

## ORDER SUMMARY – Case Number: C-14-1542-16-FO01

**Name:** Olga Ivanovna Weaver

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**Order Number:** C-14-1542-16-FO01

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**Effective Date:** April 15, 2016

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**License Number:** NMLS # 112117

**Or NMLS Identifier**

**License Effect:** Revoked

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**Not Apply Until:** 4/15/2026

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**Not Eligible Until:** 4/15/2026

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**Prohibition/Ban Until:** 4/15/2026

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<b>Investigation Costs</b>	\$2,091.00	Due \$2,091.00	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$24,000.00	Due \$24,000.00	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
No. of Victims:		13		

**Comments:** \_\_\_\_\_

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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:

DFI NO. C-14-1542-16-FO01

[OAH NO. 2014-DFI-0037]

FINAL DECISION AND ORDER

OLGA IVANOVNA WEAVER,  
Mortgage Loan Originator, NMLS #112117

THIS MATTER comes now before SCOTT JARVIS, Director ("Director") of the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS ("Department"), pursuant to the Findings of Fact, Conclusions of Law, and Initial Order dated December 7, 2015 ("Initial Order"), in relation to Appellant, OLGA IVANOVNA WEAVER ("Respondent" or "Weaver"), and her Petition for Review of Initial Order ("Petition for Review"). This Petition for Review, submitted by Respondent, by and through Seth Rosenberg of The Rosenberg Law Group, PLLC ("Respondent's Counsel"), is from the Initial Order by Administrative Law Judge Lisa N. W. Dublin ("ALJ Dublin"), from which the Department's Division of Consumer Services ("Division"), by and through its counsel of record, Assistant Attorney General Jong Lee ("Division's Counsel"), has presented the Department's Response to Respondent's Petition for Review of Initial Order ("Reply to Petition").

NOW, THEREFORE, the Director, having taken into consideration the entire record on review, issues the following Final Decision and Order:

## **1.0 ISSUES ON PETITION FOR REVIEW**

The issues on Petition for Review are:

- 1.1 Whether newly acquired evidence erodes the credibility of the Division's witnesses;
  - 1.2 Whether ALJ Dublin erroneously interpreted and applied the relevant legal standards;
  - 1.3 Whether the ALJ Dublin's decision was supported by substantial evidence;
  - 1.4 Whether there is any merit to Respondent's claim that the Division's not producing original copies of documents is material to their admission as evidence;
  - 1.5 Whether the Division's Counsel and employees (other than Weaver) of Washington First Mortgage Corporation ("Washington First") engaged in wrong-doing;
  - 1.6 Whether Respondent violated the Consumer Loan Act ("Act"), at RCW 31.04.027;
- and
- 1.7 If so, whether the penalty set forth in the Initial Order is appropriate.

## **2.0 SUMMARY OF FINDINGS OF FACT & CONCLUSIONS OF LAW**

The recitals made in this *Part 2.0* are not a substitute for nor do they supersede ALJ Dublin's Findings of Fact<sup>1</sup> and Conclusions of Law.<sup>2</sup> Rather, the recitals below are a narrative summary and restatement for the purpose of more easily understanding the Director's Final Decision and Order when reading it, without reference to the entire record.

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<sup>1</sup> The Initial Order's Findings of Fact are, when cited, hereinafter referred to as "FOF."

<sup>2</sup> The Initial Order's Conclusions of Law are, when cited, hereinafter referred to as "COL."

In mid-April 2013, Washington First retained independent investigator, Jillayne Schlicke (“Schlicke”), to conduct a pre-closing quality control file audit.<sup>3</sup> Schlicke suggested a review of the files of Weaver, a mortgage loan officer employed by Washington First, to assure Washington First that all of its borrowers, including those handled by Weaver, were being charged the same fee for work performed.<sup>4</sup>

On June 19, 2013, Weaver was given a written warning by Wendell Smith (“Smith”), a Vice President of Washington First, for “suspicious activities and documents.”<sup>5</sup> Specifically, this warning contained information to the effect that Weaver returned documents from borrowers really fast, and with hand-written dates.<sup>6</sup> Then, sometime between June 30, 2013, and August 7, 2014, Smith informed Washington First’s senior loan processor, Scott Mitchell (“Mitchell”), of red flags to look out for.<sup>7</sup> Mitchell was to inform Smith of any such red flags.<sup>8</sup>

On August 7, 2014, Mitchell told Smith that Weaver had returned a document too quickly and that he had seen Weaver through her office window cutting out what appeared to be signatures from documents, for the purpose of taping them to other documents.<sup>9</sup> Then another Washington First employee, Cassandra Wickholm (“Wickholm”), told Smith that she also saw this happening.<sup>10</sup>

At the hearing before ALJ Dublin, Smith testified that Weaver had already left for the day when he went to her office and observed scissors and tape on her desk, as well as paper

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<sup>3</sup> FOF 4.10.

