

Terms Completed

ORDER SUMMARY – Case Number: C-11-0618-12-CO01

Name(s): Dovenmuehle Mortgage Inc;

Order Number: C-11-0618-12-CO01

Effective Date: April 20, 2012

License Number: DFI: #69366, NMLS: #2481

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: License may be issued in due course.

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

Investigation Costs	\$1,380	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$50,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
No. of Victims:		0		

Comments:

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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
Consumer Loan Act of Washington by:

No.: C-11-0618-12-CO01

CONSENT ORDER

Dovenmuehle Mortgage, Inc.,
Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Dovenmuehle Mortgage, Inc. (Respondent), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 31.04 of the 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-11-0618-11-SC01 (Statement of Charges), entered March 15, 2011, (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan 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:

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

3 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
4 hearing before an administrative law judge, and hereby waives its right to a hearing and any and all
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondent, by the signatures of its representatives below, withdraws its appeal
7 to the Office of Administrative Hearings.

8 C. **Acknowledgement of Unlicensed Activity.** It is AGREED that Respondent has
9 acknowledged its failure to timely obtain from the Department a license to conduct business in
10 Washington as a consumer loan company.

11 D. **Application for License.** It is AGREED that Respondent has completed the process to
12 obtain a license from the Department to conduct business in Washington as a consumer loan
13 company.

14 E. **Agreement to Provide Annual Reports.** It is AGREED that Respondent has provided
15 the Department with an Annual Assessment Report and Consolidated Annual Report for 2010 and
16 2011 with this Consent Order.

17 F. **Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
18 \$50,000 in the form of a cashier's check made payable to the "Washington State Treasurer" upon
19 entry of this Consent Order.

20 G. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
21 investigation fee of \$1,380 in the form of a cashier's check made payable to the "Washington State
22 Treasurer" upon entry of this Consent Order. The Fine and Investigation Fee may be paid together in
23 one \$51,380 cashier's check made payable to the "Washington State Treasurer."

1 H. **Authority to Execute Order.** It is AGREED that the undersigned has represented and
2 warranted that she has the full power and right to execute this Consent Order on behalf of
3 Respondent.

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

8 J. **Voluntarily Entered.** It is AGREED that the Respondent has voluntarily entered into
9 this Consent Order, which is effective when signed by the Director's designee.

10 K. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent's
11 representative has read this Consent Order in its entirety and fully understands and agrees to all of the
12 same.

13 **RESPONDENT:**

14 **Dovenmuehle Mortgage, Inc.**

15 By: 

16 _____
17 Ann Duker
18 Vice President
19 SENIOR

20 _____
21 Date

04/19/12

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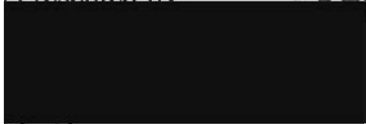
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THIS ORDER ENTERED THIS 20th DAY OF APRIL, 2012



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



STÉVEN C. SHERMAN
Financial Legal Examiner

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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

NO. C-11-0618-11-SC01

DOVENMUEHLE MORTGAGE, INC.,

Respondent.

STATEMENT OF CHARGES AND
NOTICE OF INTENTION TO ENTER
AN ORDER TO CEASE AND DESIST,
PROHIBIT FROM INDUSTRY, AND
IMPOSE FINE

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INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director, by and 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 Respondent. Dovenmuehle Mortgage, Inc. (Respondent) has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a consumer loan company. Respondent is known to conduct business as a consumer loan company by servicing Washington residential mortgage loans from its corporate office at 1 Corporate Drive, Suite 360, Lake Zurich, Illinois.

1.2 Unlicensed Activity. In March 2010, RCW 31.04.035 was amended to require all persons who service Washington residential mortgage loans to obtain and maintain a consumer loan license by

1 July 1, 2010. On or about April 28, 2010, the Department received an application for a consumer loan
2 license from Respondent, but the application process was not completed and no license was issued.
3 On or about July 26, 2010, the Department received another application from Respondent for a
4 consumer loan license, but the application process was, again, not completed and no license was
5 issued. In about February 2011, the Department, while conducting an examination of a Consumer
6 Loan Act licensee, became aware that Respondent was acting as a sub-servicer for Washington
7 residential mortgage loans. Upon the Department's inquiry, Respondent provided a spreadsheet of
8 approximately 4,692 Washington residential mortgage loans for which Respondent was providing
9 servicing. Additionally, Respondent's internet site (www.dovenmuehle.com) makes the following
10 statement: "Dovenmuehle services residential, commercial and multifamily mortgage loans for
11 borrowers located in all 50 states...."

12 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
13 Act by Respondent continues to date.

14 II. GROUNDS FOR ENTRY OF ORDER

15 **2.1 Definition of Servicing.** Pursuant to RCW 31.04.015(26) and WAC 208-620-010, "Service or
16 Servicing a Loan" includes, on behalf of the lender or investor of a residential mortgage loan, (a)
17 collecting or receiving payments on existing obligations due and owing to the lender or investor,
18 including payments of principal, interest, escrow amounts, and other amounts due and (b) collecting
19 fees due to the servicer.

20 **2.2 Definition of Unfair and Deceptive Practice.** Pursuant to RCW 31.04.208, any violation of the
21 Act is an unfair and deceptive practice.

1 **2.3 Unlicensed Activity.** Based on the Factual Allegations set forth in Section I above,
2 Respondent is in apparent violation of RCW 31.04.027(2), RCW 31.04.035, and WAC 208-620-231
3 by servicing Washington residential mortgage loans without a license.

4 III. AUTHORITY TO IMPOSE SANCTIONS

5 **3.1 Authority to Enter Order to Cease and Desist.** Pursuant to RCW 31.04.093(5), the Director
6 may issue an order directing any person subject to the Act to cease and desist from conducting
7 business in a manner that is injurious to the public or violates any provision of the Act.

8 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 31.04.093(6)(e), the Director may
9 issue an order prohibiting from participation in the affairs of any licensee, any person subject to the
10 Act for any violation of RCW 31.04.027.

11 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
12 up to one hundred dollars per day for any violation of the Act.

13 IV. NOTICE OF INTENTION TO ENTER ORDER

14 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as
15 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
16 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW
17 31.04.205. Therefore, it is the Director's intention to ORDER that:

18 **4.1** Respondent Dovenmuehle Mortgage, Inc. cease and desist from servicing any and all Washington
19 residential mortgage loans without first obtaining a license to do so;

20 **4.2** Respondent Dovenmuehle Mortgage, Inc. be prohibited from participating in the affairs of any
21 licensee, in any manner, for a period of five years;

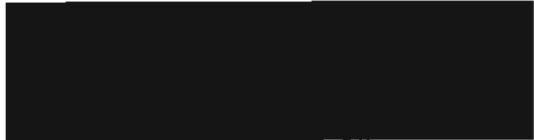
22 **4.3** Respondent Dovenmuehle Mortgage, Inc. pay a fine of \$500,000; and

23 **4.4** Respondent Dovenmuehle Mortgage, Inc. maintain records in compliance with the Act and
24 provide the Director with the location of the books, records and other information relating to Respondent
25 Dovenmuehle Mortgage, Inc.'s consumer loan company business, and the name, address, and telephone
number of the individual responsible for maintenance of such records in compliance with the Act.

V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist and to Impose Fine is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, 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 15th day of March, 2011.



DEBORAH BORTNER
Director and Enforcement Chief
Division of Consumer Services
Department of Financial Institutions

Presented by:



Steven C. Sherman
Financial Legal Examiner

Approved by:



James R. Brusselback
Enforcement Chief