

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS

3 IN THE MATTER OF INVESTIGATING
4 the Loan Originator License Application under the
Mortgage Broker Practices Act of Washington by:

5 MICHELLE ROSE CISNEROS,
6 Respondent.

NO. C-08-062-08-FO01

FINAL ORDER

7
8 I. DIRECTOR'S CONSIDERATION

9 A. Procedural History. This matter has come before the Director of the Department of
10 Financial Institutions of the State of Washington (Director), pursuant to RCW 34.05.440(2). On
11 February 13, 2008, the Director, through his designee, Consumer Services Division Director Deborah
12 Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Deny License
13 Application and Prohibit from Industry (Statement of Charges). A copy of the Statement of Charges
14 is attached and incorporated into this order by this reference. The Statement of Charges was
15 accompanied by a cover letter dated February 15, 2008, a Notice of Opportunity to Defend and
16 Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Michelle Rose
17 Cisneros (Respondent). The Department served the Statement of Charges, cover letter dated February
18 15, 2008, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for
19 Adjudicative Hearing on Respondent on February 15, 2008 by first class mail and Federal Express
20 overnight delivery.

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22 On March 7, 2008, Respondent filed an Application for Adjudicative Hearing. On March 11,
23 2008, the Department made a request to the Office of Administrative Hearings (OAH) to assign an
24 Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of Charges.

1 On March 21, 2008, OAH issued a Notice of Prehearing Telephone Conference assigning
2 Administrative Law Judge (ALJ) Craig Davenport to preside over prehearing and hearing proceedings
3 and issue an Initial Decision. ALJ Davenport issued a Notice of Prehearing Telephone Conference
4 scheduling a prehearing conference on Tuesday, April 1, 2008, at 9:00 a.m. That Order contained the
5 following instruction to the parties, "If you fail to appear or participate in the prehearing conference,
6 hearing, or any other scheduled stage of these proceedings, you may lose your right to a hearing as
7 described in RCW 34.05.440 and RCW 18.27.270."

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9 On April 1, 2008, a representative for the Department and Respondent's counsel attended a
10 telephonic prehearing conference.

11 On April 4, 2008, ALJ Davenport issued a Prehearing Order scheduling an in-person hearing
12 for Wednesday, July 30, 2008, at 9:00 a.m., in the Yakima Office of Administrative Hearings, with
13 Discovery due by June 2, 2008.

14 On May 9, 2008, a representative for the Department submitted the Department's Motion for
15 Summary Judgment to ALJ Davenport.

16 On May 23, 2008, ALJ Davenport issued a Notice of Continuance of Telephone Status
17 Conference for Tuesday, June 3, 2008, at 4:00 p.m. That Order contained the following instruction to
18 the parties, "Any party failing to appear, attend, or otherwise participate at any stage of this proceeding
19 may be held in default and a decision may be entered against their interest."

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21 On July 21, 2008, Respondent's attorney, Gregory L. Scott, signed a Notice of Withdrawal.

22 On July 30, 2008, Respondent failed to appear and ALJ Davenport was unable to contact
23 Respondent at the last telephone number provided by Respondent. The Department moved for an
24 Order of Default based on Respondent's failure to appear.

1 On August 13, 2008, ALJ Davenport issued an Order of Default (Order of Default) dismissing
2 Respondent's appeal. On August 13, 2008, ALJ Davenport sent the Order of Default and Initial Order
3 to Respondent at 1605 Saul Rd, Sunnyside, WA 98944.

4 Pursuant to RCW 34.05.440(3), Respondent had seven (7) days from the date of service of the
5 Order of Default and Initial Order to file a written motion with OAH requesting that the Order of
6 Default and Initial Order be vacated, and stating the grounds relied upon. Respondent did not make a
7 request to vacate during the statutory period. Pursuant to RCW 34.05.464 and WAC 10-08-211,
8 Respondent had twenty (20) days from the date of service of the Order of Default and Initial Order to
9 file a Petition for Review of the Order of Default and Initial Order with the Director. Respondent did
10 not file a Petition for Review during the statutory period.

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

- 14 1. Statement of Charges, cover letter dated February 15, 2008, and Notice of
15 Opportunity to Defend and Opportunity for Hearing, with documentation of service;
- 16 2. Application for Adjudicative Hearing;
- 17 3. Request to OAH for Assignment of Administrative Law Judge;
- 18 4. Notice of Prehearing Telephone Conference with assignment of ALJ;
- 19 5. Prehearing Order;
- 20 6. Order of Default dated August 13, 2008.

