



1 Respondent did not request an adjudicative hearing within twenty calendar days after the  
2 Department served him with the Notice of Opportunity to Defend and Opportunity for Hearing, as  
3 provided for in WAC 208-08-050(2).

4 B. Record Presented. The record presented to the Director's designee for her review and  
5 for entry of a final decision included the Statement of Charges, cover letter dated July 29, 2008, Notice of  
6 Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing,  
7 with documentation of service.

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

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

14 A. IT IS HEREBY ORDERED, That:

- 15 1. Respondent Steven Eugene Ling's application for a loan originator license is denied;  
16 and
- 17 2. Respondent Steven Eugene Ling is banned from participation in the conduct of the  
18 affairs of any mortgage broker subject to licensure by the Director, in any manner,  
19 through November 21, 2014.

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

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

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

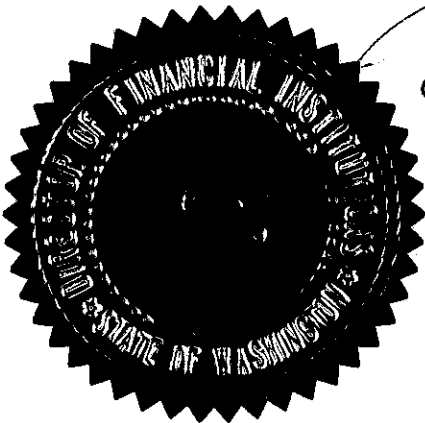
9 D. Judicial Review. Respondent has the right to petition the superior court for judicial  
10 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing  
11 a Petition for Judicial Review, see RCW 34.05.510 and sections following.

12 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for  
13 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
14 attached hereto.  
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16 DATED this 25<sup>th</sup> day of September, 2008.

17 STATE OF WASHINGTON  
18 DEPARTMENT OF FINANCIAL INSTITUTIONS

19   
20 DEBORAH BORTNER  
21 DIRECTOR  
22 DIVISION OF CONSUMER SERVICES



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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:

STEVEN EUGENE LING,

Respondent.

NO. C-08-038-08-SC01

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

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**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:

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**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Steven Eugene Ling (Respondent Ling)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under StepOne Mortgage, LLC, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about November 21, 2007. The Department received a Form MU4 from Respondent Ling on or about November 28, 2007.

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

1 **1.2 Prior Criminal Acts.**

2 **A.** On or about March 16, 2000, Respondent Ling was charged with Unlawful Issuance of  
3 Checks or Drafts, pursuant to RCW 9A.56.060, a felony, in the Municipal Court of the City of Renton,  
4 Washington, Case No. CR 019596. On or about March 16, 2000, Respondent Ling pleaded guilty to  
5 Unlawful Issuance of Checks or Drafts, pursuant to RCW 9A.56.060, in Case No. CR 019596. On or  
6 about January 23, 2002, Respondent Ling was found guilty of Unlawful Issuance of Checks or Drafts,  
7 pursuant to RCW 9A.56.060, in Case No. CR 019596.  
8

9 **B.** On or about June 14, 1996, Respondent Ling was charged with Unlawful Issuance of  
10 Checks or Drafts, pursuant to RCW 9A.56.060(1)(4), a felony, in the Superior Court of Washington  
11 for King County, Case No. 96-1-04230-3 KNT. On or about September 5, 1996, an Amended  
12 Information document was entered charging Respondent Ling with Attempted Unlawful Issuance of  
13 Checks or Drafts, pursuant to RCW 9A.56.060(1) and RCW 9A.28.020, a gross misdemeanor, to  
14 which Respondent Ling pleaded guilty, in the Superior Court of Washington for King County, Case  
15 No. 96-1-04230-3. On or about October 4, 1996, Respondent Ling was found guilty of Attempted  
16 Unlawful Issuance of Checks or Drafts, pursuant to RCW 9A.56.060 and RCW 9A.28.020, in  
17 Case No. 96-1-04230-3.  
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19 **1.3 Responses to Application Questions.** The "Criminal Disclosure" section of the loan  
20 originator license application consists of eight questions, and includes the following instruction:

21 "If the answer to any of the following is "YES", provide complete details of all events or  
22 proceedings"  
23

24 Respondent Ling answered "no" to the following questions on the "Criminal Disclosure" section of his  
25 loan originator license application:

- 1 • 1-Have you ever been convicted or plead guilty or nolo contendere (“no contest”) in
- 2 a domestic, foreign, or military court to any felony?
- 3 • 2-Have you ever been charged with any felony?
- 4 • 5 - Have you ever been convicted of or plead guilty or nolo contendere (“no
- 5 contest”) in a domestic, foreign, or military court to [a] misdemeanor involving:
- 6 financial services or a financial services-related business or any fraud, false
- 7 statements or omissions, theft or any wrongful taking of property, bribery, perjury,
- 8 forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?
- 9 If Yes, when and where?
- 10
- 11 • 6 - Have you ever been charged with a misdemeanor specified in 5?

12 Respondent Ling was obligated by statute to answer questions on the loan originator license  
13 application truthfully and to provide the Department with complete details of all events or  
14 proceedings.

## 15 II. GROUNDS FOR ENTRY OF ORDER

16 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section  
17 I above, Respondent Ling fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-  
18 660-350(2)(c) by having been convicted of a gross misdemeanor involving dishonesty or financial  
19 misconduct or a felony within seven years of the filing of the present application.

20 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,  
21 Respondent Ling is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for  
22 negligently making any false statement or willfully making any omission of material fact in  
23 connection with any application or any information filed by a licensee in connection with any  
24 application, examination or investigation conducted by the Department.  
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1 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual  
2 Allegations set forth in Section I above, Respondent Ling fails to meet the requirements of RCW  
3 19.146.310(1)(g) and WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness  
4 such as to command the confidence of the community and to warrant a belief that the business will be  
5 operated honestly and fairly within the purposes of the Act.

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

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

12 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may  
13 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a  
14 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed  
15 mortgage broker or any person subject to licensing under the Act for any violation of RCW  
16 19.146.0201(1) through (9).

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

18 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
19 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
20 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW  
21 19.146.223 and RCW 19.146.310. Therefore, it is the Director's intention to ORDER that:

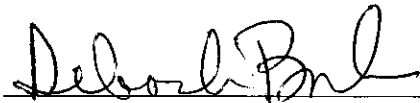
22 **4.1** Respondent Steven Eugene Ling's application for a loan originator license be denied; and

23 **4.2** Respondent Steven Eugene Ling be prohibited from participation in the conduct of the affairs  
24 of any mortgage broker subject to licensure by the Director, in any manner, through  
25 November 21, 2014.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges (Statement of Charges) and Notice of Intention to Enter an Order to  
3 Deny License Application and Prohibit from Industry is entered pursuant to the provisions of  
4 RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the  
5 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a  
6 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
7 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.  
8

9 Dated this 28<sup>th</sup> day of July, 2008.

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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 WILMA M. NEPSUND  
19 Financial Examiner



20 Approved by:

21 

22 FATIMA BATIE  
23 Financial Legal Examiner Supervisor  
24  
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