

ORDER SUMMARY – Case Number: C-12-1002

Name(s): Kevin Gardner Inc. dba Snohomish Mortgage Company
Kevin E. Gardner
Laura L. LaCombe

Order Number: C-12-1002-13-CO01

Effective Date: July 9, 2013

License Number: DFI: 29631 NMLS ID: 121366 (Kevin Gardner Inc.)
DFI: 29632 NMLS ID: 123231 (Kevin E. Gardner)
NMLS ID: 1095754 (Laura L. LaCombe)

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: Stayed for 2 years subject to 2 exams

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until:

Investigation Costs	\$1,152	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 6/24/13
Fine -1	\$7,500	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 6/24/13
Fine - 2	\$7,500	Due 1/9/14	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Restitution	\$5,394.51	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 6/24/13
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:	3			

Comments: MB license revocation stayed for 2 years subject to 2 successful exams. Fine of \$15,000 split - \$7,500 due upon entry of CO and remaining \$7,500 due within 6 months of entry of CO.

JUN 17 2013

Enforcement Unit
Division of Consumer Services
Dept. of Financial InstitutionsSTATE 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:
KEVIN GARDNER, INC. d/b/a SNOHOMISH
MORTGAGE COMPANY,
KEVIN E. GARDNER, 50% Owner and
Designated Broker,
LAURA L. LACOMBE, 50% Owner, and
TIMOTHY CHIANGPRADIT, Loan Originator,
Respondents.

No.: C-12-1002-13-CO01

CONSENT ORDER AS TO
KEVIN GARDNER, INC. d/b/a
SNOHOMISH MORTGAGE COMPANY,
KEVIN E. GARDNER, and
LAURA L. LACOMBE

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Deborah Bortner, Division Director, Division of Consumer Services, and Kevin Gardner,
Inc. d/b/a Snohomish Mortgage Company (Respondent Snohomish Mortgage), Kevin E. Gardner,
50% owner and Designated Broker (Respondent Gardner), Laura L. LaCombe, 50% owner
(Respondent LaCombe), and finding that the issues raised in the above-captioned matter may be
economically and efficiently settled solely as they relate to Respondents Snohomish Mortgage,
Gardner, and LaCombe, agree to the entry of this Consent Order. This Consent Order is entered
pursuant to chapter 19.146 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
Respondents Snohomish Mortgage, Gardner, and LaCombe have agreed upon a basis for resolution
of the matters alleged in Statement of Charges No. C-12-1002-12-SC01 (Statement of Charges),
entered March 14, 2013, (copy attached hereto) solely as they relate to Respondents Snohomish
Mortgage, Gardner, and LaCombe. Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices

CONSENT ORDER
C-12-1002-13-CO01
Kevin Gardner, Inc. d/b/a Snohomish Mortgage Company.
Kevin E. Gardner, and Laura L. LaCombe

I

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

1 Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents Snohomish
2 Mortgage, Gardner, and LaCombe hereby agree to the Department's entry of this Consent Order and
3 further agree that the issues raised in the above-captioned matter may be economically and efficiently
4 settled by entry of this Consent Order solely as they relate to Respondents Snohomish Mortgage,
5 Gardner, and LaCombe. The parties intend this Consent Order to fully resolve the Statement of
6 Charges solely as they relate to Respondents Snohomish Mortgage, Gardner, and LaCombe.

7 Based upon the foregoing:

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

10 B. **Waiver of Hearing.** It is AGREED that Respondents Snohomish Mortgage, Gardner, and
11 LaCombe have been informed of the right to a hearing before an administrative law judge, and
12 hereby waive their right to a hearing and any and all administrative and judicial review of the issues
13 raised in this matter, or of the resolution reached herein. Accordingly, Respondents Snohomish
14 Mortgage, Gardner, and LaCombe, by their signatures below, withdraw their application for an
15 adjudicative hearing contesting the Statement of Charges before the Office of Administrative
16 Hearings.

17 C. **No Admission of Liability.** It is AGREED that Respondents Snohomish Mortgage,
18 Gardner, and LaCombe neither admit nor deny any wrongdoing by entry of this Consent Order.