<sup>4</sup> *Id.*

<sup>5</sup> FOF 4.11.

<sup>6</sup> *Id.*

<sup>7</sup> FOF 4.13.

<sup>8</sup> *Id.*

<sup>9</sup> FOF 4.15.

<sup>10</sup> *Id.*

clippings on the floor.<sup>11</sup> When Smith went to the shred bin, he found documents with the initials of Weaver's clients cut out.<sup>12</sup> After that, Smith opened Weaver's desk and found several sets of loan documents with cut-out holes and taped-on "things," which he then stored in a safe.<sup>13</sup>

Before ALJ Dublin, Weaver testified that she did not and would not alter any documents. According to Weaver, Mitchell and Wickholm could not have seen her cutting out and taping signatures or otherwise altering loan documents from just passing by her window.<sup>14</sup> Weaver<sup>15</sup> testified that she "believed" (without testifying to physically observing it) that a loan processor named "Michelle" had cut out and taped the signatures.<sup>16</sup> On these conflicting statements, the ALJ found in favor of Washington First based on *the totality of circumstances*, declaring in her Initial Order that "I didn't do it," and third-party speculation that someone else did, is far less credible than Smith's firsthand account of what he observed and researched.<sup>17</sup>

On August 8, 2014, Smith called Weaver into his office and asked her about the altered documents.<sup>18</sup> Weaver stated that everyone did it, and that borrowers were out of the country.<sup>19</sup> While Weaver denied making this admission, ALJ Dublin found that Weaver's denial was self-serving, baseless, and suspect given its timing.<sup>20</sup> As a result, this conflicting testimony was resolved in favor of the testimony of Washington First's witnesses.<sup>21</sup>

Smith took pictures of the altered documents and subsequently reported the incident to the Department and the Department of Housing and Urban Development ("HUD"), sending

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<sup>11</sup> FOF 4.16.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> FOF 4.17.

<sup>15</sup> In FOF 4.17, ALJ Dublin appears to have made a scrivener's error in stating: "*Ms. Mitchell* testified that she believed loan processor 'Michelle' cut out and taped the signatures." [Emphasis added.] Actually, the Record on Review reveals that it was Respondent Weaver's testimony that she believed a loan processor she identified as "Michelle" cut out and taped the signatures.

<sup>16</sup> FOF 4.17.

<sup>17</sup> FOF 4.18.

<sup>18</sup> FOF 4.19.

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

HUD the pictures.<sup>22</sup> On or about August 11, 2014, Smith contacted the Department to report Weaver's conduct, and the Department opened an investigation<sup>23</sup>. As part of their investigation as Financial Legal Examiners for the Division, Robert Jones ("Jones") and Amanda Herndon ("Herndon") observed Weaver's office.<sup>24</sup> Jones and Herndon also examined the documents that Smith collected, including small pieces of taped paper.<sup>25</sup> Herndon observed documents with holes in them where signatures had previously been, and signatures taped to other documents, including loan applications.<sup>26</sup> Herndon also observed other abnormalities, including: (1) forms with border lines that did not quite match up (as if the cut-out bottom of the original was affixed to a different form and then photocopied); (2) dates written over in white-out; and (3) identical signatures.<sup>27</sup> Each of these documents contained the phrase, "I was provided the following documents to review."<sup>28</sup>

Weaver produced declarations allegedly prepared and signed by her clients whose loan files contained the altered documents.<sup>29</sup> The prepared declarations signed by Weaver's clients contained one or more of the following: "I am familiar with those documents," "We personally signed all those documents," and "Those documents appear to be true and correct copies of the documents we signed." However, these declarations were not deemed credible by ALJ Dublin given their inconsistencies with Weaver's testimony.<sup>30</sup> Weaver in fact repeatedly testified that she did not give the declarants a form declaration to sign, and that she asked them to find their

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<sup>22</sup> FOF 4.20.

<sup>23</sup> FOF 4.22.

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> FOF 4.23.

<sup>27</sup> *Id.*

<sup>28</sup> FOF 4.24.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

files and list out their documents in their declarations.<sup>31</sup> The declarations themselves state in Paragraph 2 of each, “I was provided the following documents to review,” which indicates that the list of documents proceeding thereafter were those shown to the declarants for purpose of signing the declaration, not their personal copies of their loan documents.<sup>32</sup>

On August 18, 2014, the Department issued a Statement of Charges against Weaver.<sup>33</sup> On August 26, 2014, the Department received Respondent’s Application for Adjudicative Hearing (“Application”).<sup>34</sup> Respondent’s Application was granted, and beginning on October 5, 2015, a four-day hearing took place before the ALJ.

