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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:

RICHARD JOSEPH LINDSAY,

Respondent.

NO. C-08-234-08-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 19.146.235 and 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

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1.1 Respondent Richard Joseph Lindsay (Respondent) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under Columbia Funding Group, Inc., a mortgage broker licensed under the Act. The on-line application was received by the Department on or about March 14, 2008.

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1.2 Prior Criminal Acts. On July 24, 2002, an Information was filed in the Superior Court of the State of Washington for the County of Pierce charging Respondent with one count of Unlawful Possession of a Controlled Substance, a felony pursuant to RCW 69.50.401(d), and one count of Unlawful Manufacturing of a Controlled Substance, a felony pursuant to RCW 69.50.401(a)(1)(iii). On October 30, 2002, an Amended Information was filed charging Respondent with Unlawful Possession of a Controlled Substance, a felony

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

1 pursuant to RCW 69.50.401(d). On October 30, 2002, Respondent pleaded guilty to Unlawful Possession of a
2 Controlled Substance, a felony.

3 **1.3 Responses to Application Questions.** The "Criminal Disclosure" section of the loan originator license
4 application consists of eight questions. Respondent answered "yes" to the following questions on the "Criminal
5 Disclosure" section of his loan originator license application:

- 6 • Have you ever been convicted of or plead guilty or nolo contendere ("no contest") in a
7 domestic, foreign, or military court to any felony? If yes, when and where?
 - 8 ▪ Respondent stated, "1994-King County."
- 9 • Have you ever been charged with a felony?
 - 10 ▪ Respondent stated, "1994."

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

13 II. GROUNDS FOR ENTRY OF ORDER

14 **2.1 Requirement of No Prior Convictions.** Based on the Factual Allegations set forth in Section I above,
15 Respondent fails to meet the requirements of RCW 19.146.310(1)(d) and WAC 208-660-350(2)(c) by having
16 been convicted of a gross misdemeanor involving dishonesty or financial misconduct or a felony within seven
17 years of the filing of the present application.

18 **2.2 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above, Respondent is in
19 apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making any false
20 statement or willfully making any omission of material fact in connection with any application or any
21 information filed by a licensee in connection with any application, examination or investigation conducted by
22 the Department.

23 **2.3 Requirement to Provide Information on License Application.** Based on the Factual Allegations set
24 forth in Section I above, Respondent fails to meet the requirements of RCW 19.146.300(1) and (2) and RCW
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1 19.146.310(1)(b) by failing to provide an accurate and complete license application in the form prescribed by
2 the Director.

3 **2.4 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set
4 forth in Section I above, Respondent fails to meet the requirements of RCW 19.146.310(1)(g) and WAC 208-
5 660-350(2)(a) by failing to demonstrate character and general fitness such as to command the confidence of the
6 community and to warrant a belief that the business will be operated honestly and fairly within the purposes of
7 the Act.

8 **III. AUTHORITY TO IMPOSE SANCTIONS**

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

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

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

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

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

23 **4.1** Respondent Richard Joseph Lindsay's application for a loan originator license be denied.


24 **4.2** Respondent Richard Joseph Lindsay be prohibited from participation in the conduct of the affairs of any
25 mortgage broker subject to licensure by the Director, in any manner, through March 14, 2015.

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

Dated this 21st day of August, 2008.

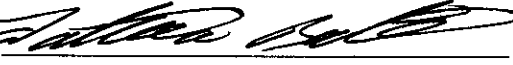

DEBORAH BORTNER
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Division of Consumer Services
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Presented by:


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