

1  
2  
3  
4  
5  
6  
7  
8

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

NO. C-08-004-08-FO01

FIRST MORTGAGE OF AMERICA, INC., and  
PEPI ABAD, President and Owner,  
Respondents.

FINAL ORDER

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of  
Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.440(2). On March  
18, 2008, the Director, through Consumer Services Division Director Deborah Bortner, entered a  
Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Prohibit from  
Industry, Collect Annual Assessments, 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 March 25, 2008, a  
Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for  
Adjudicative Hearing for First Mortgage of America, Inc. and Pepi Abad. The Department served the  
Statement of Charges, cover letter dated March 25, 2008, Notice of Opportunity to Defend and  
Opportunity for Hearing, and blank Applications for Adjudicative Hearing for First Mortgage of  
America, Inc. and Pepi Abad on Respondents, on March 25, 2008 by first class mail and Federal  
Express overnight delivery.

On April 7, 2008, Respondents each filed an Application for Adjudicative Hearing. On June  
27, 2008, the Department made a request to the Office of Administrative Hearings (OAH) to assign an

1 Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of Charges. On  
2 July 25<sup>th</sup>, 2008, ALJ Cindy L. Burdue (ALJ Burdue) issued a Notice of Prehearing Conference by  
3 Telephone, scheduling a prehearing conference on Monday, August 4, 2008 at 2:10 p.m. That Order  
4 noted "If you fail to appear or participate in the prehearing conference, hearing, or any other scheduled  
5 stage of these proceedings, you may lose your right to a hearing as described in RCW 34.05.440."

6 On August 4, 2008, the prehearing conference was convened by ALJ Burdue at 2:10 p.m.  
7 Respondents failed to appear for the scheduled hearing by 20 minutes past the appointed hearing time.  
8 The Department moved for an order of default based on Respondents' failure to appear. On August 7,  
9 2008, ALJ Burdue issued a Default Order/Order Dismissing Appeal and Affirming Statement of  
10 Charges and Department Action (Default Order) affirming the Statement of Charges. On August 7,  
11 2008, ALJ Burdue sent the Default Order to the address in Respondents' Applications for Adjudicative  
12 Hearing.

13 Pursuant to RCW 34.05.440(3), Respondents had seven (7) days from the date of service of the  
14 Default Order to file a written motion with OAH requesting that the Default Order be vacated, and  
15 stating the grounds relied upon. Respondents did not make a request to vacate during the statutory  
16 period. Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from  
17 the date of service of the Default Order to file a Petition for Review of the Default Order with the  
18 Director. Respondents did not file a Petition for Review during the statutory period.

19 B. Record Presented. The record presented to the Director for his review and for entry of  
20 a final decision included the following:  
21

- 22
- 23 1. Statement of Charges, cover letter dated March 25, 2008, and Notice of Opportunity  
24 to Defend and Opportunity for Hearing, with documentation of service;

- 1 2. Applications for Adjudicative Hearing for First Mortgage of America, Inc. and Pepi  
2 Abad, President and Owner;
- 3 3. Request to OAH for Assignment of Administrative Law Judge;
- 4 4. Notice of Prehearing Conference by Telephone dated July 25, 2008, with  
5 documentation of service;
- 6 5. Default Order/Order Dismissing Appeal and Affirming Statement of Charges dated  
7 August 7, 2008, with documentation of service.

8 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(2), the  
9 Director hereby adopts the Statement of Charges, which is attached hereto.

## 10 II. FINAL ORDER

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

### 13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent First Mortgage of America, Inc.'s license to conduct the business of a  
15 Consumer Loan company is revoked; and
- 16 2. Respondent First Mortgage of America, Inc. is banned from participation in the  
17 conduct of the affairs of any consumer loan company subject to licensure by the  
18 Director, in any manner, for a period of five (5) years; and
- 19 3. Respondent Pepi Abad is banned from participation in the conduct of the affairs of  
20 any consumer loan company subject to licensure by the Director, in any manner, for a  
21 period of five (5) years; and
- 22 4. Respondents First Mortgage of America, Inc. and Pepi Abad jointly and severally pay  
23 the cumulative delinquent Annual Assessment Late Penalties totaling \$41; and
- 24 5. Respondents First Mortgage of America, Inc. and Pepi Abad jointly and severally pay  
25 a fine of \$18,000; and
6. Respondents First Mortgage of America, Inc. and Pepi Abad jointly and severally pay  
an investigation fee of \$703.90; and

1 7. Respondents maintain records in compliance with the Act and provide the Department  
2 with the location of the books, records and other information relating to Respondent  
3 First Mortgage of America, Inc.'s consumer loan business, and the name, address and  
4 telephone number of the individual responsible for the maintenance of such records in  
5 compliance with the Act.

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

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

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

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

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

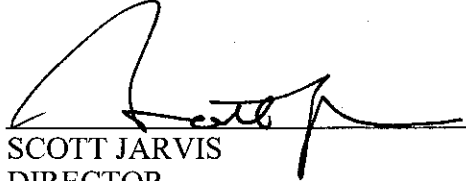
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

F. 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.

DATED this 2<sup>nd</sup> day of October, 2008.



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

  
SCOTT JARVIS  
DIRECTOR