19 D. **Stayed License Revocation.** It is AGREED that Respondent Snohomish Mortgage's
20 license to conduct business as a mortgage broker is subject to revocation. It is further AGREED that
21 said revocation shall be stayed for a period of two (2) years, and that Respondent Snohomish
22 Mortgage shall be subject to compliance examinations during the two (2) year stayed revocation to be
23 conducted by the Department at the Department's discretion following five (5) business days' written
24 notice to Respondent Snohomish Mortgage and pursuant to the requirements of WAC 208-660-510

(not to exceed one compliance examination per calendar year). Respondents Snohomish Mortgage, Gardner, and LaCombe AGREE to pay all costs associated with these examinations within 30 days of receipt of an invoice. Respondents Snohomish Mortgage, Gardner, and LaCombe further AGREE to promptly respond to and address any and all issues, if any, identified in the compliance examinations to the satisfaction of the Department. It is further AGREED that if the Department does not seek to lift the stay and impose the revocation within the two (2) year stay period, said revocation will be deemed withdrawn without further action being required by either party.

E. Lifting of Stay and Imposing Revocation. It is AGREED that:

1. If as a result of either compliance examination set forth above the Department determines that Respondent Snohomish Mortgage has not complied with the Act to a degree sufficient to warrant revocation, and the Department accordingly seeks to lift the stay and impose the revocation set forth in section D above, the Department will first notify Respondent Snohomish Mortgage in writing of its determination.
2. The Department's notification will include:
 - a. A description of the alleged noncompliance;
 - b. A statement that because of the noncompliance, the Department seeks to lift the stay and impose the revocation;
 - c. The opportunity for Respondent Snohomish Mortgage to contest the Department's determination of noncompliance in an administrative hearing before an ALJ of OAH; and
 - d. A copy of this Consent Order. The notification and hearing process provided in this Consent Order applies only to this Consent Order. It is solely provided in the event Respondent Snohomish Mortgage chooses to contest the Department's determination of noncompliance.
3. Respondent Snohomish Mortgage will be afforded ten (10) business days from the date of receipt of the Department's notification to submit a written request to the Department for an administrative hearing to be held before an Administrative Law Judge (ALJ) from the Office of Administrative Hearings (OAH).
4. Respondent Snohomish Mortgage, in addition to its request for hearing, may provide a written response to include any information pertaining to the alleged noncompliance.

- 1 5. The administrative hearing shall be expedited and follow the timing and processes
2 described in this Consent Order.
- 3 6. If requested, the hearing will be held within 15 business days (or as soon as the
4 schedule of the ALJ permits) from the due date for Respondent Snohomish
5 Mortgage's request for hearing or from the date of receipt of Respondent Snohomish
6 Mortgage's timely request for hearing, whichever is sooner. The parties will
7 accommodate the prompt scheduling of the hearing.
- 8 7. The scope and issues of the hearing are limited solely to whether or not Respondent
9 Snohomish Mortgage is in violation of the Act to a degree sufficient to warrant license
10 revocation.
- 11 8. At the conclusion of the hearing, the ALJ will issue an initial decision. Either party
12 may file a Petition for Review with the Director of the Department.
- 13 9. If Respondent Snohomish Mortgage does not request the hearing within the stated
14 time, the Department will immediately revoke Respondent Snohomish Mortgage's
15 mortgage broker license and pursue whatever action it deems necessary to enforce the
16 revocation.

17 **F. Compliance.** It is AGREED that Respondent Snohomish Mortgage has implemented and
18 will utilize for the duration of the stay period a Quality Assurance Plan which requires a pre-
19 submission and post-closing compliance review on all files. It is further AGREED that Respondent
20 Gardner will engage an independent contractor consultant to perform post-closing compliance audits
21 consistent with industry standards.

22 **G. Fine.** It is AGREED that Respondents Snohomish Mortgage, Gardner, and LaCombe
23 shall pay a fine to the Department in the amount of \$15,000. The amount of \$7,500, in the form of a
24 cashier's check made payable to the "Washington State Treasurer," shall be paid upon entry of this
 Consent Order. The remaining \$7,500 shall be paid within six (6) months of the date of the entry of
 this Consent Order and shall also be in the form of a cashier's check made payable to the
 "Washington State Treasurer." If the remaining amount is not paid timely, Respondents Snohomish
 Mortgage, Gardner, and LaCombe will be in breach of the Consent Order for non-payment and the
 stay of revocation shall be lifted in the manner set forth in section D above. The Department will

