

ORDER SUMMARY – Case Number: C-09-062

Name(s): First Quality Home Mortgage, Inc
Gregory Baker

Order Number: C-09-062-10-FO02

Effective Date: April 21, 2010

License Number: DFI: 29647
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: Revoked

Not Apply Until: n/a

Not Eligible Until: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$414.06	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$9,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$4,500	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$14,459.06	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date 9/29/2011
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
No. of Victims:				

Comments:



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

FIRST QUALITY HOME MORTGAGE, INC., and
GREGORY BAKER, Owner,

Respondents.

NO. C-09-062-10-FO02

FINAL ORDER

I. DIRECTOR'S CONSIDERATION

A. Procedural History. 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 June 23, 2009, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Collect Annual Assessment Fees and Late Penalties, and Collect Investigation Fee (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 August 18, 2009, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for First Quality Home Mortgage, Inc., and Gregory Baker. The Department served the Statement of Charges, cover letter dated August 18, 2009, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for First Quality Home Mortgage, Inc., and Gregory Baker on Respondents on August 18, 2009, by First-Class mail and Certified Mail.

1 On September 24, 2009, Respondents each filed an Application for Adjudicative Hearing. On
2 December 8, 2009, the Department made a request to the Office of Administrative Hearings (OAH) to
3 assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of
4 Charges. On December 16, 2009, OAH issued a Notice of Prehearing Conference by Telephone
5 assigning ALJ Sherry Peterson (ALJ Peterson) to preside over prehearing and hearing proceedings and
6 issue an Initial Decision, and scheduling a prehearing conference on Tuesday, January 5, 2009, at 4:00
7 p.m.

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9 On January 5, 2009, a representative for the Department attended the telephonic prehearing
10 conference, but Respondents failed to appear or otherwise contact OAH. On January 6, 2010, ALJ
11 Peterson issued an Order of Default dismissing Respondents' appeal. On January 19, 2010,
12 Respondent filed a motion to vacate the Order of Default. On March 5, 2010, ALJ Peterson entered an
13 Order Denying Motion to Vacate Default Order of Dismissal as untimely filed and affirmed toe Order
14 of Default.

15 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from the
16 date of service of the Order Denying Motion to Vacate Default Order of Dismissal and Order of
17 Default to file a Petition for Review. Respondents did not file a Petition for Review during the
18 statutory period.

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20 B. Record Presented. The record presented to the Director for his review and for entry of
21 a final decision included the following:

- 22 1. Statement of Charges, cover letter dated August 18, 2009, and Notice of Opportunity
23 to Defend and Opportunity for Hearing, with documentation of service;
- 24 2. Applications for Adjudicative Hearing for First Quality Home Mortgage, Inc., and
25 Gregory Baker;
3. Request to OAH for Assignment of Administrative Law Judge;

- 1 4. Notice of Prehearing Conference by Telephone dated December 16, 2009, with
2 documentation of service;
- 3 5. Order of Default dated January 6, 2010, with documentation of service;
- 4 6. Order Denying Motion to Vacate Default Order of Dismissal dated March 5, 2010,
5 with documentation of service.

6 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director
7 hereby adopts the Statement of Charges, which is attached hereto.

8 II. FINAL ORDER

9 Based upon the foregoing, and the Director having considered the record and being
10 otherwise fully advised, NOW, THEREFORE:

11 A. IT IS HEREBY ORDERED, that:

- 12 1. Respondents First Quality Home Mortgage, Inc., and Gregory Baker's license to
13 conduct the business of a Consumer Lender is revoked;
- 14 2. Respondents First Quality Home Mortgage, Inc., and Gregory Baker shall jointly and
15 severally pay the cumulative delinquent Annual Assessments for 2006, 2007, and
16 2008 in the amount of \$4,500;
- 17 3. Respondents First Quality Home Mortgage, Inc., and Gregory Baker shall jointly and
18 severally pay delinquent Annual Assessment late penalties for 2006, 2007, and 2008
19 in the amount of \$9,000, calculated at \$3,000 per delinquent Annual Assessment; and
- 20 4. Respondents First Quality Home Mortgage, Inc., and Gregory Baker shall jointly and
21 severally pay an investigation fee of \$414.06.

22 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
23 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
24 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150
25 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
2 Reconsideration a prerequisite for seeking judicial review in this matter.

