated broker or principal directs or instructs the conduct or with knowledge of the specific conduct
8 approves or allows the conduct, or knows or by the exercise of reasonable care and inquiry should have known
9 of the conduct at the time when its consequences can be avoided or mitigated and fails to take reasonable
10 remedial action.

11 **2.6 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in
12 apparent violation of RCW 19.146.0201(1) and (2) for directly or indirectly employing a scheme, device or
13 artifice to defraud or mislead borrowers or lenders or any person or engaging in an unfair or deceptive practice
14 toward any person.

15 III. AUTHORITY TO IMPOSE SANCTIONS

16 **3.1 Authority to Revoke or Suspend License.** Pursuant to RCW 19.146.220(2)(b),(d), and (e), the
17 Director may revoke or suspend a license for any violation of chapter 19.146 RCW.

18 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a),(b) and (d), the Director
19 may issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
20 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage
21 broker or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or
22 (13), RCW 19.146.030 through RCW 19.146.080, RCW 19.146.200, RCW 19.146.205(4), or RCW 19.146.265.

23 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(b),(d) and (e) and RCW 19.146.220(3) (a)
24 and (b), the Director may impose fines on a licensee, employee or loan originator of the licensee, or other

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1 person subject to the Act for any violations of RCW 19.146.0201(1) through (9) or (13), RCW 19.146.200,
2 RCW 19.146.205(4), RCW 19.146.265, failure to comply with a directive or order of the Director or any
3 violation of Chapter 19.146 RCW..

4 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2)(b),(d) and (e), the Director may issue
5 orders directing a licensee, its employee or loan originator, or other person subject to the Act to pay restitution.

6 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-550(5),
7 upon completion of any investigation of the books and records of a licensee or other person subject to the Act,
8 the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of the
9 investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per hour that
10 each staff person devoted to the investigation.

11 **3.6 Authority to Collect Examination Fee and Travel Expenses.** Pursuant to RCW 19.146.228(2), WAC
12 208-660-510(9)(a) and (b) and WAC 208-660-550(4), (5) and (6), upon completion of any investigation of the
13 books and records of a licensee or other person subject to the Act, the Department will furnish to the licensee or
14 other person subject to the Act a billing to cover the cost of Examination and Travel Costs. The Examination
15 charge will be calculated at the rate of forty-eight dollars (\$48) per hour that each staff person devoted to the
16 Examination.

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

18 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
19 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
20 for the entry of an Order under RCW 19.146.210, RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223.

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

- 22 **4.1** Respondent Lenox's license to conduct the business of a mortgage broker be revoked or suspended; and
23 **4.2** Respondent James J. Dean's license to conduct the business of a loan originator and designated broker
24 be revoked or suspended; and

- 1 **4.3** Respondents Terrence S. Pate, Benjamin J. Goodsell, Matthew H. Hanger, David H. Eck II, and Sherlund D. Lucke's license to conduct the business of a loan originator be revoked or suspended; and
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- 3 **4.4** Respondents Lenox Financial Mortgage LLC, , James J. Dean, Terrence S. Pate, Benjamin J. Goodsell, Matthew H. Hanger, David H. Eck II, and Sherlund D. Lucke be prohibited from participation in the
- 4 conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years; and
- 5 **4.5** Respondents Lenox Financial Mortgage LLC, James J. Dean, Respondents Terrence S. Pate, Benjamin J. Goodsell, Matthew H. Hanger, David H. Eck II, and Sherlund D. Lucke jointly and severally pay a fine,
- 6 which as of the date of these charges totals \$15,000; and
- 7 **4.6** Respondents Lenox Financial Mortgage LLC, James J. Dean, Respondents Terrence S. Pate, Benjamin J. Goodsell, Matthew H. Hanger, David H. Eck II, and Sherlund D. Lucke jointly and severally refund all
- 8 fees that inured to Respondents' benefit to the borrowers referenced in paragraphs 1.2 through 1.11; and
- 9 **4.7** Respondents Lenox Financial Mortgage LLC, James J. Dean, Respondents Terrence S. Pate, Benjamin J. Goodsell, Matthew H. Hanger, David H. Eck II, and Sherlund D. Lucke jointly and severally pay an
- 10 investigation fee in the amount of \$1,248 calculated at \$48 per hour for the twenty-six (26) staff hours, as of the date of this Statement of Charges, devoted to the investigation; and
- 11
- 12 **4.8** Respondents Lenox Financial Mortgage LLC, James J. Dean, Respondents Terrence S. Pate, Benjamin J. Goodsell, Matthew H. Hanger, David H. Eck II, and Sherlund D. Lucke jointly and severally pay an
- 13 examination fee and travel costs in the amount of \$18,678.73, which consists of \$10,512 in examination fees calculated at \$48 per hour for the two hundred nineteen (219) staff hours, and \$8,166.73 in travel
- 14 expenses; and
- 15 **4.9** Respondents maintain records in compliance with the Act and provide the Department with the location of
- 16 the books, records and other information relating to Respondent Lenox Financial Mortgage LLC's mortgage broker business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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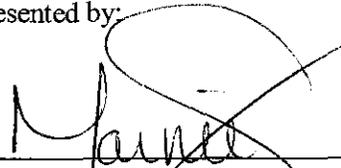
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V. AUTHORITY AND PROCEDURE

This 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). Respondents 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 27th day of May, 2009.


DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

MARNIE SHEERAN
Financial Legal Examiner



Approved by:

JAMES R. BRUSSELBACK
Enforcement Chief