

ORDER SUMMARY – Case Number: C-08-409

Name(s): Willamette Mortgage Services, Inc.
Ronald R. Olson
Michael G. Conner

Order Number: C-08-409-11-FO01

Effective Date: September 26, 2011

License Number Or NMLS Identifier [U/L] DFI: 45594 NMLS ID: 119427 Willamette
NMLS ID: 120881 Conner
DFI: 51660 NMLS ID: 120878 Olson

License Effect: None

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$146	Due:	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$3,375	Due:	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments:



State of Washington
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF:

WILLAMETTE MORTGAGE SERVICES,
INC., RONALD R. OLSON, Designated
Broker and Owner, and MICHAEL G.
CONNER, Owner,

Respondents.

OAH DOCKET NO. 2009-DFI-0027

DFI Case No. C-08-409-11-FO01

FINAL DECISION & ORDER

THIS MATTER was commenced on December 30, 2008, when the DIVISION OF CONSUMER SERVICES (“Division”) of the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS (“Department”) issued, under Division Docket No. C-08-409-08-SC01, a STATEMENT OF CHARGES AND NOTICE OF INTENTION TO ENTER AN ORDER TO IMPOSE FINE AND COLLECT INVESTIGATIVE FEE (“Statement of Charges”) to Respondents WILLAMETTE MORTGAGE SERVICES, INC. (“WMS”), RONALD R. OLSON, WMS’s Designated Broker and Co-Owner (“Olson”), and MICHAEL G. CONNER, WMS’s Co-Owner (“Conner”) [collectively, “Respondents”], alleging that Respondents violated the Washington Mortgage Broker Practices Act, Chapter 19.146 RCW (the “Act”).

1.0 Procedural History

1.1 Initial Order. Respondents timely requested an Administrative Hearing to contest the Statement of Charges, and this matter was assigned to the Office of Administrative Hearings (“OAH”), which assigned Administrative Law Judge Julie K. Emmal (“ALJ Emmal”) to hear this matter. After a hearing on or about December 17, 2009, ALJ Emmal eventually issued an

initial order (“Initial Order”) on or about August 17, 2010, which included Findings of Fact (“FOF”) and Conclusions of Law (“COL”).

1.2 Olson Petition for Review. Subsequently, on or about August 26, 2010, Olson addressed a petition for review from the Initial Order, dated August 25, 2010, “disagree[ing] with [FOF] #s 6, #8 & #9. Vehemently!” This was addressed to Assistant Attorney General Chad Standifer (“AAG Standifer”), Assistant Attorney General Kate Reynolds, and Division Chief Enforcement Officer James Brusselback. [“Olson Petition for Review”]

1.3 Conner Petition for Review. On August 26, 2010, by more formal letter, Conner addressed his own petition for review directly to the Director, specifically assigning error to FOF 6, 8, 9, and 10 of the Initial Order. [“Conner Petition for Review”]

1.4 Timeliness of Petitions for Review; Findings of Fact at Issue. The Department received both the Olson Petition for Review and the Conner Petition for Review on September 2, 2010, within the twenty (20) days for filing a petition for review from an initial order. Both the Olson Petition for Review and the Conner Petition for Review were timely and must be considered. After considering the simultaneous submissions by Olson and Conner, the Director has exercised his discretion to treat the Olson Petition for Review as properly assigning error to FOF 6, 8, and 9 of the Initial Order. The Conner Petition for Review is a proper assignment of error as to FOF 6, 8, 9, and 10. Collectively, these two petitions for review are hereinafter referred to as “Petition for Review.” The Petition for Review, as set forth in Conner’s submission, sets forth specific reasons for FOF 6, 8, 9, and 10 of the Initial Order being in error. So this case on review is limited to a review of these Findings of Fact. It is a Petition for Review on behalf of Conner, Olson, and WMS.

