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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

NO. C-08-259-09-FO01

FINAL ORDER

FRITZ ALEXANDER BECKFORD,
Respondent.

I. DIRECTOR'S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.464. On August 15, 2008, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Prohibit from Industry, and Collect Investigation Fee (Statement of Charges). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated August 19, 2008, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Fritz Alexander Beckford. The Department served the Statement of Charges, cover letter dated August 19, 2008, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing for Fritz Alexander Beckford on Respondent on August 20, 2008, by First-Class mail and Federal Express overnight delivery.

On September 9, 2008, Respondent filed an Application for Adjudicative Hearing. On October 28, 2008, the Department made a request to the Office of Administrative Hearings (OAH) to assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of

1 Charges. On February 9, 2009, OAH issued a Notice of Assignment of Administrative Law Judge
2 assigning ALJ Barbara Boivin (ALJ Boivin) to preside over prehearing and hearing proceedings and
3 issue an Initial Decision. On April 17, 2009, ALJ Boivin issued an Order for Telephonic Prehearing
4 Conference scheduling a prehearing conference on Tuesday, April 28, 2009, at 8:00 a.m.

5 On April 28, 2009, the Respondent and Assistant Attorney General (AAG) Kate Reynolds, on
6 behalf of the Department, attended a telephonic prehearing conference. On May 4, 2009, ALJ Boivin
7 issued an Order on Prehearing Conference and scheduled oral argument on motions to be heard on
8 June 30, 2009. The Department was given until June 12, 2009, to file a Motion for Summary
9 Judgment. Respondent was given until June 24, 2009, to file a Response.

10 On May 28, 2009, AAG Kate Reynolds filed a Motion for Summary Judgment with OAH and
11 served a copy upon the Respondent.

12 On July 14, 2009, ALJ Boivin issued an Order of Continuance of Summary Judgment Motion
13 Hearing until August 11, 2009, at 8:15 a.m.

14 On August 14, 2009, the Respondent submitted a written statement dated June 10, 2009, after
15 the hearing and now a part of the hearing file.

16 On September 14, 2009, ALJ Boivin issued an Initial Order on Summary Judgment. This
17 Initial Order on Summary Judgment –

- 18 • Found the Respondent did not dispute any of the material Findings of Fact included in the
- 19 AAG Memorandum.
- 20 • Concluded that the Department has the authority to revoke the Respondent's license.
- 21 • Ordered the Department's Motion for Summary Judgment is granted.

22 On September 14, 2009, ALJ Boivin mailed the Initial Decision and Order to Respondent.
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1 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from the
2 date of service of the Initial Decision and Order to file a Petition for Review of the Initial Decision and
3 Order. Respondents did not file a Petition for Review during the statutory period.

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

- 6 1. Statement of Charges, cover letter dated August 15, 2008, and Notice of Opportunity
7 to Defend and Opportunity for Hearing, with documentation of service;
- 8 2. Applications for Adjudicative Hearing for Fritz Alexander Beckford;
- 9 3. Request to OAH for Assignment of Administrative Law Judge;
- 10 4. Notice of Assignment of Administrative Law Judge dated February 8, 2009, with
11 documentation of service;
- 12 5. Notice of Telephonic Prehearing Conference dated April 17, 2009, with
13 documentation of service;
- 14 6. Order on Prehearing Conference dated May 4, 2009, with documentation of service;
- 15 7. Motion for Summary Judgment dated May 28, 2009, with documentation of service;
- 16 8. Respondent's written statement dated June 10, 2009, submitted on August 14, 2009,
17 after the hearing and now a part of the hearing file;
- 18 9. Initial Order on Summary Judgment with Findings of Fact, Conclusions of Law, and
19 Order dated September 14, 2009, with documentation of service;

20 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director
21 hereby adopts the Initial Order on Summary Judgment, Findings of Fact, Conclusions of Law, and Order,
22 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 Fritz Alexander Beckford's loan originator license is revoked; and
6 2. Respondent Fritz Alexander Beckford is prohibited from participating in the conduct
7 of the affairs of a licensed mortgage broker through December 20, 2014; and
8 3. Respondent Fritz Alexander Beckford pay an investigation fee of \$244.80.

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.

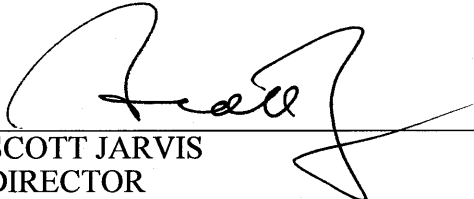
4 E. Non-compliance with Order. If you do not comply with the terms of this order, the
5 Department may seek its enforcement by the Office of Attorney General to include the collection of the
6 fee imposed herein.

7 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
8 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
9 attached hereto.
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11 DATED this 15th day of December, 2009.



12 STATE OF WASHINGTON
13 DEPARTMENT OF FINANCIAL INSTITUTIONS

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16 SCOTT JARVIS
17 DIRECTOR

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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of
Washington by:

FRITZ ALEXANDER BECKFORD,
Respondent.

NO. C-08-259-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE,
PROHIBIT FROM INDUSTRY, AND
COLLECT INVESTIGATION FEE

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 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 Fritz Alexander Beckford (Respondent Beckford) was originally licensed by the Department of Financial Institutions of the State of Washington (Department) on February 20, 2007 to conduct business as a loan originator. Respondent Beckford submitted an application to the Department for renewal of a loan originator license under Legacy Group Lending, Inc., a mortgage broker licensed under the Act. The on-line application for renewal was received by the Department on or about December 20, 2007. Respondent Beckford's license to conduct business as a loan originator

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

1 was renewed by the Department on December 20, 2007, and Respondent Beckford continues to be
2 licensed to date.