ALJ Dublin found that Weaver fraudulently altered loan documents in violation of the Act. As late as summer 2014, Weaver altered loan documents by cutting out borrower signatures from loan documents and taping them to other loan documents.<sup>35</sup> The weight of evidence established that Weaver misrepresented to Washington First and to third-party lenders over the course of several months that her clients actually signed in the required places on their loan application documents, when in fact they had not.<sup>36</sup> Weaver also misrepresented to her clients that their loan applications were properly completed.<sup>37</sup> Respondent then submitted the altered loan application documents, expecting the loans to fund and to personally receive commissions as a result.<sup>38</sup> This behavior resulted in a violation of the Act.<sup>39</sup>

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<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> FOF 4.1.

<sup>34</sup> FOF 4.2.

<sup>35</sup> COL 5.8.

<sup>36</sup> COL 5.11.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*, citing the Act, at RCW 31.04.027(1)-(3).

The Division properly sought to revoke Weaver's loan originator license and prohibit her from engaging in the activities of a loan originator or loan processor for a ten-year period under the Act.<sup>40</sup>

Given that Weaver wrongly altered loan documents on several loan files and that some of these involved signatures dated September and October 2013, a fine of \$24,000.00 is justified under the Act.<sup>41</sup>

In light of the time reasonably necessary for Ms. Herndon and Mr. Jones to conduct an on-site investigation of Smith's report regarding Weaver and that \$2,091.00 amounts to approximately 30.3 total hours at \$69.01 per hour, the Department is entitled to recover its reasonable investigation fee in this matter, totaling \$2,091.00.<sup>42</sup>

### **3.0 STANDARD OF REVIEW**

The Administrative Procedures Act ("APA")<sup>43</sup> governs the administrative process of the Department. Under the Department's enabling statute,<sup>44</sup> the Director is the final adjudicator of administrative actions initially prosecuted by the Department.

Due process of law is required before the State of Washington may deprive a person of life, liberty, or property.<sup>45</sup> In her Initial Order, ALJ Dublin applied a "*preponderance of the evidence*" standard of proof. In cases dealing with professional licenses such as Weaver's, this standard satisfies due process requirements.<sup>46</sup>

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<sup>40</sup> See COL 5.12, citing the Act, at RCW 31.04.093.

<sup>41</sup> See COL 5.13, citing the Act, at RCW 31.04.093(4).

<sup>42</sup> COL 5.14.

<sup>43</sup> Chapter 34.05 RCW.

<sup>44</sup> Chapter 43.320 RCW.

<sup>45</sup> U.S. Const. amend. V, XIV; Wash. Const. art. I, § 3.

<sup>46</sup> *Hardee v. Dep't of Soc. & Health Servs.*, 152 Wn.App. 48, 51, 215 P.3d 214 (2009).



The findings of ALJ Dublin, if supported by substantial evidence, are conclusive.<sup>47</sup> Substantial evidence is that which would persuade a fair-minded person of the truth of correctness of the matter.<sup>48</sup>

It is a violation of the Act to:

- (1) Directly or indirectly employ any scheme, device, or artifice to defraud or *mislead* any borrower, to defraud or *mislead* any lender, or to defraud or *mislead* any person;
- (2) Directly or indirectly engage in any unfair or deceptive practice toward any person; [or]
- (3) Directly or indirectly obtain property by fraud or *misrepresentation*.<sup>49</sup>

[Emphasis added.]

#### 4.0 DIRECTOR'S MODIFIED FINDINGS OF FACT

Since she heard the live testimony at the Administrative Hearing, deference is accorded ALJ Dublin in this matter, particularly as to her views on the credibility of witnesses and the weight to be given reasonable but competing inferences.<sup>50</sup> However, the Director has independently considered the entire Record on Review in making his Final Decision and Order.

As set forth in ALJ Dublin's Findings of Fact, Wickholm testified having told Smith that she saw Respondent altering documents at her desk from outside Respondent's window.<sup>51</sup> Respondent's Counsel argues in the Petition for Review that new evidence has been obtained that purportedly impeaches the testimony of Department's witnesses. For reasons that are set forth in Subsection 5.1 below, this argument in the Petition for Review lacks merit. However, for

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<sup>47</sup> RCW 34.05.570(3)(c).

<sup>48</sup> *Thurston Cty. V. W. Wash. Growth Mgmt. Hearings Bd.*, 164, Wn.2d 329, 341, 190 P.3d 38 (2008); see also *Costanich v. Washington State Dept. of Social and Health Services*, 138 Wash.App. 547, 556, 156 P.3d 232, 236 (Div. 1 – 2007) [reversed on other grounds], citing *Alberton's, Inc. v. Employment Sec. Dep't*, 102 Wash.App. 29, 36, 15 P.3d 153 (2000), which declared: "Substantial evidence is that which is 'sufficient to persuade a reasonable person that the declared premise is true.'"