1.5 Division's Reply to Petition for Review. On or about September 7, 2010, Assistant Attorney General Lisa K. Elley ("AAG Elley") replaced AAG Standifer as counsel for the Division. On September 10, 2010, AAG Elley filed with the Director the Division's Reply to Respondents' Petitions for Review ("Division's Reply").

2.0 Director's Analysis & Summary Determination

2.1 FOF 6 of the Initial Order Is Proper. FOF 6 of the Initial Order states: "From January 1st through February 14th, 2008, the Respondents maintained an office in Washington which was closed in March of that year." The Petition for Review asserts that WMS did not solicit or close any loans in Washington during this period. However, (1) "maintain[ing] an office" and (2) soliciting or closing loans are two different concepts. ALJ Emmal had a sufficient and reasonable basis to make FOF 6 based upon the evidence presented at the hearing on December 17, 2009. Exhibit No. 3, entered as evidence at the hearing (Form MU3 for WMS, signed August 17, 2007), states that WMS had a branch office in Vancouver, Washington. Olson admitted, while testifying at the hearing, that this Vancouver branch office was open from January 1, 2008, through February 14, 2008. Exhibit No. 5, also entered as evidence at the hearing, is a print-out of the WMS Web page displaying the address, phone number, and fax number of the Vancouver, Washington, branch office. Olson admitted during testimony that this Web page was operational during the time period of January 1, 2008, through February 14, 2008. Exhibit Nos. 3 and 5, combined with Olson's testimonial admissions, in the view of the Director establish that Respondents "maintained an office" in Washington from January 1, 2008, through February 14, 2008. FOF 6 of the Initial Order is affirmed.

2.2 Exception to FOF 8 of the Initial Order. FOF 8 of the Initial Order states: “The individual, who was posted to work in the Washington location before it closed in March of 2008, was expected to get business and then refer it to the Portland office.” The Petition for Review states that “[t]his is not correct” without supplying any reasons. While great latitude has been given by the Director in administrative matters to pro se respondents who provide even a minimal reason for assigning error to an administrative law judge’s finding of fact, the Director nonetheless agrees with the Division’s Reply that Respondents’ argument here is insufficient to overcome the Conclusions of Law contained in the Initial Order. Thus, while there may be insufficient evidence in the record to affirm FOF 8, the Director agrees with the Division’s Reply that other Findings of Fact sufficiently support the Conclusions of Law and ALJ Emmal’s decision as set forth in the Initial Order.

2.3 FOF 9 of the Initial Order Is Proper. FOF 9 of the Initial Order states: “On or about February 15, 2008, Respondents renewed their mortgage broker license with the Department.” The Petition for Review asserts that Olson passed the mortgage broker’s examination on January 19, 2008. This date is not at issue or in dispute. However, passing an examination and completion of the rest of the process necessary to issue a license are two different things. The Division’s Financial Legal Examiner Robert Jones (“Jones”) testified that: (1) The Respondents were licensed from September 18, 2007, through December 31, 2007; (2) they were unlicensed from January 1, 2008, through February 14, 2008; and (3) their license was renewed on February 15, 2008. No evidence was presented to controvert this testimony, and none has been supplied latently by Respondents in the Petition for Review. FOF 9 is affirmed.

2.4 FOF 10 of the Initial Order Is Proper. FOF 10 of the Initial Order states: “At the request of the Department, Ronald R. Olson completed a declaration of activity certifying that from January 1, 2008, through February 15, 2008, the Respondents did perform activity that would require licensure and did receive compensation that would require licensure.” The Petition for Review argues that WMS did not solicit or close any loans or receive compensation that would have required a Washington broker’s license during the time period in question. Yet ALJ Emmal had a sufficient basis to making FOF 10 based upon Exhibit No. 7, which was entered into evidence at the hearing. Exhibit No. 7 is Olson’s own declaration and admission as Designated Broker of WMS (signed under penalty of perjury), in which he declares unequivocally that –

(a) From January 1, 2008, through February 15, 2008, WMS performed activity that would require licensure as a mortgage broker under the Act; and

(b) During this same time period WMS received compensation that would require licensure as a mortgage broker under the Act.

