



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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

LCFM INC,

Respondent.

NO. C-09-328-FO01

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 September 15, 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 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 September 15, 2009, a Notice of Opportunity to Defend and Opportunity for Brief Adjudicative Proceeding, and a blank Request for Brief Adjudicative Proceeding for LCFM Inc. The Department served the Statement of Charges, cover letter dated September 15, 2009, Notice of Opportunity to Defend and Opportunity for Brief Adjudicative Proceeding, and blank Request for Brief Adjudicative Proceeding for LCFM Inc on Respondent on September 15, 2009 by First-Class mail and Federal Express overnight delivery. On September 16 2009, the documents sent via Federal Express overnight were delivered. The documents sent by First-Class mail were returned as undeliverable. On October 15,

1 2009 the documents were resent to Respondent at a new address and were not returned by the U.S.  
2 Postal Service as undeliverable.

3 Respondent LCFM Inc did not request a brief adjudicative proceeding within twenty calendar  
4 days after being served by the Department with the Notice of Opportunity to Defend and Opportunity  
5 for Brief Adjudicative Proceeding, as provided for in WAC 208-08-050(2).

6 B. Record Presented. The record presented to the Director's designee for her review and  
7 for entry of a final decision included the following: Statement of Charges, cover letter dated September  
8 15, 2009, Notice of Opportunity to Defend and Opportunity for Brief Adjudicative Proceeding, and blank  
9 Request for Brief Adjudicative Proceeding for LCFM Inc, with documentation of service.

10 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the  
11 Director's designee hereby adopts the Statement of Charges, which is attached hereto.  
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14 II. FINAL ORDER

15 Based upon the foregoing, and the Director's designee having considered the record and  
16 being otherwise fully advised, NOW, THEREFORE:

17 A. IT IS HEREBY ORDERED, That:

- 18 1. Respondent LCFM Inc pay a fine of \$3,000; and  
19 2. Respondent LCFM Inc pay an investigation fee of \$96; and  
20 3. Respondent LCFM Inc file the 2008 Mortgage Broker Annual Report.

21 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
22 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
23 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150  
24 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
25

1 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The  
2 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
3 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

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

16 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for  
17 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
18 attached hereto.  
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21 DATED this 24<sup>th</sup> day of December, 2009.



22 STATE OF WASHINGTON  
23 DEPARTMENT OF FINANCIAL INSTITUTIONS

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25 DEBORAH BORTNER  
DIRECTOR  
DIVISION OF CONSUMER SERVICES

1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 DIVISION OF CONSUMER SERVICES

4 IN THE MATTER OF DETERMINING  
5 Whether there has been a violation of the  
6 Mortgage Broker Practices Act of Washington by:  
7 LCFM INC,  
8 Respondent.

NO. C-09-328-09-SC01

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

7 INTRODUCTION

8 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial  
9 Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the  
10 Mortgage Broker Practices Act (Act). After having conducted an investigation pursuant to RCW 19.146.235, and  
11 based upon the facts available as the date of this Statement of Charges, the Director, through his designee, Division  
12 of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

13 I. FACTUAL ALLEGATIONS

14 **1.1 Respondent LCFM Inc** (Respondent) was licensed by the Department of Financial Institutions of the  
15 State of Washington (Department) to conduct business as a mortgage broker at all times relevant to the conduct  
16 alleged.

17 **1.2 Failure to File Mortgage Broker Annual Report.** By March 31, 2009, Respondent was required to  
18 file an annual report of mortgage broker activity to include the total number of closed loans originated and the  
19 total volume of closed loans originated. As of the date of this Statement of Charges Respondent has not filed  
20 the 2008 mortgage broker annual report.

21 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
22 Respondent continues to date.

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**II. GROUNDS FOR ENTRY OF ORDER**

**2.1 Requirement to File Mortgage Broker Annual Report.** Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.290(1) and WAC 208-660-400(1), (2), (3), and (4) for failing to file the mortgage broker annual report.