<sup>49</sup> RCW 31.04.027(1)-(3).

<sup>50</sup> RCW 34.05.464(4) declares: "In reviewing findings of fact by presiding officers, the reviewing officers shall give due regard to the presiding officer's opportunity to observe the witnesses." See also *Costanich*, supra, 138 Wash.App. at p. 556, citing *Freeburg v. City of Seattle*, 71 Wash.App. 367, 371–72, 859 P.2d 610 (1993).

<sup>51</sup> FOF 4.15.

purposes of declaring the Director's Conclusions of Law in Section 5.0 below, the Director disregards and has not made part of the Director's Findings of Fact the portion of Wickholm's testimony in which she stated that she could see through the glass of Weaver's office.

As stated previously in Footnote 15, ALJ Dublin appears to have made a scrivener's error in FOF 4.17 by stating: "**Ms. Mitchell** testified that she believed loan processor "Michelle" cut out and taped the signatures." [Emphasis added.] Actually, the Record on Review reveals that it was Respondent Weaver's testimony that she believed a loan processor she identified as "Michelle" cut out and taped the signatures. Accordingly, in place of the aforementioned erroneous sentence, the last sentence of FOF 4.17 of the Initial Order is hereby modified to read, as follows:

"Ms. Weaver testified that she believed loan processor 'Michelle' cut out and taped the signatures."

Except as set forth above in this Section 4.0, the Findings of Fact of ALJ Dublin's Initial Order shall remain unmodified and are hereby affirmed by the Director. In modifying and re-affirming the Findings of Fact, the Director provides his reasoning in his Conclusions of Law, set forth in Section 5.0 below.

## **5.0 DIRECTOR'S CONCLUSIONS OF LAW**

Based upon the Findings of Fact in Section 4.0 above, the Director concludes that the Division has demonstrated Weaver's violation of the Act by a preponderance of the evidence.

**5.1 The newly acquired evidence does not erode the credibility of the Department's witnesses.** Respondent argues that the testimony of Wickholm and Ms. Herndon should be discredited. While Wickholm's testimony is not being considered for this Final Order, it was in fact Mitchell who initially alerted Smith as to what he had seen in Weaver's office. As for

Herndon's testimony, Respondent seems to be confusing the facts of the case. Ms. Herndon was involved in the Division's investigation. She has stated that the "blocks of frosting near the bottom of the window" did not impact her ability to see through said window."<sup>52</sup> Even if these blocks did partially impact her ability to see through the window, surely they did not impact her ability to see the cut-out and taped-on signatures that were *found* in Weaver's office.

## **5.2 ALJ Dublin correctly interpreted and applied the relevant legal standards.**

Respondent has argued falsely that the correct legal standard in determining whether or not a violation has occurred is that of common law fraud. Respondent's cited "authority" for this proposition is entitled to no consideration.<sup>53</sup>

The Director acknowledges that if "common law fraud" were the standard for violation of the Act, then the Findings of Fact and Conclusions of Law would have to demonstrate the presence of nine elements.<sup>54</sup> Moreover, a *private* suit for common law fraud must be proved by clear, cogent, and convincing evidence.<sup>55</sup> However, the Statement of Charges by the Department for violation of the Act is *not* a private suit.

While the Washington State Legislature has the power to supersede, abrogate, or modify the common law,<sup>56</sup> the statute Respondent was found to have violated is not in derogation of the common law because it does not seek to repeal a private suit for fraud under the common law standard.<sup>57</sup>

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<sup>52</sup> Declaration of Amanda Herndon.

<sup>53</sup> See *Order on Mot. in Limine 5, 7*. In this regard, Respondent has cited to *Cagle v. Abacus Morig, Inc.*, 2014 WL 4402136, which is unpublished and has no precedential value.

<sup>54</sup> "The elements necessary to establish [common law] fraud — all of which must be shown by clear, cogent, and convincing evidence — are a representation of an existing fact; its materiality; its falsity; the speaker's knowledge of its falsity; his intent that it shall be acted upon by the person to whom it is made; ignorance of its falsity on the part of the person to whom it is addressed; the latter's reliance on the truth of the representation; his right to rely upon it; and his consequent damage." See, for example, *Beckendorf v. Beckendorf*, 76 Wash.2d 457, 462, 457 P.2d 603, 606-607 (1969).

<sup>55</sup> *Id.*

<sup>56</sup> *Potter v. Washington State Patrol*, 165 Wash.2d 67, 76, 196 P.3d 691, 695 (2008).