ALJ Emmal reasonably relied upon this competent evidence. The Petition for Review’s assertion that WMS did not solicit or close loans during the time period in question does not disturb FOF 10. A mortgage broker is defined under the Act, at RCW 19.146.010(4) (2007 Act) and WAC 208-660-006, as a person who, for compensation or gain or in the expectation of compensation or gain, *holds himself out as being able to* assist a person in obtaining or applying to obtain a residential mortgage loan. ALJ Emmal had other undisputed findings of fact and conclusions of law consistent with this definition. FOF 10 is affirmed.

2.5 Settlement Negotiations Are Inadmissible. The Petition for Review has objected to the conduct of AAG Standifer in settlement negotiations. The Director appreciates hearing from any licensee concerning the conduct (if at all) of assistant attorneys general who represent the Department in administrative cases. However, the exception taken by the Petition for Review toward AAG Standifer does not rise to the level of an assignment of error that would alter the findings of fact and conclusions of law contained in the Initial Order. Moreover, under Washington Evidence Rule 408, settlement negotiations are not admissible in court.

2.6 The Propriety of the Fine. Implicit within Conner's remarks in the Petition for Review is the notion that the fine in question ought to be lower than as stated in the Initial Order based upon Conner's "willing[ness] to pay \$1,000 to \$1,500" for this case to have been dismissed before hearing. However, the Petition for Review does not assign error to COL 8 or any other Conclusion of Law in relation to the amount of the fine imposed in the Initial Order. Accordingly, the Director will not disturb COL 8 in the absence of a proper assignment of error by Respondents. The decision not to disturb the fine in this case is not based only on the technicality that Respondents did not contest COL 8 in their Petition for Review. The Director takes this opportunity, in passing, to point out that the matrix system employed by the Division, as presented by the Division at hearing and summarized in COL 8, is a rational and unbiased method of assessing fines. It is a deterrent against impermissible, unlicensed conduct or the opportunity for such unlicensed conduct. Under authority of the Act, it is necessary to uniformly apply this system of fines to Respondents and all other persons similarly situated in order to protect the public from persons who hold themselves out as being able to act as a mortgage broker when, in fact, they lack such ability.

RE: WILLAMETTE MORTGAGE SERVICES, INC.,
RONALD R. OLSON, and MICHAEL G. CONNER
DFI Case No. C-08-409-11-FO01
FINAL DECISION AND ORDER

3.0 Findings of Fact

For the reasons set forth above, the Findings of Fact of the Initial Order are affirmed by the Director (with the exception of FOF 8, which is hereby eliminated), and are incorporated herein by this reference.

4.0 Conclusions of Law

For the reasons set forth above, the Conclusions of Law of the Initial Order are affirmed by the Director and incorporated herein by this reference.

5.0 Final Order

Based upon the Findings of Fact and Conclusions of Law set forth above, the Initial Order is AFFIRMED, except as set forth above. By way of the Department's Final Decision and Order, NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

5.1 WILLAMETTE MORTGAGE SERVICES, INC., RONALD R. OLSON, and MICHAEL G. CONNER, shall, jointly and severally, pay to the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS a fine in the sum of Three Thousand Three Hundred Seventy-Five Dollars (\$3,375.00) for holding themselves out as being able to act as a Mortgage Broker for the period between January 1, 2008, through February 14, 2008, while not actually having a Mortgage Broker License to do so.

5.2 WILLAMETTE MORTGAGE SERVICES, INC., RONALD R. OLSON, and MICHAEL G. CONNER, shall, jointly and severally, pay to the WASHINGTON STATE DEPARTMENT OF FINANCIAL INSTITUTIONS an investigative fee of One Hundred Forty-Six Dollars (\$146.00) as and for the investigation of this case.