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

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1 II. FINAL ORDER

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

4 A. IT IS HEREBY ORDERED, That:

- 5 1. Respondent Michelle Rose Cisneros' application for a loan originator license is
6 denied; and
7 2. Respondent Michelle Rose Cisneros' is banned from participation in the conduct of
8 the affairs of any mortgage broker subject to licensure by the Director, in any manner,
through December 21, 2014.

9 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
10 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
11 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150
12 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
13 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
14 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
15 Reconsideration a prerequisite for seeking judicial review in this matter.
16

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

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

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

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

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8 DATED this 15th day of December 2009.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS


SCOTT JARVIS
DIRECTOR

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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:

MICHELLE ROSE CISNEROS,

Respondent.

NO. C-08-062-08-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)¹. 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 Michelle Rose Cisneros (Respondent Cisneros) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under American Freedom Group, Inc., a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 21, 2007.

1.2 Prior Criminal Acts. On or about August 28, 2006, Respondent Cisneros was charged with Theft in the Second Degree, pursuant to RCW 9A.56.020(1)(a) and RCW 9A.56.040(1)(a), a felony, in the District Court of the State of Washington in and for the County of Benton, Case No. J6Y-5370. On or about October 18, 2006, the charges for Case No. J6Y-5370, were amended to Theft in the Third Degree, pursuant to RCW 9A.56.020(1)(a) and 9A.56.050(1), a gross misdemeanor. On or about October 24, 2006, Respondent pleaded

¹ RCW 19.146 (Amended 2006; Effective January 1, 2007)

1 guilty to and was convicted of Theft in the Third Degree, pursuant to RCW 9A.56.050, in the District Court of
2 the State of Washington in and for the County of Benton, Case No. J6Y-5370.

3 **1.3 Responses to Application Questions.** The “Criminal Disclosure” section of the loan originator license
4 application consists of eight questions, and includes the following instruction:

5 “If the answer to any of the following is “YES”, provide complete details of all events or proceedings”

6 Respondent Cisneros answered “no” to the following questions on the “Criminal Disclosure” section of her loan
7 originator license application:

- 8 • 2 - Have you ever been charged with any felony?
- 9 • 5 - Have you ever been convicted of or plead guilty or nolo contendere (“no contest”)
10 in a domestic, foreign, or military court to [a] misdemeanor involving: financial
11 services or a financial services-related business or any fraud, false statements or
12 omissions, theft or any wrongful taking of property, bribery, perjury, forgery,
13 counterfeiting, extortion, or a conspiracy to commit any of these offenses?
- 14 • 6 - Have you ever been charged with a a misdemeanor specified in 5?

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

17 II. GROUNDS FOR ENTRY OF ORDER

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

22 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent
23 Cisneros is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making
24 any false statement or willfully making any omission of material fact in connection with any application or any
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1 information filed by a licensee in connection with any application, examination or investigation conducted by
2 the Department.

3 **2.3 Requirement to Provide Information on License Application.** Based on the Factual Allegations set
4 forth in Section I above, Respondent Cisneros fails to meet the requirements of RCW 19.146.300(1) and (2) and
5 RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form
6 prescribed by the Director.

7 **2.4 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set
8 forth in Section I above, Respondent Cisneros fails to meet the requirements of RCW 19.146.310(1)(g) and
9 WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the
10 confidence of the community and to warrant a belief that the business will be operated honestly and fairly
11 within the purposes of the Act.

12 **III. AUTHORITY TO IMPOSE SANCTIONS**

13 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the
14 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the
15 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by
16 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application
17 of the denial.

18 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
19 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
20 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
21 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

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

23 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
24 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
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1 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.310.

2 Therefore, it is the Director's intention to ORDER that:

3 **4.1** Respondent Michelle Rose Cisneros's application for a loan originator license be denied.

4 **4.2** Respondent Michelle Rose Cisneros be prohibited from participation in the conduct of the affairs of any
5 mortgage broker subject to licensure by the Director, in any manner, through December 21, 2014.

6 **V. AUTHORITY AND PROCEDURE**

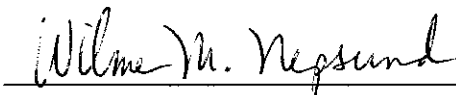
7 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and
8 Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,
9 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter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

13 Dated this 13th day of February, 2008.

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15 DEBORAH BORTNER
16 Director
17 Division of Consumer Services
18 Department of Financial Institutions

19 Presented by:

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21 WILMA M. NEPSUND
22 Financial Examiner

23 Approved by:

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25 FATIMA BATIE
Financial Legal Examiner Supervisor