<sup>57</sup> *Id.*

Nor is a violation of relevant statute in this case<sup>58</sup> limited to “fraud” *per se*.<sup>59</sup> As cited at Page 8 above, the statute in question makes clear that a violation can occur for “misrepresentation” or for committing acts or omissions that are “misleading.” There are no Washington State cases interpreting the statute in question. *Black’s Law Dictionary Seventh Edition* defines “misleading” and “misrepresentation,” as follows:

“**misleading**, *adj.* . . . delusive; calculated to be misunderstood.”<sup>60</sup>

“**misrepresentation**, *n.* **1.** The act of making a false or misleading statement about something, usu. with the intent to deceive. **2.** The statement so made; an assertion that does not conform to the facts.”<sup>61</sup>

Applying these legal dictionary definitions to a proper interpretation of the statute in question,<sup>62</sup> it is abundantly obvious from the Record on Review that there is substantial evidence supporting a determination that Respondent violated the Act on account of “misrepresentation” and engaging in conduct that was “misleading.” Therefore, ALJ Dublin did not commit error in her Conclusions of Law. Indeed, while ALJ Dublin appears to have inserted a subheading<sup>63</sup> between Paragraph 5.7 and Paragraph 5.8 of the Initial Order, which states, “Ms. Weaver fraudulently altered loan documents, in violation of Chapter 31.04 RCW,” nowhere, except for citing the entire statute with which Respondent is being charged,<sup>64</sup> did ALJ Dublin use the term

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<sup>58</sup> RCW 31.04.027 (1)-(3).

<sup>59</sup> The Director does not here concede that the Washington State Legislature intended the word “fraud,” as used in RCW 31.04.027(1)-(3), to mean that the Division must prove all nine elements necessary for a *private* suit for common law fraud. Moreover, it is clear from the latest pronouncement of the Washington Supreme Court on the subject that, notwithstanding “fraud” as one alternative ground for stripping Respondent of her license, the standard of proof in this case is “preponderance of the evidence,” not “clear, cogent and convincing” evidence. See again, *Hardee, supra*. The Director need not further deliberate on the question of “fraud” in relation to RCW 31.04.027(1)-(3) in order to correctly re-affirm the Initial Order of ALJ Dublin.

<sup>60</sup> *Black’s Law Dictionary Seventh Edition* (St. Paul, MN: WEST GROUP, 1999), p. 1015.

<sup>61</sup> *Id.*, p. 1016.

<sup>62</sup> *Western Telepage, Inc. v. City of Tacoma*, 140 Wash. 2d 599, 609-10, 998 P.2d 884, 890 (2000) [citing *C.J.C. v. Corp. of Catholic Bishop*, 138 Wash. 2d 699, 709, 985 P.2d 262, 267 (1999)]; *Ravenscroft v. Washington Water Power Co.*, 136 Wash. 2d 911, 920, 969 P.2d 75, 80 (1998).

<sup>63</sup> There is other evidence of ALJ Dublin’s use of headings with the word “Jurisdiction” placed before Paragraph 5.1 of the Initial Order, which is a declaration by ALJ Dublin of her jurisdiction to hear the case. There was also an attempt to create another subheading with the word “Subheading” inserted between Paragraph 5.1 and Paragraph 5.2 of the Initial order.

<sup>64</sup> See citation of RCW 31.04.027 (1)-(3) in Paragraph 5.3 of the Initial Order.

“fraud” or “fraudulently” to characterize the conduct of Respondent in the actual Conclusions of Law<sup>65</sup> she made. Rather, except as noted,<sup>66</sup> ALJ Dublin exclusively used the words “misrepresented”<sup>67</sup> in reaching her specific Conclusion of Law that Respondent violated the statute in question.<sup>68</sup>

The Director is of the view that the Washington State Legislature intended “fraud” and “defraud” to be used under the Act<sup>69</sup> in a similar context to the way in which an action by the Department for *securities fraud* under the Washington Securities Act does not require all nine elements necessary in a *private* suit for common law fraud.<sup>70</sup> Because there is no need to make a belabored discussion of the matter for all the reasons set forth in Section 5.2 above, the Director simply concludes that, notwithstanding Respondent’s unconvincing argument about “common law fraud,” the actual Conclusions of Law<sup>71</sup> raise no issue worthy of further argument.

However, to the extent that ALJ Dublin’s headings create any uncertainty or ambiguity, the Director declares that the following “subheadings” in the Conclusions of Law of the Initial Order are excised and deemed of no consideration and have no application:

“*Jurisdiction*,” before Paragraph 5.1 of the Initial Order;

“*Subheading*,” between Paragraph 5.1 and Paragraph 5.2 of the Initial Order; and

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<sup>65</sup> COL 5.1 through 5.16, inclusive.

<sup>66</sup> See Subsection 5.2 at p. 11.

<sup>67</sup> See COL 5.11.