3 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date
4 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written
5 notice specifying the date by which it will act on a petition.

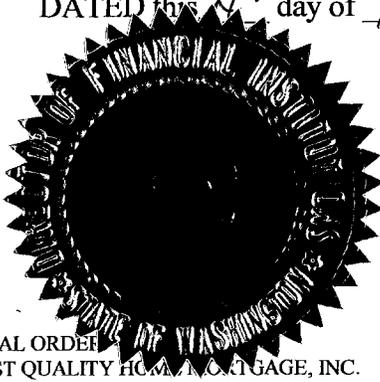
6 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
7 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial
8 Review made under chapter 34.05 RCW and RCW 34.05.550.

9 D. Judicial Review. Respondents have the right to petition the superior court for
10 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements
11 for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.
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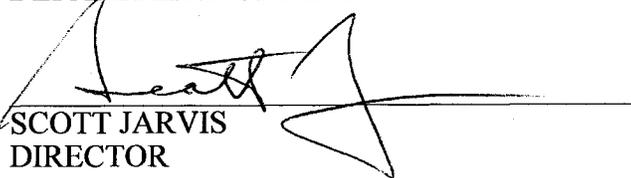
13 E. Non-compliance with Order. If you do not comply with the financial terms of this order
14 within thirty (30) days of service, the Department may seek its enforcement by the Office of Attorney
15 General to include the collection of the fine, assessments, late penalties, and investigation fee imposed
16 herein.

17 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
18 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
19 attached hereto.
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21 DATED this 21st day of April, 2010.



22 STATE OF WASHINGTON
23 DEPARTMENT OF FINANCIAL INSTITUTIONS

24 
25 SCOTT JARVIS
DIRECTOR

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FINAL ORDER
FIRST QUALITY HOME MORTGAGE, INC.
GREGORY BAKER
C-09-062-10-FO02

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

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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

FIRST QUALITY HOME MORTGAGE, INC.,
and
GREGORY BAKER,
Owner,

Respondents.

NO. C-09-062-09-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE,
COLLECT ANNUAL ASSESSMENT
FEES AND LATE PENALTIES, AND
COLLECT INVESTIGATION FEE

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INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, 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. First Quality Home Mortgage, Inc., (Respondent First Quality), was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a Consumer Loan Company on March 15, 2006, and continues to be licensed to date. Respondent First Quality is licensed to conduct business from one location at 2141 W. Orangewood Avenue, Suite A, Orange, California.

1 **2.2 Requirement to Maintain Adequate Surety Bond.** Based on the Factual Allegations set
2 forth in Section I above, Respondents are in apparent violation of RCW 31.04.045(3) for failure to
3 maintain a surety bond in the required amount.

4 **2.3 Requirement to Comply with Directives of the Director.** Based on the Factual Allegations
5 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.145 for failing to
6 comply with a Directive from the Director.

7 **III. AUTHORITY TO IMPOSE SANCTIONS**

8 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(a) and (b), the Director may
9 revoke a license for failure to pay any fee due to the state of Washington, failure to maintain a surety
10 bond, failure to comply with a Directive from the Director, or violating any provision of the Act or the
11 rules adopted thereunder.

12 **3.2 Authority to Collect Annual Assessment Fees and Late Penalties.** Pursuant to RCW
13 31.04.085, WAC 208-620-430, and WAC 208-620-440, the Director may collect Annual Assessment
14 Fees and late penalties of up to one hundred dollars per day from the licensee, its employee, or any
15 other person subject to the Act.

16 **3.3 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
17 590, every licensee investigated by the Director or the Director's designee shall pay for the cost of the
18 investigation, calculated at the rate of \$69.01 per staff hour devoted to the investigation.

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

20 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as
21 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
22 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW
23 31.04.205. Therefore, it is the Director's intention to ORDER that:

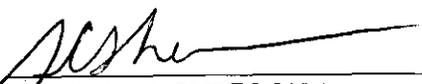
1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License,
3 Collect Annual Assessment Fees and Late Penalties, and Collect Investigation Fee (Statement of
4 Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202,
5 and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative
6 Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF
7 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
8 Statement of Charges.

9
10 Dated this 23rd day of June, 2009.

11 
12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17 
18 STEVEN C. SHERMAN
19 Financial Legal Examiner



20 Approved by:

21 
22 JAMES R. BRUSSELBACK
23 Enforcement Chief