3 **1.2 Criminal Acts.** On or about October 17, 2007, Respondent Beckford was charged in Superior
4 Court of Washington for King County with a felony of Attempting to Elude a Pursuing Police Vehicle
5 in violation of RCW 46.61.024. On or about February 25, 2008, Respondent Beckford entered a plea
6 of guilty and was convicted of a felony of Attempting to Elude a Pursuing Police Vehicle in violation
7 of RCW 46.61.024.

8 **1.3 False Statement and Omission of Material Information on Loan Originator Renewal**
9 **Application.** The "Criminal Disclosure" section of the loan originator renewal license application
10 consists of four questions. Respondent Beckford answered "no" to the following question on the
11 "Criminal Disclosure" section of the loan originator renewal license application:

- 12 • 2-Have you been charged with any felony in the past 7 years?

13 If yes, please explain.

14 Respondent Beckford was obligated by statute to answer questions on the loan originator renewal
15 license application truthfully and to provide the Department with an explanation.

16 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
17 Act by Respondent continues to date.

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

19 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,
20 Respondent is in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for
21 negligently making any false statement or willfully making any omission of material fact in
22 connection with any application or any information filed by a licensee in connection with any
23 application, examination or investigation conducted by the Department.

1 **2.2 Requirement to Provide Information on License Application.** Based on the Factual
2 Allegations set forth in Section I above, Respondent Beckford fails to meet the requirements of RCW
3 19.146.300(1) and (2) and RCW 19.146.310(1)(b) by failing to provide an accurate and complete
4 license application in the form prescribed by the Director.

5 **2.3 Requirement to Notify Department of Being Charged with or Convicted of a Felony.**
6 Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of
7 WAC 208-660-400(25)(a) for failing to notify the Department in writing within ten business days of
8 being charged by indictment or information with any felony, or any gross misdemeanor involving
9 dishonesty or financial misconduct in any jurisdiction.

10 Based on the Factual Allegations set forth in Section I above, Respondent is in apparent
11 violation of WAC 208-660-400(25)(b) for failing to notify the Department in writing within ten
12 business days of being convicted of any felony, or any gross misdemeanor involving dishonesty or
13 financial misconduct in any jurisdiction.

14 **2.4 Requirement to Maintain Compliance with the Provisions of Chapter 19.146 RCW.**
15 Based on the Factual Allegations set forth in Section I above, Respondent Beckford fails to meet the
16 requirements of RCW 19.146.310(3) by having been convicted of a felony or any gross misdemeanor
17 involving dishonesty or financial misconduct.

18 **2.5 Requirement to Demonstrate Character and General Fitness.** Based on the Factual
19 Allegations set forth in Section I above, Respondent Beckford fails to meet the requirements of RCW
20 19.146.310(1)(g) and WAC 208-660-350(2)(a) by failing to demonstrate character and general fitness
21 such as to command the confidence of the community and to warrant a belief that the business will be
22 operated honestly and fairly within the purposes of the Act.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(e)&(b), the Director may
3 revoke a license for any violation of the Act or for false statements or omission of material
4 information on the application that, if known, would have allowed the director to deny the application
5 for the original license, or any violation of RCW 19.146.0201(1) through (8).

6 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a)(b)&(c), the
7 Director may issue orders removing from office or prohibiting from participation in the conduct of the
8 affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of
9 any licensed mortgage broker or any person subject to licensing under the Act for any violation of
10 RCW 19.146.0201(1) through (9) or (13), 19.146.080, 19.146.200, 19.146.205(4) or 19.146.265; false
11 statements or omission of material information on the application that, if known, would have allowed
12 the Director to deny the application for the original license; or for conviction of a felony after
13 obtaining a license.

14 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
15 520(9), and WAC 208-660-550(5), upon completion of any investigation of the books and records of a
16 licensee or other person subject to the Act, the Department will furnish to the licensee or other person
17 subject to the Act a billing to cover the cost of the investigation. The investigation charge will be
18 calculated at the rate of forty-eight dollars per hour that each staff person devoted to the investigation.

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

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

- 6 **4.1** Respondent Fritz Alexander Beckford's license to conduct the business of a loan originator be
7 revoked; and
- 8 **4.2** Respondent Fritz Alexander Beckford be prohibited from participation in the conduct of the
9 affairs of any mortgage broker subject to licensure by the Director, in any manner, through
10 December 20, 2014; and
- 11 **4.3** Respondent Fritz Alexander Beckford pay an investigation fee in the amount of \$244.80
12 calculated at \$48 per hour for the 5.1 staff hours devoted to the investigation.

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1 **V. AUTHORITY AND PROCEDURE**

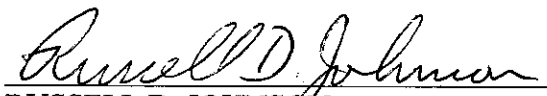
2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License,
3 Prohibit from Industry, and Collect Investigative Fee (Statement of Charges) is entered pursuant to the
4 provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is
5 subject to the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

8 Dated this 15th day of August, 2008.

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11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 

17 RUSSELL D. JOHNSON
18 Financial Legal Examiner Supervisor

19 Approved by:

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21 JAMES R. BRUSSELBACK
22 Program Manager and Enforcement Chief