<sup>68</sup> *Id.*, citing RCW 31.04.027(1)-(3).

<sup>69</sup> *Id.*

<sup>70</sup> By way of analogy, the principal “securities fraud” violations of the Washington Securities Act, at RCW 21.20.010-030, inclusive, use the term “defraud,” but clearly do not require all nine elements of common law fraud in order for the Department to correctly find that a violation under the Washington Securities Act has occurred.

<sup>71</sup> COL 5.1 through 5.16, inclusive, absent any subheadings.

“Ms. Weaver fraudulently altered loan documents, in violation of Chapter 31.04 RCW,” between Paragraph 5.7 and Paragraph 5.8 of the Initial Order.

**5.3 ALJ Dublin’s determinations were not arbitrary and capricious, and were supported by substantial evidence.** While Respondent has challenged ALJ Dublin’s actions as arbitrary and capricious, the relevant inquiry is whether they were supported by substantial evidence.<sup>72</sup> Evidence is substantial if it would persuade a fair-minded person of the truth or correctness of the matter.<sup>73</sup> Respondent’s excluded witnesses were unnecessary, duplicative, and had little if any firsthand knowledge regarding Respondent’s alleged violation of the Act.<sup>74</sup> Exhibits C-K, L27-52, O-P, X-BB, and DD of the Record on Review are unlikely to make Respondent’s position any more or less probable.<sup>75</sup>

ALJ Dublin’s Findings of Fact, as modified by Director in Section 4.0 above, are supported by a preponderance of the evidence that Respondent violated the Act.

**5.4. There is no merit to Respondent’s claim that the Division’s failure to secure original copies of documents is material to the admission of such documents.** An original is not required; and other evidence of the contents of a writing, recording, or photograph is admissible if all originals are lost or have been destroyed.<sup>76</sup> In this case, the original documents are lost to the parties after having been removed by HUD and other law enforcement personnel.<sup>77</sup> Under the circumstances, the photographs of these documents, which purport to show improper alterations,

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<sup>72</sup> RCW 34.05.570(3)(e).

<sup>73</sup> *W. Wash Growth Mgmt. Hearings Bd., supra*, at p. 341.

<sup>74</sup> RCW 34.05.452(1): “. . . The presiding officer may exclude evidence that is irrelevant, immaterial, or unduly repetitious.”

<sup>75</sup> ER 401, RCW 34.05.452.

<sup>76</sup> ER 1004(a).

<sup>77</sup> *Order on Mot. in Limine 4.10.*

are admissible.<sup>78</sup> Additionally, any deficiencies in these photographs or the copies thereof, while they might impact their credibility, cannot affect their admissibility.<sup>79</sup>

**5.5 Respondent's accusations against employees of the Division and Division's Counsel are without merit.** Herndon and Jones gave testimony that is supported by substantial evidence. Respondent appears to the Director to have been given every opportunity to cross-examine the Division's witnesses. Respondent has presented no evidence that the Attorney General's Office engaged in any unethical or illegal conduct.

**5.6 Respondent violated the Consumer Loan Act, RCW 31.04.027, as alleged in the Statement of Charges.** Respondent misrepresented to Washington First and to lenders over the course of several months that her clients actually signed each place required on their loan application documents, when in fact they had not.<sup>80</sup> This, together with the fact that Respondent misrepresented to her clients that their loan applications were properly completed and subsequently submitted these altered loan application documents, constituted a violation of the Act, at RCW 31.04.027(1)-(3).<sup>81</sup>

**5.7 Respondent did not assign error to the amount of the fine, and the Director finds that it is not disproportionate to the nature of Respondent's conduct.** The Petition for Review does not assign error to the amount of the fine, the same amount of which was prayed for in the Statement of Charges. Given the nature of Respondent's conduct, the Director has determined that a fine of \$24,000.00 is not disproportionate to the apparent willful nature of Respondent's conduct and is reasonable under the circumstances.

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<sup>78</sup> RCW 34.05.452(4), ER 1004(a).

<sup>79</sup> Order on Mot. in Limine 4.11.

<sup>80</sup> COL 5.11.

<sup>81</sup> *Id.*

Therefore, except as set forth above in this Section 5.0, the Conclusions of Law of ALJ Dublin's Initial Order shall remain unmodified and are hereby affirmed by the Director.