5.3 Effectiveness and Enforcement of Final Order. Pursuant to the Administrative Procedures Act, at RCW 34.05.473, this Final Decision and Order shall be effective immediately upon deposit in the United States Mail; *provided, however,* that all fines and restitution imposed herein shall be fully paid not more than thirty days from the date of this Final Decision and Order, and, to the extent left unpaid, shall be thereafter subject to immediate execution as provided below.

5.4 Reconsideration. A petition for reconsideration shall not stay the effectiveness of this order nor is a petition for reconsideration a prerequisite for seeking judicial review in this matter.

5.5 Stay of Order. The Director has determined not to consider a petition to stay the effectiveness of this Final Decision and Order. Any such requests should be made in connection with a petition for judicial review made under the Administrative Procedures Act, Chapter 34.05 RCW, including RCW 34.05.550.

5.6 Judicial Review. Respondents each have the right to petition the superior court for judicial review of the Department's action under the provisions of the Administrative Procedures Act, Chapter 34.05 RCW.

5.7 Non-Compliance with Final Decision and Order. If Respondent does not comply with the terms of this order, the Department may seek enforcement by the Office of Attorney General to include the collection of the fines, fees and restitution imposed herein. Failure to comply with this Final Decision and Order may also prompt action against Respondent by the Department, as permitted by the Act, for failure to comply with a lawful order of the Department.

RE: WILLAMETTE MORTGAGE SERVICES, INC.,
RONALD R. OLSON, and MICHAEL G. CONNER
DFI Case No. C-08-409-11-FO01
FINAL DECISION AND ORDER

5.8 Service. For purposes of filing a petition for reconsideration or a petition for judicial review, service of this Final Decision and Order is effective upon its having been deposited in the United States Mail with a declaration of service attached hereto.

Dated at Tumwater, Washington, on this 26th day of September, 2011.

WASHINGTON STATE DEPARTMENT
OF FINANCIAL INSTITUTIONS

By:

A black rectangular redaction box covers the signature of the Director.

Scott Jarvis, Director

RE: WILLAMETTE MORTGAGE SERVICES, INC.,
RONALD R. OLSON, and MICHAEL G. CONNER
DFI Case No. C-08-409-11-FO01
FINAL DECISION AND ORDER


NOTICE TO THE PARTIES AND DECLARATION OF SERVICE

In accordance with RCW 34.05.470 and WAC 10-08-215, any Petition for Reconsideration of such Final Decision and Order must be filed with the Director within ten (10) days of service of the Final Decision and Order. It should be noted that Petitions for Reconsideration do not stay the effectiveness of the Final Decision and Order. Judicial Review of the Final Decision and Order is available to a party according to provisions set out in the Washington Administrative Procedure Act, RCW 34.05.570.

This is to certify that the above ORDER has been served upon the following parties on September 26, 2011, by depositing a copy of same in the United States mail, postage prepaid.

WASHINGTON STATE DEPARTMENT
OF FINANCIAL INSTITUTIONS

By:


Susan Putzier
Executive Assistant

Mailed to the following:

Michael G. Conner
Willamette Mortgage Service, Inc.
14625 Southeast McLoughlin Blvd.
Milwaukie, OR 97267

Lisa K. Elley, Esq.
Assistant Attorney General
1125 Washington Street SE
P.O. Box 40100
Olympia, WA 98504-0100

Ronald R. Olson
Willamette Mortgage Service, Inc.
14625 Southeast McLoughlin Blvd.
Milwaukie, OR 97267

RE: WILLAMETTE MORTGAGE SERVICES, INC.,
RONALD R. OLSON, and MICHAEL G. CONNER
DFI Case No. C-08-409-11-FO01
FINAL DECISION AND ORDER

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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:

WILLAMETTE MORTGAGE SERVICES, INC.,
RONALD R. OLSON, Designated Broker and
Owner, and MICHAEL G. CONNOR, Owner,

Respondents.

