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**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:

LARRY BENNETT TURNER,  
  
Respondent.

NO. C-07-265-07-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO DENY LICENSE APPLICATION  
AND PROHIBIT FROM INDUSTRY

**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)<sup>1</sup>. After having conducted an investigation pursuant to 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:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Larry Bennett Turner (Respondent Turner)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Magnuson Capital Management, Inc, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 28, 2006.

**1.2 Prior Criminal Acts** On or about October 14, 2004, Respondent Turner pled guilty to Unauthorized Use of a Vehicle in the Multnomah County Circuit Court, Oregon, a Class C felony pursuant to ORS 164135.

**1.3 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator license application consists of eight questions, and includes the following instruction:

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<sup>1</sup> RCW 19.146 (Amended 2006; Effective January 1, 2007)

1 "If the answer to any of the following is "YES", provide complete details of all events or proceedings"  
2 Respondent Turner answered "Yes" to the following questions on the "Criminal Disclosure" section of his loan  
3 originator license application and stated:

- 4 • 1-Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a  
5 domestic, foreign, or military court to any felony? If yes, when and where? Respondent  
6 Turner stated "taking a motor vehicle without permission (joy riding) 1991 Seattle"
- 7 • 2-Have you ever been charged with any felony? Respondent Turner stated "taking a motor  
8 vehicle without permission"

9 Respondent Turner was obligated by statute to answer questions on the loan originator license application  
10 truthfully and to provide the Department with complete details of all events or proceedings.

## 11 12 II. GROUNDS FOR ENTRY OF ORDER

13 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section I above,  
14 Respondent Turner fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-660-350(2)(c) by  
15 having been convicted of a felony within seven years of the filing of the present application.

16 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent  
17 Turner is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making  
18 any false statement or willfully making any omission of material fact in connection with any application or any  
19 information filed by a licensee in connection with any application, examination or investigation conducted by  
20 the Department.

21 **2.3 Requirement to Provide Information on License Application.** Based on the Factual Allegations set  
22 forth in Section I above, Respondent Turner fails to meet the requirements of RCW 19.146.300(1) and (2) and  
23 RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form  
24 prescribed by the Director.

25

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

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

8 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the  
9 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the  
10 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by  
11 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application  
12 of the denial.

13 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue  
14 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
15 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
16 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

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

19 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth  
20 in 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, RCW 19.146.223 and RCW 19.146.310.  
22 Therefore, it is the Director's intention to ORDER that:


23 **4.1** Respondent Larry Bennett Turner's application for a loan originator license be denied.

24 **4.2** Respondent Larry Bennett Turner be prohibited from participation in the conduct of the affairs of any  
25 mortgage broker subject to licensure by the Director, in any manner, through December 28, 2013.

V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and Prohibit from Industry (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 14<sup>th</sup> day of August, 2007.

  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

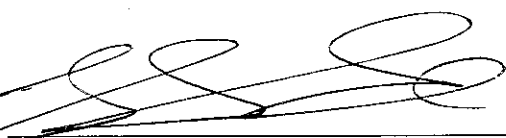
Presented by:



CHARLES E. WOODE  
Financial Legal Examiner



Approved by:



FATIMA BATIE  
Financial Legal Examiner Supervisor

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**STATE OF WASHINGTON  
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IN THE MATTER OF INVESTIGATING  
the Loan Originator License Application under the  
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Respondent.

C-07-265-07-SC01

NOTICE OF OPPORTUNITY TO DEFEND  
AND OPPORTUNITY FOR HEARING

THE STATE OF WASHINGTON TO:

LARRY BENNETT TURNER

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

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the Washington State Department of Financial Institutions on the Statement of Charges. Service of this notice is deemed complete upon deposit in the United States mail. YOUR APPLICATION MUST BE RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU RECEIVED THIS NOTICE. If you demand a hearing, you will be notified of the time and place for the hearing at least seven (7) days in advance of the hearing date.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the Statement of Charges is concerned. Technical rules of evidence will not be binding at the hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-examine those witnesses presented in support of the Statement of Charges. You may require the attendance of witnesses by subpoena. If you are limited English-speaking or hearing impaired, you have the right to have an interpreter appointed at no cost to you, as discussed below.

1            INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-  
2 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for  
3 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate  
4 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN  
5 INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the witness. You may request  
6 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative  
7 Hearing form.

8            YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the  
9 Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice, this will  
10 constitute a waiver of your right to a hearing and the Director will find that you do not contest the allegations of the  
11 Statement of Charges. Upon such a finding by the Director a final order will be immediately entered disposing of  
12 this matter as described in the Statement of Charges. If you desire a hearing in this matter, please return the  
13 attached Application for Adjudicative Hearing to:

14                            Department of Financial Institutions  
15                            Division of Consumer Services  
16                            Attn: Fatima Batic  
17                            PO Box 41200  
18                            Olympia, Washington 98504-1200

19            Dated this 14<sup>th</sup> day of August 2007.



20                            *Deborah Bortner*

21                            DEBORAH BORTNER  
22                            Director  
23                            Division of Consumer Services  
24                            Department of Financial Institutions