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AUG 24 2007

DEPT. OF FINANCIAL INSTITUTIONS  
OLYMPIA, WASHINGTON

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES

RECEIVED

NO. C-07-195-07-CO01

AUG 24 2007

CONSUMER SERVICES DIVISION  
FINANCIAL INSTITUTIONS  
OLYMPIA, WASHINGTON

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

DENISE MARIE GARRETT,

Respondent.

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Denise Marie Garrett (hereinafter Respondent Garrett), and finding that the issues raised in the captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

**AGREEMENT AND ORDER**

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-07-195-07-SC01 (Statement of Charges), entered June 12, 2007, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

**A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the activities discussed herein.

CONSENT ORDER  
DENISE MARIE GARRETT  
C-07-195-07-CO01

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

1           **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing  
2 before an administrative law judge, and that she has waived her right to a hearing and any and all administrative  
3 and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly,  
4 Respondent agrees to withdraw her appeal and to inform the Office of Administrative Hearings in writing of her  
5 withdrawal.

6           **C. Affidavit.** It is AGREED that Respondent Garrett provided the Department with a signed affidavit  
7 that she had no knowledge of outstanding Internal Revenue Service (IRS) liens as she believed she had satisfied  
8 the liens or had not been given notice of the liens. It is further AGREED that a true and correct copy of the  
9 same affidavit is attached hereto and incorporated by this reference as though fully set forth herein.

10           **D. Continued Compliance with the Internal Revenue Service.** It is ACKNOWLEDGED that  
11 Respondent Garrett represents to the Department that she will comply with all agreements she enters into with  
12 the IRS regarding her tax obligations. Respondent Garrett also represents that she will comply with all  
13 requirements imposed upon her by the IRS regarding her tax obligations. Respondent Garrett shall immediately  
14 notify the Department if she fails to comply with any agreement between herself and the IRS or with any  
15 requirement imposed upon her by the IRS.

16           **E. Consent to Contact the Internal Revenue Service.** It is AGREED that Respondent Garrett  
17 consents to the Department contacting the IRS to ensure compliance with this Consent Order. Respondent  
18 Garrett shall provide a copy of this Consent Order to the IRS and will take no action that could impend or hinder  
19 the Department's review of her compliance with the terms of this Consent Order.

20           **F. Future Action by Internal Revenue Service.** It is AGREED that Respondent Garrett shall  
21 immediately notify the Department if the IRS takes any future action against her. Such actions may include but is  
22 not limited to, tax liens, agreements to re-finance, payment plans, default, and judgments.

23           **G. Compliance with the Law.** It is AGREED that Respondent Garrett shall comply with the  
24 Mortgage Broker Practices Act and the rules adopted therein.

1 H. **Non-Compliance with Order.** It is AGREED that Respondent understands that failure to abide  
2 by the terms and conditions of this Consent Order may result in further legal action by the Director. In the  
3 event of such legal action, Respondent may be responsible to reimburse the Director for the cost incurred in  
4 pursuing such action, including but not limited to, attorney fees.

5 I. **Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into  
6 this Consent Order, which is effective when signed by the Director's designee.

7 J. **Completely Read, Understood, and Agreed.** It is AGREED that the Respondent has read this  
8 Consent Order in its entirety and fully understands and agrees to all of the same.

9 **RESPONDENT:**

10 Denise Marie Garrett  
11 Denise Marie Garrett

8/23/07  
Date

12 DO NOT WRITE BELOW THIS LINE

13 THIS ORDER ENTERED THIS 31<sup>st</sup> DAY OF August, 2007.



15 Deborah Bortner  
16 DEBORAH BORTNER  
17 Director  
18 Division of Consumer Services  
19 Department of Financial Institutions

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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:

DENISE MARIE GARRETT,  
  
Respondent.

NO. C-07-195-07-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)<sup>1</sup>. 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:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Denise Marie Garrett (Respondent Garrett)** submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a loan originator license under US National Mortgage Company, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about December 12, 2006. The Department conducted a routine background check and discovered Respondent Garrett had Federal Tax Liens totaling over \$100,000.00 (one-hundred thousand) when she submitted her on-line application.

