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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:

MICHAEL CHRISTOPHER CASE,

Respondent.

NO. C-08-214-08-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)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:

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I. FACTUAL ALLEGATIONS

1.1 Respondent Michael Christopher Case (Respondent) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Safe Harbor Mortgage Company, LLC, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about March 26, 2008.

1.2 Prior Criminal Acts. On or about January 5, 2004, Respondent was charged with Forgery in the First Degree, a felony pursuant to Oregon Revised Statutes (ORS) 165.013; Criminal Possession of a Forged Instrument in the First Degree, a felony pursuant to ORS 165.022; and Unlawful Possession of a Controlled Substance, a felony pursuant to ORS 475.992, in the Circuit Court of the State of Oregon for Washington

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

1 County. On or about September 22, 2004, Respondent pleaded guilty to Forgery and Attempted Possession of a
2 Controlled Substance.

3 [REDACTED]
4 [REDACTED]
5 **1.3 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator license
6 application consists of eight questions, and includes the following instruction:

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

8 Respondent answered "yes" to the following questions on the "Criminal Disclosure" section of his loan
9 originator license application:

- 10 • Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
11 domestic, foreign, or military court to any felony?
 - 12 ▪ Respondent explained, Washington county 2002 I plead guilty to forgery for
13 unknowingly spending a forged \$20.00 bill.
- 14 • Based upon activities that occurred while you exercised control over it, has an organization
15 ever been convicted of or plead guilty or nolo contendere ("no contest") in a domestic, foreign,
16 or military court to any felony?
 - 17 ▪ Respondent explained, "same as above."
- 18 • Based upon activities that occurred while you exercised control over it, has an organization
19 ever been charged with any felony?
 - 20 ▪ Respondent explained, "same as above."
- 21 • Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
22 domestic, foreign, or military court to a misdemeanor involving: financial services or a
23 financial services-related business or any fraud, false statements or omissions, theft or any
24 wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a
25 conspiracy to commit any of these offenses?

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III. AUTHORITY TO IMPOSE SANCTIONS

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

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

IV. NOTICE OF INTENTION TO ENTER ORDER

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

- 4.1** Respondent Michael Christopher Case's application for a loan originator license be denied.
- 4.2** Respondent Michael Christopher Case be prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, through March 26, 2015.

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

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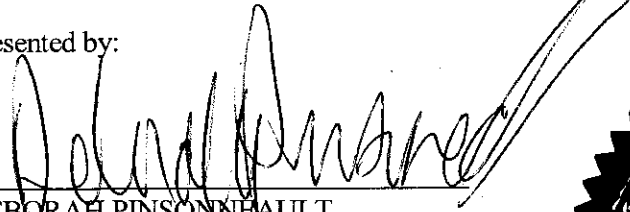
1 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
2 Statement of Charges.

3 Dated this 30th day of June, 2008.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

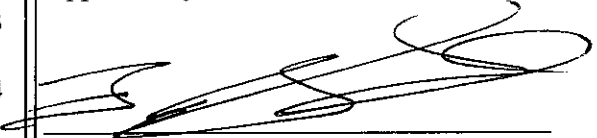
8 Presented by:



DEBORAH PINSONNEAULT
Financial Legal Examiner



12 Approved by:



FATIMA BATIE
Financial Legal Examiner Supervisor

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