NO. C-08-409-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO 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 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. **Willamette Mortgage Services, Inc. (Willamette)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on September 18, 2007, and continued to be licensed to December 31, 2007, when its license expired². Respondent Willamette renewed its license on February 15, 2008. Respondent Willamette was not licensed January 1, 2008, through February 14, 2008.

B. **Ronald R. Olson (Respondent Olson)** is the fifty percent (50%) Owner, President and Designated Broker of Respondent Willamette Mortgage Services, Inc.

¹ RCW 19.146 (2006).

² RCW 19.146.210(4).

1 C. **Michael G. Connor (Respondent Connor)** is the fifty percent (50%) Owner of Respondent
2 Willamette Mortgage Services, Inc.

3 **1.2 Untimely Renewal of Mortgage Broker License.** In order to continue conducting business in 2008,
4 the Respondents were required to renew their mortgage broker license before January 1, 2008. The
5 Respondents did not renew their mortgage broker license timely and as a result could not conduct the business
6 of a mortgage broker until their license was renewed on February 15, 2008.

7 **1.3 Unlicensed Activity.** Between at least January 1, 2008, and February 14, 2008, Respondents
8 performed activity that would require licensure as a mortgage broker under the Act.

9 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
10 Respondents continues to date.

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

12 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
13 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of compensation or
14 gain (a) makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential
15 mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
16 person in obtaining or applying to obtain a residential mortgage loan.

17 **2.2 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
18 are in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a scheme,
19 device or artifice to defraud or mislead borrowers or lenders or any person, for engaging in an unfair or
20 deceptive practice toward any person, and for obtaining property by fraud or misrepresentation.

21 **2.3 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in
22 Section I above, Respondents are in apparent violation of RCW 19.146.200 for engaging in the business of a
23 mortgage broker without first obtaining and maintaining a license under the Act.

24 **2.4 Requirement to Timely Renew License and Refrain from Conducting Business.** Based on
25 the Factual Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-

1 163(16), (17), and (18) for continuing to conduct the business of a mortgage broker after failing to timely renew
2 a license under the Act.

3 III. AUTHORITY TO IMPOSE SANCTIONS

4 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), and (3)(a), the Director may
5 impose fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act for
6 any violations of RCW 19.146.020(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, RCW
7 19.146.200, RCW 19.146.205(4), or RCW 19.146.265, or any violation of the Act.

8 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520,
9 and WAC 208-660-550(5), upon completion of any investigation of the books and records of a licensee or other
10 person subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to
11 cover the cost of the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each
12 staff person devoted to the investigation.

13 IV. NOTICE OF INTENTION TO ENTER ORDER

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

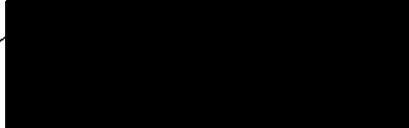
- 18 **4.1** Respondents Willamette Mortgage Services, Inc., Ronald R. Olson and Michael G. Connor jointly
and severally pay a fine of \$3,375; and
- 19 **4.2** Respondents Willamette Mortgage Services, Inc., Ronald R. Olson and Michael G. Connor jointly
20 and severally pay an investigation fee, which as of the date of these charges is \$146.40 calculated
at \$48 per hour for 3.05 staff hours devoted to the investigation.

21 V. AUTHORITY AND PROCEDURE

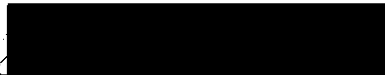
22 This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and Collect
23 Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,
24 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05
25 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth

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


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4 Dated this 30th day of December, 2008.

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7 DEBORAH BORTNER
8 Director
9 Division of Consumer Services
10 Department of Financial Institutions

11 Presented by:

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14 ROBERT E. JONES
15 Financial Legal Examiner

16 Approved by:

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19 JAMES R. BRUSSELBACK
20 Enforcement Chief
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