## **6.0 FINAL DECISION AND ORDER**

NOW, THEREFORE, for all of the reasons set forth in the Director's Findings of Fact (Section 4.0) and Director's Conclusions of Law (Section 5.0) set forth above, IT IS HEREBY ORDERED:

**6.1 Revocation of Mortgage Loan Originator License.** The Mortgage Loan Originator License of Respondent, OLGA IVANOVNA WEAVER, NMLS #112117, is hereby revoked;

**6.2 Prohibition from Industry.** Respondent, OLGA IVANOVNA WEAVER, NMLS #112117, is hereby prohibited from participation in the conduct of the affairs of any Consumer Loan Company subject to licensure by the Director, in any manner, for a period of ten (10) years;

**6.3 Fine.** Respondent, OLGA IVANOVNA WEAVER, NMLS #112117, shall pay to the order of the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS a fine in the amount of Twenty-Four Thousand United States Dollars (\$24,000.00 USD); and

**6.4 Investigative Fee.** Respondent, OLGA IVANOVNA WEAVER, NMLS #112117, shall pay to the order of the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS, as an investigative fee, the amount of Two Thousand Ninety-One United States Dollars (\$2,091.00 USD).



## **7.0     RECONSIDERATION**

Pursuant to RCW 34.05.470, Respondent has the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 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 this Final Order upon Respondent. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter. A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date by which it will act on a petition.

## **8.0     STAY OF ORDER**

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

## **9.0     JUDICIAL REVIEW**

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

## **10.0 SERVICE**

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

## **11.0 EFFECTIVENESS AND ENFORCEMENT OF FINAL ORDER**

Pursuant to the Administrative Procedures Act, at RCW 34.05.473, this Final Decision and Order shall be effective immediately upon deposit in the United States Mail.

Dated at Tumwater, Washington, on this 15<sup>th</sup> day of April, 2016.

WASHINGTON STATE DEPARTMENT  
OF FINANCIAL INSTITUTIONS

By:



Scott Jarvis, Director

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   Consumer Loan Act of Washington by:

7   OLGA IVANOVNA WEAVER,  
8   Mortgage Loan Originator, NMLS #112117

9                                   Respondent.

No. C-14-1542-14-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO REVOKE LICENSE, PROHIBIT  
FROM INDUSTRY, IMPOSE FINE, AND  
COLLECT INVESTIGATION FEE

10                                   **INTRODUCTION**

11       Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial  
12   Institutions of the State of Washington (Director) is responsible for the administration of chapter  
13   31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to  
14   RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the  
15   Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes  
16   this proceeding and finds as follows:

17                                   **I. FACTUAL ALLEGATIONS**

18   **1.1   Respondent.**

19       **A.   Olga Ivanovna Weaver (Respondent Weaver)** was licensed by the Department of  
20   Financial Institutions of the State of Washington (Department) to conduct business as a mortgage  
21   loan originator on or about August 22, 2007, and was licensed at all times relevant to this Statement  
22   of Charges. Respondent Weaver was sponsored by consumer loan company Washington First  
23   Mortgage Loan Corporation (Washington First Mortgage) on or about May 10, 2012. Respondent  
24   Weaver's sponsorship was removed on or about August 8, 2014. Respondent Weaver's mortgage  
  loan originator license has been inactive since August 8, 2014.

1 **1.2 Discovery of Violations.** On or about August 7, 2014, employees of Washington First  
2 Mortgage observed Respondent Weaver altering loan documents in her office. Subsequently, loan  
3 documents were found in Respondent Weaver's office which contained apparent alterations,  
4 including alterations related to borrower signatures. Additional loan documents related to  
5 Respondent Weaver's files with apparent alterations were found in a secure receptacle for documents  
6 to be shredded.

7 **1.3 Altered Signatures and Dates.**

8 **A.** Respondent Weaver took an application for a residential mortgage loan from borrower  
9 V.R. on or about July 28, 2014. Loan documents with V.R.'s apparent signature taped to them were  
10 found on or about August 7, 2014, in a receptacle for documents to be shredded near Respondent  
11 Weaver's office.

12 **B.** Respondent Weaver took an application for a residential mortgage loan from borrower  
13 I.M. on or about April 7, 2014. Loan documents with I.M.'s apparent signature taped to them were  
14 found on or about August 7, 2014, in Respondent Weaver's office.

15 **C.** Respondent Weaver took an application for a residential mortgage loan from borrower  
16 E.A. on or about July 14, 2014. Loan documents with E.A.'s apparent signature taped to them were  
17 found on or about August 7, 2014, in Respondent Weaver's office.

18 **D.** Respondent Weaver took an application for a residential mortgage loan from borrower  
19 R.R. on or about July 10, 2014. Loan documents with R.R.'s apparent signature taped to them were  
20 found on or about August 7, 2014, in Respondent Weaver's office. Respondent Weaver was paid by  
21 Washington First Mortgage for originating this loan.

22 **E.** Respondent Weaver took an application for a residential mortgage loan from borrower  
23 Y.K. on or about May 28, 2014. Loan documents with Y.K.'s apparent signature taped to them were

1 found on or about August 7, 2014, in Respondent Weaver's office. Respondent Weaver was paid by  
2 Washington First Mortgage for originating this loan.

