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

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

NO. C-09-354-09-FO01

ALG FUNDING LLC, and MARK SILVERMAN,
Owner and Designated Broker,

FINAL ORDER

Respondents.

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 September 23, 2009, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Revoke License, Impose Fine, 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 September 24, 2009, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for ALG Funding LLC and Mark Silverman. The Department served the Statement of Charges, cover letter dated September 24, 2009, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for ALG Funding LLC and Mark Silverman on Respondents on October 7, 2009, by First-Class mail and Federal Express overnight delivery. On October 8, 2009, the documents sent via Federal Express overnight delivery were delivered. The documents sent via First-Class mail were not returned to the Department by the United States Postal Service.

1 Respondents did not request an adjudicative hearing within twenty calendar days after the
2 Department served them with the Notice of Opportunity to Defend and Opportunity for Hearing, as
3 provided for in WAC 208-08-050(2).

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

- 6 1. Statement of Charges;
- 7 2. Cover letter dated September 24, 2009;
- 8 3. Notice of Opportunity to Defend and Opportunity for Hearing; and
- 9 4. Blank Applications for Adjudicative Hearing for ALG Funding LLC and Mark Silverman, with documentation of service.

10 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director's
11 designee hereby adopts the Statement of Charges, which is attached hereto.

12 II. FINAL ORDER

13 Based upon the foregoing, and the Director's designee having considered the record and
14 being otherwise fully advised, NOW, THEREFORE:

15 A. IT IS HEREBY ORDERED, That:

- 16 1. Respondents ALG Funding LLC and Mark Silverman cease and desist from
17 conducting the business of a mortgage broker; and
- 18 2. Respondent ALG Funding LLC's license to conduct the business of a Mortgage
19 Broker is revoked; and
- 20 3. Respondents ALG Funding LLC and Mark Silverman jointly and severally pay a fine
21 of \$1,100; and
- 22 4. Respondents ALG Funding LLC and Mark Silverman jointly and severally pay an
23 investigation fee of \$168.

24 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
25 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition

1 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150
2 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
3 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
4 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
5 Reconsideration a prerequisite for seeking judicial review in this matter.

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

9
10 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
11 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial
12 Review made under chapter 34.05 RCW and RCW 34.05.550.

13 D. Judicial Review. Respondents have the right to petition the superior court for
14 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements
15 for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

16 E. Non-compliance with Order. If you do not comply with the terms of this order, the
17 Department may seek its enforcement by the Office of Attorney General to include the collection of the
18 fines and fees imposed herein.

19 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
20 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
21 attached hereto.
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1 DATED this 24th day of November, 2009.

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3 STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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6 DEBORAH BORTNER
7 DIRECTOR
8 DIVISION OF CONSUMER SERVICES



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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:

ALG FUNDING, LLC, and MARK
SILVERMAN, Owner and Designated
Broker,

Respondents.

NO. C-09-354-09-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO CEASE AND DESIST, REVOKE
LICENSE, IMPOSE FINE, AND COLLECT
INVESTIGATION FEE

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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 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 Respondents.

A. **ALG Funding LLC (Respondent ALG)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on July 21, 2004, and continues to be licensed to date. Respondent ALG is licensed to conduct the business of a mortgage broker at the following location:

18300 NE Union Rd., Suite 292
Redmond, Washington 98052

¹ RCW 19.146 (2006)

1 B. **Mark Silverman (Respondent Silverman)** is Owner and Designated Broker of Respondent
2 ALG. Respondent Silverman was named Designated Broker of Respondent ALG on July 21, 2004, and
3 continues as Designated Broker to date.

4 **1.2 Failure to Maintain Bond.** On August 5, 2009, the Department received notice from Platte River
5 Insurance Company that Respondent ALG's surety bond would be cancelled. Respondent ALG's surety bond
6 cancelled effective September 6, 2009. To date, Respondents have failed to provide the required surety bond.

7 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
8 Respondents continues to date.

9 II. GROUNDS FOR ENTRY OF ORDER

10 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
11 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to
12 file and maintain a surety bond with the Department.

13 III. AUTHORITY TO IMPOSE SANCTIONS

14 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the Director may
15 issue orders directing a licensee, its employee or loan originator, or other person subject to the Act to cease and
16 desist from conducting business.

17 **3.2 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(c) the Director may revoke a license
18 failure to pay a fee required by the Director or maintain the required bond, or any violation of the Act.

19 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and (3) and WAC 208-660-530(6), the
20 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to
21 the Act for any violations of RCW 19.146.200, or any violation of the Act.

22 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520(9) and
23 WAC 208-660-550(4) upon completion of any investigation of the books and records of a licensee or other person
24 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover
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1 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per
2 hour that each staff person devoted to the investigation.

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

4 Respondents' 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 and RCW 19.146.223. Therefore, it is the
7 Director's intention to ORDER that:

- 8 4.1 Respondents ALG Funding, LLC, and Mark Silverman cease and desist from conducting the business of a
9 mortgage broker;
- 10 4.2 Respondent ALG Funding, LLC's, license to conduct the business of a mortgage broker be revoked;
- 11 4.3 Respondents ALG Funding, LLC, and Mark Silverman jointly and severally pay a fine which as of the date
12 of this Statement of Charges totals \$1,100; and
- 13 4.4 Respondents ALG Funding, LLC, and Mark Silverman jointly and severally pay an investigation fee which
14 as of the date of this Statement of Charges totals \$168 calculated at \$48 per hour for the three and a half
15 (3.5) staff hours devoted to the investigation.

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V. AUTHORITY AND PROCEDURE

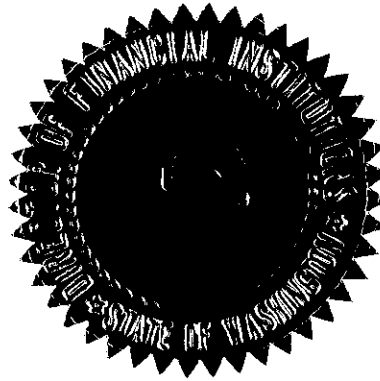
This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Revoke License, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents 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 23rd day of September, 2009.

Deborah Bortner
DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Deborah Pinsonneault
DEBORAH PINSONNEAULT
Financial Legal Examiner



Approved by:

James R. Brusselback
JAMES R. BRUSSELBACK
Enforcement Chief