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

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

DENNIS HOWELL PORTER,

Respondent.

NO. C-08-123-08-SC02

AMENDED STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE
AND PROHIBIT FROM INDUSTRY

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INTRODUCTION

10 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial
11 Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW,
12 the Mortgage Broker Practices Act (Act)¹. After having conducted an investigation pursuant to RCW
13 19.146.310, the Department of Financial Institutions of the State of Washington (Department) issued Statement
14 of Charges C-08-123-08-SC01 on May 2, 2008. Since the issuance of Statement of Charges C-08-123-08-
15 SC01, information came to the attention of the Department that necessitated the amendment of Statement of
16 Charges C-08-123-08-SC01. Based upon the facts available as of the date of this Amended Statement of
17 Charges, the Director now proceeds to amend Statement of Charges C-08-123-08-SC01 by issuing an Amended
18 Statement of Charges and Notice of Intention to Enter an Order to Revoke License and Prohibit from Industry
19 C-08-123-08-SC02 (Amended Statement of Charges). Now, based upon the facts available as of the date of this
20 Amended Statement of Charges, the Director, through his designee, Division of Consumer Services Director
21 Deborah Bortner, institutes this proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

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1.1 Respondent Dennis Howell Porter (Respondent Porter) submitted an application to the Department
for a loan originator license under Port Gardner Mortgage Company. The on-line application was received by
the Department on or about December 7, 2006. On or about February 5, 2007, Respondent Porter's loan

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

1 originator license application was approved. On or about April 5, 2007, the Department received a MU4 Form
2 establishing an additional relationship with Harbour Pointe Mortgage, LLC.

3 On or about February 13, 2008, Respondent Porter submitted an on-line loan originator renewal
4 application. This application affirmed employment relationships with Port Gardner Mortgage Company and
5 Harbour Pointe Mortgage, LLC. Respondent Porter's renewal application was approved electronically on that
6 date. Respondent Porter has been licensed continuously from February 5, 2007, to date.

7 **1.2 Prior Criminal Acts.** On January 11, 2002, in the Superior Court of Washington for Snohomish
8 County case number 02-1-00074-1, an Information was filed against Respondent Porter charging Respondent
9 Porter with one count of Possession of a Controlled Substance, a felony pursuant to RCW 69.50.401(d). On or
10 about March 8, 2002, an Amended Information was filed amending the charge to one count of Soliciting
11 Possession of a Controlled Substance, a gross misdemeanor pursuant to RCW 9A.28.030 and RCW
12 69.50.401(d). On or about March 8, 2002, Respondent Porter pleaded guilty to one count of Soliciting
13 Possession of a Controlled Substance.

14 On or about June 6, 2001, Respondent Porter was charged in the Municipal Court of Everett,
15 Snohomish County, Washington, case number CR 48480 with one count of Making a False or Misleading
16 Statement to a Public Officer, a gross misdemeanor pursuant to EMC 10.12.190. On or about July 22, 2001,
17 Respondent Porter pleaded guilty to an amended charge of Criminal Attempt, a misdemeanor pursuant to EMC
18 10.10.010.

19 **1.3 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator license
20 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 proceedings."

22 Respondent Porter answered "yes" to the following four questions on the "Criminal Disclosure" section of his
23 loan originator license application and explained as follows:

- 24 • 1-Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
25 domestic, foreign, or military court to any felony?

- 1 ▪ Respondent Porter's explanation stated, "Everett, Wa 1994, Approx/Alfred Plea."
- 2 • 2-Have you ever been charge with any felony?
- 3 ▪ Respondent Porter's explanation stated, "Everett, Wa 1994 Approx Alfred Plea."
- 4 • 5-Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
- 5 domestic, foreign, or military court to misdemeanor involving: financial services or a financial
- 6 services-related business or any fraud, false statements or omissions, theft or any wrongful
- 7 taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to
- 8 commit any of these offenses?
- 9 ▪ Respondent Porter's explanation stated, "1999 Approx- Soliciting permission to
- 10 possess a controlled substance-Everett.WA."
- 11 • 6-Have you ever been charged with a misdemeanor specified in 5?
- 12 ▪ Respondent Porter's explanation stated, "Same as above #5."

13 The "Criminal Disclosure" section of the loan originator license renewal application consists of four
 14 questions. Respondent Porter answered "no" to the following four questions on the "Criminal Disclosure"
 15 section of his loan originator license renewal application:

- 16 • 1-Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
- 17 domestic, foreign, or military court to a felony in the past seven years?
- 18 • 2-Have you been charged with any felony in the past 7 years?
- 19 • 3-Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
- 20 domestic, foreign, or military court to misdemeanor involving: financial services or a financial
- 21 services-related business or any fraud, false statements or omissions, theft or any wrongful
- 22 taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to
- 23 commit any of these offenses in the past 7 years?
- 24 • 4-Have you been charged with a misdemeanor as specified in question 3 in the past 7 years?

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1 Respondent Porter was obligated by statute to answer questions on the loan originator license application and
2 loan originator renewal application truthfully and to provide the Department with complete details of all events
3 or proceedings.

4 **II. GROUNDS FOR ENTRY OF ORDER**

5 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent
6 Porter is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making
7 any false statement or willfully making any omission of material fact in connection with any application or any
8 information filed by a licensee in connection with any application, examination or investigation conducted by
9 the Department.

10 **2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set
11 forth in Section I above, Respondent Porter fails to meet the requirements of RCW 19.146.300(1) and (2) and
12 RCW 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form
13 prescribed by the Director.

14 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set
15 forth in Section I above, Respondent Porter fails to meet the requirements of RCW 19.146.310(1)(g) and WAC
16 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the confidence of
17 the community and to warrant a belief that the business will be operated honestly and fairly within the purposes
18 of the Act.

19 **III. AUTHORITY TO IMPOSE SANCTIONS**

20 **3.1 Authority to Revoke Loan Originator License.** Pursuant to RCW 19.146.220(2)(b) and (e), the
21 Director may revoke a loan originator license for false statements or omission of material information on the
22 application that, if known, would have allowed the director to deny the application for the original license or for
23 any violation of the Act.

24 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
25 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed

1 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
2 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

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

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

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

- 8 **4.1** Respondent Dennis Howell Porter's loan originator license be revoked; and
- 9 **4.2** Respondent Dennis Howell Porter be prohibited from participation in the conduct of the affairs of any
10 mortgage broker subject to licensure by the Director, in any manner, through February 13, 2013.

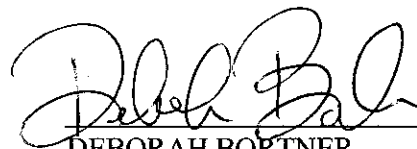
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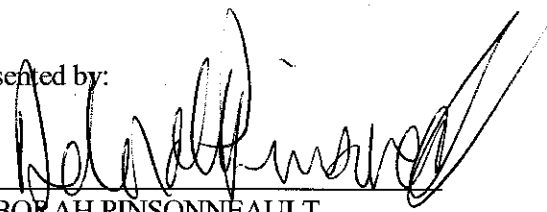
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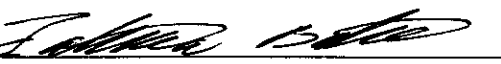
V. AUTHORITY AND PROCEDURE

This Amended Statement of Charges and Notice of Intention to Enter an Order to Revoke License and Prohibit from Industry (Amended 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 Amended Statement of Charges.

Dated this 12th day of November, 2008.


DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

DEBORAH PINSONNEAULT
Financial Legal Examiner

Approved by:

FATIMA BATIE
Financial Legal Examiner Supervisor