**III. AUTHORITY TO IMPOSE SANCTIONS**

**3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e) the Director may impose fines on a licensee or other person subject to the Act for any violations of the Act.

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

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

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

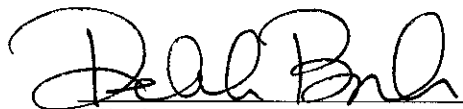
- 4.1** Respondent LCFM Inc pay a fine of \$3,000; and
- 4.2** Respondent LCFM Inc pay an investigation fee, which as of the date of these charges is \$96 calculated at \$48 per hour for two staff hours devoted to the investigation; and
- 4.3** Respondent LCFM Inc file the 2008 annual report of mortgage broker activity.

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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). Respondent may make a written request for a Brief Adjudicative  
6 Proceeding as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR BRIEF  
7 ADJUDICATIVE PROCEEDING accompanying this Statement of Charges.

8 Dated this 15<sup>th</sup> day of September, 2009.

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

16 Presented by:

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18 \_\_\_\_\_  
19 FATIMA BATIE  
20 Financial Legal Examiner Supervisor

21 Approved by:

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23 \_\_\_\_\_  
24 JAMES R. BRUSSELBACK  
25 Enforcement Chief



1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 DIVISION OF CONSUMER SERVICES

4 IN THE MATTER OF DETERMINING  
5 Whether there has been a violation of the  
6 Mortgage Broker Practices Act of Washington  
by:  
LCFM INC,  
Respondent.

No. C-09-328-09-SC01

NOTICE OF OPPORTUNITY TO DEFEND  
AND OPPORTUNITY FOR BRIEF  
ADJUDICATIVE PROCEEDING

7 THE STATE OF WASHINGTON TO:

LCFM Inc

8 YOU ARE HEREBY NOTIFIED that a STATEMENT OF CHARGES has been issued by the  
9 Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

10 YOU ARE HEREBY NOTIFIED that you may file a Request for Brief Adjudicative Proceeding before the  
11 Washington State Department of Financial Institutions on the Statement of Charges. Service of this notice is  
12 deemed complete upon deposit in the United States mail. YOUR REQUEST MUST BE RECEIVED BY THE  
13 DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU  
14 RECEIVED THIS NOTICE. If you request a Brief Adjudicative Proceeding, you will be notified of the schedule  
15 and oral argument, if any, at least seven (7) days in advance.

16 The Brief Adjudicative Proceeding will be as informal as is practical within the requirements of the  
17 Administrative Procedure Act (see chapter 34.05 RCW). If you are limited English- speaking or hearing impaired,  
18 you have the right to have an interpreter appointed at no cost to you, as discussed below.

19 INTERPRETER AVAILABILITY. If you are a person who, because of non-English-speaking cultural  
20 background, cannot readily speak or understand the English language, or if you are a person who, because of a  
21 hearing impairment or speech defect, cannot readily understand or communicate in spoken language, including  
22 persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN INTERPRETER, then a qualified  
23 interpreter will be appointed at no cost to you. You may request the appointment of a qualified interpreter by  
24 indicating your request on the attached Request for Brief Adjudicative Proceeding form.

1            YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the  
2 Request for Brief Adjudicative Proceeding form within twenty (20) days from the date you received this notice, this  
3 will constitute a waiver of your right to a Brief Adjudicative Proceeding and the Director will find that you do not  
4 contest the allegations of the Statement of Charges. Upon such a finding by the Director a final order will be  
5 immediately entered disposing of this matter as described in the Statement of Charges. If you desire a Brief  
6 Adjudicative Proceeding in this matter, please return the attached Request for Brief Adjudicative Proceeding to:

7            Department of Financial Institutions  
8            Division of Consumer Services  
9            Attn: Fatima Batie  
            PO Box 41200  
            Olympia, Washington 98504-1200

10           Dated this 15<sup>th</sup> day of September 2009.

11           *Deborah Bortner*

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