3 **F.** Respondent Weaver took an application for a residential mortgage loan from borrower  
4 S.B. on or about June 4, 2014. Loan documents with S.B.'s apparent signature taped to them were  
5 found on or about August 7, 2014, in Respondent Weaver's office.

6 **G.** Respondent Weaver took an application for a residential mortgage loan from borrower  
7 M.B. on or about May 8, 2014. Loan documents with M.B.'s apparent signature taped to them were  
8 found on or about August 7, 2014, in Respondent Weaver's office.

9 **H.** Respondent Weaver took an application for a residential mortgage loan from borrower  
10 R.L. on or about May 7, 2014. Loan documents with R.L.'s apparent signature taped to them were  
11 found on or about August 9, 2014, in Respondent Weaver's office.

12 **I.** Respondent Weaver took an application for a residential mortgage loan from borrower  
13 V.S. on or about July 24, 2014. Loan documents with V.S.'s apparent signature taped to them were  
14 found on or about August 9, 2014, in Respondent Weaver's office.

15 **J.** Respondent Weaver took an application for a residential mortgage loan from borrower  
16 V.T. on or about September 10, 2013. Loan documents with V.T.'s apparent signature taped to them  
17 were found on or about August 9, 2014, in Respondent Weaver's office.

18 **K.** Respondent Weaver took an application for a residential mortgage loan from borrower  
19 Y.A. on or about October 24, 2013. Documents with Y.A.'s apparent signature taped to them were  
20 found on or about August 9, 2014, in Respondent Weaver's office. Respondent Weaver was paid by  
21 Washington First Mortgage for originating this loan.

22 **L.** Respondent Weaver took an application for a residential mortgage loan from borrower  
23 M.A. on or about November 18, 2013. Documents with M.A.'s apparent signature taped to them

1 were found on or about August 9, 2014, in Respondent Weaver's office. Respondent Weaver was  
2 paid by Washington First Mortgage for originating this loan.

3 **M.** Respondent Weaver took an application for a residential mortgage loan from  
4 borrower S.P. on or about September 17, 2013. Documents with S.P.'s apparent signature taped to  
5 them were found on or about August 9, 2014.

6 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the  
7 Act by Respondent continues to date.

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

9 **2.1 Altered Documents.** Based on the Factual Allegations set forth in Section I above,  
10 Respondent Weaver is in apparent violation of RCW 31.04.027(1), (2), and (3) for directly or  
11 indirectly employing a scheme, device or artifice to defraud or mislead borrowers or lenders or any  
12 person, engaging in an unfair or deceptive practice toward any person, and obtaining property by  
13 fraud or misrepresentation.

## 14 **III. AUTHORITY TO IMPOSE SANCTIONS**

15 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(a) and (b), the Director may  
16 revoke a license for violating any provision of the Act or the rules adopted thereunder.

17 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may  
18 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,  
19 employee, or any other person subject to the Act for a violation of RCW 31.04.027.

20 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of  
21 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or  
22 any other person subject to the Act for any violation of the Act.

1 **3.4 Authority to Charge Examination Fee and Investigation Fee.** Pursuant to RCW  
2 31.04.145(3) and WAC 208-620-590, every licensee examined or investigated by the Director or the  
3 Director's designee shall pay for the cost of the examination or investigation, calculated at the rate of  
4 \$69.01 per staff hour devoted to the examination or investigation, and shall pay travel costs if the  
5 licensee maintains its records outside the state.

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

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

11 **4.1** Respondent Olga Ivanovna Weaver's mortgage loan originator license be revoked.

12 **4.2** Respondent Olga Ivanovna Weaver be prohibited from participation in the  
13 conduct of the affairs of any consumer loan company subject to licensure by the  
Director, in any manner, for a period of ten years.

14 **4.3** Respondent Olga Ivanovna Weaver pay a fine. As of the date of this Statement of  
15 Charges, the fine totals \$24,000.00.

16 **4.4** Respondent Olga Ivanovna Weaver pay an investigation fee. As of the date of this  
Statement of Charges, the investigation fee totals \$2,091.00.

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1 **V. AUTHORITY AND PROCEDURE**


2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License,  
3 Prohibit from Industry, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered  
4 pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW  
5 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure  
6 Act). Respondent 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 Dated this 18<sup>th</sup> day of August, 2014.


10   
11 DEBORAH BORTNER  
12 Director  
13 Division of Consumer Services  
14 Department of Financial Institutions

15 Presented by:

16   
17 ROBERT E. JONES  
18 Financial Legal Examiner

19   
20 AMANDA HERNDON  
21 Financial Legal Examiner

22 Approved by:

23   
24 CHARLES E. CLARK  
Enforcement Chief