



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

NO. C-09-172-10-FO01

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

LYNDA GAIL FATTOM,

Respondent.

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) pursuant to RCW 34.05.464. On November 3, 2009, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Impose Fine, Collect Investigative Costs, and Assess Penalty (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 November 5, 2009, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent Lynda Gail Fattom (Respondent Fattom). The Department served the Statement of Charges, cover letter dated November 5, 2009, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing for Respondent Fattom on November 5, 2009, by First-Class Mail and Federal Express overnight delivery.

//

//

1 On December 21, 2009, Respondent Fattom filed an Application for Adjudicative Hearing. On
2 March 11, 2010, 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 March 25, 2010, the Department received correspondence from Respondent Fattom stating
5 although she had requested a hearing she no longer wanted a hearing. Respondent Fattom addressed this
6 correspondence to the Office of Administrative Hearings, the Department, and to the Washington State
7 Office of the Attorney General.

8
9 On March 31, 2010, ALJ Cindy Burdue issued an Initial Order of Dismissal.

10 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent Fattom had twenty (20) days
11 from the date of service of the Initial Decision and Order to file a Petition for Review of the Initial
12 Decision and Order. Respondent Fattom did not file a Petition for Review during the statutory period.

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

- 15 1. Statement of Charges, cover letter dated November 3, 2009, and Notice of
16 Opportunity to Defend and Opportunity for Hearing, with documentation of service;
- 17 2. Completed Application for Adjudicative Hearing for Lynda Gail Fattom;
- 18 3. Request to OAH for Assignment of Administrative Law Judge;
- 19 4. Correspondence from Respondent Fattom withdrawing her request for a hearing dated
20 March 23, 2010;
- 21 5. Initial Order of Dismissal dated March 31, 2010.

22 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director
23 hereby adopts the Initial Order of Dismissal, which is attached hereto.

24 //

25

1 II. FINAL ORDER

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

4 A. IT IS HEREBY ORDERED, That:

- 5 1. Respondent Lynda Gail Fattom pay a fine of \$1,575; and
6 2. Respondent Lynda Gail Fattom pay an investigation fee of \$249.60; and
7 3. Respondent Lynda Gail Fattom pay a penalty equivalent to the amount of fees earned
8 for a loan involving Borrower S.R. #1000001440.

9 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent Fattom has the right to
10 file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The
11 Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier
12 at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
13 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent Fattom.
14 The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
15 Reconsideration a prerequisite for seeking judicial review in this matter.
16

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

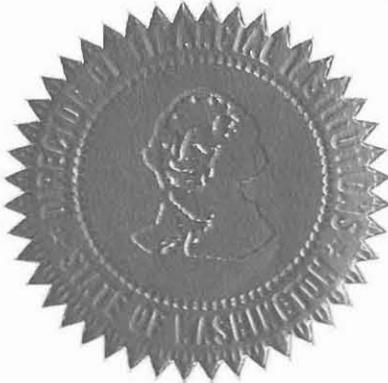
20 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
21 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial
22 Review made under chapter 34.05 RCW and RCW 34.05.550.
23
24

1 D. Judicial Review. Respondent Fattom has the right to petition the superior court for
2 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements
3 for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

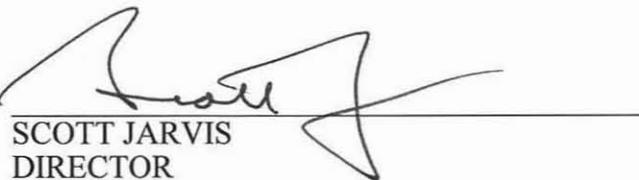
4 E. Non-compliance with Order. If you do not comply with the terms of this order, the
5 Department may seek its enforcement by the Office of Attorney General to include the collection of the
6 fines, fees, and penalties imposed herein.

7 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
8 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
9 attached hereto.

10
11 DATED this 23rd day of June, 2010.



12 STATE OF WASHINGTON
13 DEPARTMENT OF FINANCIAL INSTITUTIONS

14
15 
16 SCOTT JARVIS
17 DIRECTOR

1
2
3
4
5
6
7
8

**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:

LYNDA GAIL FATTOM,

Respondent.

