

Terms Completed

ORDER SUMMARY – Case Number: C-10-143

Name(s): Ludlow Mortgage Inc.
Sterling Couch

Order Number: C-10-143-10-CO01

Effective Date: February 10, 2011

License Number: DFI: 26166 [NMLS: 114360] DFI: 26521 [NMLS: 116467]
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$48	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$300	Due	Paid <input 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: _____

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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-10-143-10-CO01

LUDLOW MORTGAGE INC.;
STERLING COUCH, DESIGNATED BROKER,

CONSENT ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Ludlow Mortgage Inc. and Sterling Couch, Designated Broker (hereinafter Respondents), 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 the Statement of Charges entered on May 3, 2010, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

CONSENT ORDER
LUDLOW MORTGAGE INC.
STERLING COUCH
C-10-143-10-CO01

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

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

3 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of their right to a Brief
4 Adjudicative Proceeding (BAP), and that they have waived their right to a BAP and any and all administrative and
5 judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondents, by
6 the signatures of its representatives below, hereby withdraw their Request for Brief Adjudicative Proceeding.

7 C. **Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$300 in the form of a
8 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

9 D. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee of
10 \$48, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent
11 Order. The fine and investigation fee may be paid together in one cashier's check made payable to the "Washington
12 State Treasurer."

13 E. **Assurance of Compliance.** Respondents acknowledge and understand that RCW 19.146.290 and
14 WAC 208-660-400 require that an annual report of mortgage broker activity be provided to the Department by
15 March 31st of each year. Respondents, by the signatures of its representatives below, assure that it will fully
16 comply with these above provisions.

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

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

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

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

3
4 **RESPONDENTS:**

5 **Ludlow Mortgage Inc.**

6 By:

7 
8 _____
Sterling Couch, Designated Broker

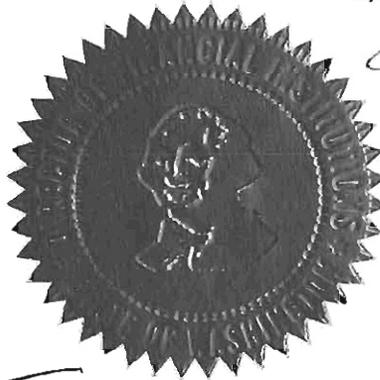
Date 1/4/2011

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10 _____
Sterling Couch, Individually

Date 1/4/2011

11
12 **DO NOT WRITE BELOW THIS LINE**

13
14 THIS ORDER ENTERED THIS 10th DAY OF February, 2011



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16 _____

17 DEBORAH BORTNER
18 Director
19 Division of Consumer Services
20 Department of Financial Institutions

21 Presented by:

22 
23 _____

24 MARISA E. BROGGEL
25 Financial Legal Examiner

Approved by:



1 FATIMA BATIE
2 Financial Legal Examiner Supervisor

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CONSENT ORDER
LUDLOW MORTGAGE INC.
STERLING COUCH
C-10-143-10-CO01

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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**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:

LUDLOW MORTGAGE INC;
STERLING COUCH, DESIGNATED BROKER,

Respondents.

NO. C-10-143-10-SC01

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

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). After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as 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:

I. FACTUAL ALLEGATIONS

1.1 Respondents. Ludlow Mortgage Inc was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker at all times relevant to the conduct alleged. At all times relevant to the Statement of Charges, Sterling Couch was the Designated Broker for the company.

1.2 Failure to File Mortgage Broker Annual Report. By March 31, 2010, Respondents were required to file an annual report of mortgage broker activity to include the total number of closed loans originated and the total volume of closed loans originated. As of the date of this Statement of Charges Respondents have not filed the 2009 mortgage broker annual report.

1.3 Failure to File Mortgage Broker Closure Form. Respondents are required to file a completed closure form and submit a surrender request through the NMLSR. As of the date of this Statement of Charges, Respondents have not filed a completed closure form or submitted a surrender request through the NMLSR.

1 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
2 Respondents continues to date.

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

4 **2.1 Requirement to File Mortgage Broker Annual Report.** Based on the Factual Allegations set forth in
5 Section I above, Respondents are in apparent violation of RCW 19.146.290(1), WAC 208-660-250(7) and
6 WAC 208-660-400(1), (2), (3), and (4) for failing to file the mortgage broker annual report.

7 **2.2 Requirement to File Mortgage Broker Closure Form.** Based on the Factual Allegations set forth in
8 Section I above, Respondents are in apparent violation of WAC 208-660-163(18) for failing to submit a
9 surrender request through the NMLSR or failing to submit a completed departmental closure form.

10 **III. AUTHORITY TO IMPOSE SANCTIONS**

11 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e) the Director may impose fines on a
12 licensee or other person subject to the Act for any violations of the Act.

13 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520, and WAC
14 208-660-550(4), upon completion of any investigation of the books and records of a licensee or other person subject
15 to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of
16 the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each staff person
17 devoted to the investigation.

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

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

23 **4.1** Respondents Ludlow Mortgage Inc and Sterling Couch jointly and severally pay a fine of \$100 per
24 day beginning April 1, 2010, until the date the 2009 Mortgage Broker Annual Report is filed; and

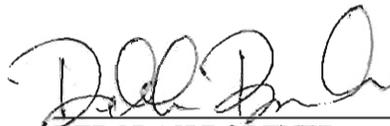
25 **4.2** Respondents Ludlow Mortgage Inc and Sterling Couch jointly and severally pay an investigation
fee, which as of the date of these charges is \$48 calculated at \$48 per hour for one staff hour
devoted to the investigation; and

- 1 4.3 Respondents Ludlow Mortgage Inc and Sterling Couch file the 2009 annual report of mortgage
2 broker activity.
- 3 4.4 Respondents Ludlow Mortgage Inc and Sterling Couch submit a surrender request through
4 NMLSR and submit a completed departmental closure form.
- 5 4.5 Respondents Ludlow Mortgage Inc and Sterling Couch maintain records in compliance with the
6 Act and provide the Department with the location of the books, records and other information
7 relating to Respondent Ludlow Mortgage Inc's mortgage broker business, and the name, address
8 and telephone number of the individual responsible for maintenance of such records in compliance
9 with the Act.

V. AUTHORITY AND PROCEDURE

10 This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and Collect
11 Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,
12 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05
13 RCW (The Administrative Procedure Act). Respondents may make a written request for a Brief Adjudicative
14 Proceeding as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR BRIEF
15 ADJUDICATIVE PROCEEDING accompanying this Statement of Charges.

16 Dated this 3rd day of May, 2010.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

17 Presented by:

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FATIMA BATIE
Financial Legal Examiner Supervisor

19 Approved by:

20 

JAMES R. BRUSSELBACK
Enforcement Chief