**1.2 Responses to Application Questions.** The "Financial Disclosure" section of the loan originator license application consists of four questions, and includes the following instruction:

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

<sup>1</sup> RCW 19.146 (Amended 2006; Effective January 1, 2007)

1 Respondent Garrett answered "no" to the following question on the "Financial Disclosure" section of her loan  
2 originator license application:

- 3 • 4- Do you have any unsatisfied judgments or liens against you?

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

## 6 7 **II. GROUNDS FOR ENTRY OF ORDER**

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

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

17 **2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set  
18 forth in Section I above, Respondent Garrett fails to meet the requirements of RCW 19.146.310(1)(g) and WAC  
19 208-660-350(2)(a) by failing to demonstrate character and general fitness such as to command the confidence of  
20 the community and to warrant a belief that the business will be operated honestly and fairly within the purposes  
21 of the Act.

## 22 23 **III. AUTHORITY TO IMPOSE SANCTIONS**

24 **3.1 Authority to Deny Application for Loan Originator License.** Pursuant to RCW 19.146.220(1), the  
25 Director may deny licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the

1 Director shall not issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by  
2 the applicant, and shall notify the loan originator applicant and any mortgage brokers listed on the application  
3 of the denial.

4 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue  
5 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed  
6 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
7 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9).

#### 8 9 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

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

14 **4.1** Respondent Denise Marie Garrett's application for a loan originator license be denied.

15 **4.2** Respondent Denise Marie Garrett be prohibited from participation in the conduct of the affairs of any  
16 mortgage broker subject to licensure by the Director, in any manner, through December 12, 2013.

#### 17 18 **V. AUTHORITY AND PROCEDURE**

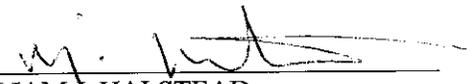
19 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and  
20 Prohibit from Industry (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,  
21 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05  
22 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in  
23 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this  
24 Statement of Charges.  
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1 Dated this 12<sup>th</sup> day of June, 2007.

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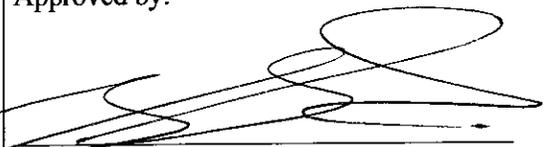
  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
WILLIAM J. HALSTEAD  
Financial Legal Examiner



Approved by:

  
FATIMA BATIE  
Financial Legal Examiner Supervisor

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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:

C-07-195-07-SC01

DENISE MARIE GARRETT,  
Respondent.

NOTICE OF OPPORTUNITY TO DEFEND  
AND OPPORTUNITY FOR HEARING

THE STATE OF WASHINGTON TO:

Denise Marie Garrett

YOU ARE HEREBY NOTIFIED that a STATEMENT OF CHARGES has been filed by the Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the Washington State Department of Financial Institutions on the Statement of Charges. Service of this notice is deemed complete upon deposit in the United States mail. YOUR APPLICATION MUST BE RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE YOU RECEIVED THIS NOTICE. If you demand a hearing, you will be notified of the time and place for the hearing at least seven (7) days in advance of the hearing date.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the Statement of Charges is concerned. Technical rules of evidence will not be binding at the hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-examine those witnesses presented in support of the Statement of Charges. You may require the attendance of witnesses by subpoena. If you are limited English-speaking or hearing impaired, you have the right to have an interpreter appointed at no cost to you, as discussed below.

1            INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-  
2 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for  
3 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate  
4 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN  
5 INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the witness. You may request  
6 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative  
7 Hearing form.

8            YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the  
9 Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice, this will  
10 constitute a waiver of your right to a hearing and the Director will find that you do not contest the allegations of the  
11 Statement of Charges. Upon such a finding by the Director a final order will be immediately entered disposing of  
12 this matter as described in the Statement of Charges. If you desire a hearing in this matter, please return the  
13 attached Application for Adjudicative Hearing to:

14                            Department of Financial Institutions  
15                            Division of Consumer Services  
16                            Attn: Fatima Batic  
17                            PO Box 41200  
18                            Olympia, Washington 98504-1200

19            Dated this 17<sup>th</sup> day of June 2007.



20                            *Deborah Bortner*

21                            DEBORAH BORTNER  
22                            Director  
23                            Division of Consumer Services  
24                            Department of Financial Institutions