1 notify Respondents Snohomish Mortgage, Gardner, and LaCombe of the breach and its intention to
2 impose the revocation. Respondents Snohomish Mortgage, Gardner, and LaCombe will have ten
3 (10) business days from the date of receipt of the Department's notification to submit a written
4 request to the Department for an administrative hearing to be held before an ALJ from the OAH. The
5 scope and issue of the hearing will be limited solely to whether or not payment was timely received.
6 At the conclusion of the hearing, the ALJ will issue an initial decision. Either party may file a
7 Petition for Review with the Director of the Department. If Respondent Snohomish Mortgage does
8 not request the hearing within the stated time, the Department will immediately revoke Respondent
9 Snohomish Mortgage's mortgage broker license and pursue whatever action it deems necessary to
10 enforce the revocation.

11 **H. Restitution.** It is AGREED that Respondents Snohomish Mortgage, Gardner, and
12 LaCombe have paid restitution totaling \$5,394.51 to the three (3) borrowers identified in Appendix A
13 of the Statement of Charges.

14 **I. Investigation Fee.** It is AGREED that Respondents Snohomish Mortgage, Gardner, and
15 LaCombe shall pay to the Department an investigation fee of \$1,152, in the form of a cashier's check
16 made payable to the "Washington State Treasurer," upon entry of this Consent Order. The initial
17 \$7,500 Fine and the Investigation Fee may be paid together in one cashier's check of \$8,652 made
18 payable to the "Washington State Treasurer."

19 **J. Records Retention.** It is AGREED that Respondent Snohomish Mortgage, its officers,
20 employees, and agents shall maintain records in compliance with the Act and provide the Director
21 with the location of the books, records and other information relating to Respondent Snohomish
22 Mortgage's mortgage broker business, and the name, address and telephone number of the individual
23 responsible for maintenance of such records in compliance with the Act.

1 **K. Authority to Execute Order.** It is AGREED that the undersigned have represented and
2 warranted that they have the full power and right to execute this Consent Order on behalf of the
3 parties represented.

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

9 **M. Voluntarily Entered.** It is AGREED that the undersigned Respondents Snohomish
10 Mortgage, Gardner, and LaCombe have voluntarily entered into this Consent Order, which is
11 effective when signed by the Director's designee.

12 **N. Completely Read, Understood, and Agreed.** It is AGREED that Respondents
13 Snohomish Mortgage, Gardner, and LaCombe have read this Consent Order in its entirety and fully
14 understand and agree to all of the same.

15 **RESPONDENTS:**

16 **Kevin Gardner, Inc. d/b/a Snohomish Mortgage Company**

17 By:

[Redacted Signature]

18 Kevin E. Gardner
19 50% Owner and Designated Broker

6/10/13
Date

20 [Redacted Signature]

21 Laura L. LaCombe
22 50% Owner

6/10/13
Date

23 [Redacted Signature]

24 Kevin E. Gardner
Individually

6/10/13
Date

1
2
3 Laura L. LaCombe
Individually

Date

4
5 Andrew G. Yates, WSBA No. 34239
Lane Powell, PC
6 Attorney for Respondents

Date

7 DO NOT WRITE BELOW THIS LINE

8
9 THIS ORDER ENTERED THIS ____ DAY OF _____, 2013.

10
11
12 DEBORAH BORTNER
Director, Division of Consumer Services
13 Department of Financial Institutions

14 Presented by:

15
16 DEVON P. PHELPS
Financial Legal Examiner

17 Approved by:

18
19 CHARLES E. CLARK
20 Enforcement Chief

1 [REDACTED]
2
3 Laura L. LaCombe
4 Individually

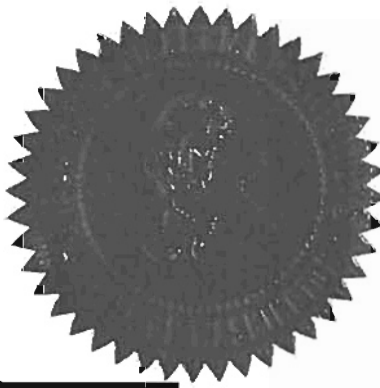
6/10/13
Date

5 Andrew G. Yates, WSBA No. 34239
6 Lane Powell, PC
7 Attorney for Respondents

Date

DO NOT WRITE BELOW THIS LINE

8
9 THIS ORDER ENTERED THIS 9th DAY OF July, 2013.