NO. C-09-172-09-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO IMPOSE FINE, COLLECT
INVESTIGATIVE COSTS, AND ASSESS PENALTY

9
10
11
12
13
14
15
16

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 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:

17
18
19
20
21
22
23
24
25

I. FACTUAL ALLEGATIONS

1.1 Respondent Lynda Gail Fattom (Respondent Fattom) was issued a Loan Originator license on December 20, 2007, and continued to be licensed until her license expired on December 31, 2007. Respondent Fattom renewed her license on January 10, 2008, and continued to be licensed until her license expired on December 31, 2008.

1.2 Untimely Renewal of Loan Originator License. In order to continue conducting business as a loan originator in 2008, Respondent Fattom was required to renew her loan originator license before January 1, 2008. Respondent Fattom did not timely renew her loan originator license and as a result could not conduct the business of a loan originator until she renewed her license on January 10, 2008.

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

1 **1.3 Unlicensed Loan Originator Activity.** Respondent Fattom conducted the business of a loan originator
2 for Walden Mortgage LLC from 3316 6th Avenue, Tacoma, WA, 98406, between January 1, 2008, and January
3 9, 2008. Respondent Fattom did not have a license from the Department to conduct business as a loan
4 originator between January 1, 2008, and January 9, 2008. Between January 1, 2008, and January 9, 2008,
5 Respondent Fattom originated three residential mortgage loans on property located in the State of Washington.
6 Two of the three loans were denied and one (Borrower S.R. #1000001440) was closed on January 30, 2008.
7 Walden Mortgage LLC was paid fees in the amount of \$5769.04 for the loan to Borrower S.R.

8 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
9 Respondent continues to date.

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

11 **2.1 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in Section
12 I above, Respondent Fattom is in apparent violation of RCW 19.146.200 for engaging in the business of a loan
13 originator without first obtaining and maintaining a license under the Act.

14 **2.2 Requirement to Timely Renew License and Refrain from Conducting Business.** Based on the
15 Factual Allegations set forth in Section I above, Respondent Fattom is in apparent violation of WAC 208-660-
16 350 (21) for conducting the business of a loan originator after failing to timely renew a license under the Act.

17 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent Fattom is
18 in apparent violation of RCW 19.146.0201(2) for engaging in an unfair or deceptive practice toward any person.

19 **2.4 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set
20 forth in Section I above, Respondent Fattom fails to meet the requirements of RCW 19.146.310(1)(g) and
21 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the
22 confidence of the community and to warrant a belief that the business will be operated honestly and fairly
23 within the purposes of the Act.

24 **III. AUTHORITY TO IMPOSE SANCTIONS**

25 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), and (3)(a), the Director may impose
fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act for any

1 violations of RCW 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, RCW
2 19.146.200, RCW 19.146.205(4), or RCW 19.146.265, or any violation of the Act.

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

8 **3.3 Authority to Assess Penalty.** Pursuant to WAC 208-660-530, the Director may exercise discretion and by
9 order assess other penalties for a violation of the act.

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

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

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

- 15 **4.1** Respondent Lynda Gail Fattom pay a fine of \$1,575;
- 16 **4.2** Respondent Lynda Gail Fattom pay an investigation fee, which as of the date of these charges is \$249.60
17 calculated at \$48 per hour for 5.2 staff hours devoted to the investigation; and
- 18 **4.3** Respondent Lynda Gail Fattom pay a penalty equivalent to the amount of fees earned by Respondent for
19 loan involving Borrower S.R. #1000001440, while conducting unlicensed loan originator activity between
20 January 1, 2008, and January 9, 2008.

21 //
22 //
23 //
24 //
25 //

V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine, Collect Investigation Fee, and Assess Penalty (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 14th day of November, 2009.

Deborah Bortner

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Wilma M. Nepsund

WILMA M. NEPSUND
Financial Examiner



Approved by:

James R. Brusselback
JAMES R. BRUSSELBACK
Enforcement Chief

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