10 [REDACTED]
11
12 DEBORAH BORTNER
13 Director, Division of Consumer Services
14 Department of Financial Institutions

14 Presented by:

15 [REDACTED]
16 DEVON P. PHELPS
17 Financial Legal Examiner

18 Approved by:

19 [REDACTED]
20 CHARLES E. CLARK
21 Enforcement Chief

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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:

KEVIN GARDNER, INC. D/B/A SNOHOMISH
MORTGAGE COMPANY,
KEVIN E. GARDNER, 50% Owner and
Designated Broker,
LAURA L. LACOMBE, 50% Owner, and
TIMOTHY CHIANGPRADIT, Loan Originator,

Respondents.

No. C-12-1002-12-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO REVOKE LICENSES,
PROHIBIT FROM INDUSTRY, ORDER
RESTITUTION, IMPOSE FINES, 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). 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:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Kevin Gardner, Inc. d/b/a Snohomish Mortgage Company (Snohomish Mortgage)** was licensed by the Department of Financial Institutions of the State of Washington
(Department) to conduct business as a mortgage broker on or about March 10, 2006, and continues to
be licensed to date. Respondent Snohomish Mortgage is licensed to conduct business from its main
office at 1030 Avenue D, Suite 7, Snohomish, Washington.

1 **B. Kevin E. Gardner (Gardner)** is 50% Owner and Designated Broker of Respondent
2 Snohomish Mortgage. Respondent Gardner was named Designated Broker of Respondent
3 Snohomish Mortgage on or about March 10, 2006, and continues to be Designated Broker to date.
4 Respondent Gardner was licensed by the Department to conduct business as a loan originator on or
5 about January 17, 2007, and continues to be licensed to date.

6 **C. Laura L. LaCombe (LaCombe)** is 50% Owner of Respondent Snohomish Mortgage.

7 **D. Timothy Chiangpradit (Chiangpradit)** was licensed by the Department to conduct
8 business as a loan originator on or about May 25, 2007, and continues to be licensed to date.

9 **1.2 Examination.** The Department conducted an on-site examination of Respondent Snohomish
10 Mortgage from April 16, 2012, through April 19, 2012. The scope of this examination included a
11 review of Respondent Snohomish Mortgage's business practices from January 1, 2010, through
12 January 31, 2012, and included a review of 23 loan files and five withdrawn or denied files.

13 **1.3 Failure to Comply with the Director's Authority to Conduct Examinations.** On or about
14 November 22, 2011, the Department requested a list of all Washington loans originated, brokered,
15 funded, purchased, serviced, or sold between October 1, 2009 and October 31, 2011. Respondents
16 Snohomish Mortgage, Gardner, and LaCombe failed to disclose at least one loan they had originated.

17 **1.4 Misrepresentation of Borrower Information.** In at least one loan, Respondent Chiangpradit
18 misrepresented the borrowers' intent of primary occupancy by completing a refinance and purchase
19 transaction within less than a month for the same borrowers on different properties while identifying
20 both properties as owner-occupied.

21 **1.5 Collecting Unlawful Fees.** In one loan, Respondents Snohomish Mortgage, Gardner, and
22 LaCombe failed to disclose owner's title insurance on the GFE but collected this fee from the
23 borrower at closing. In a second loan, the total fees for required services not selected by the borrower
24 increased by more than 10%, in violation of the Real Estate Settlement Procedures Act (RESPA).

1 In two other loans, the loan origination fee in Block 1 improperly increased from the GFE to the
2 HUD-1 Settlement Statement in violation of RESPA.

3 **1.6 Failure to Properly Provide State and Federal Disclosures.**

4 **A. Failure to Provide Accurate One-Page Summary Loan Disclosure Document.**

5 In at least two loans, Respondents Snohomish Mortgage, Gardner, and LaCombe did not provide
6 an accurate one-page disclosure summary.

7 **B. Failure to Provide Accurate Good Faith Estimate (GFE).** In at least 17 loans,
8 Respondents Snohomish Mortgage, Gardner, and LaCombe failed to provide an accurate GFE.

9 **C. Failure to Properly Provide Rate Lock Agreement.** In at least two loans,
10 Respondents Snohomish Mortgage, Gardner, and LaCombe failed to provide a Rate Lock
11 Agreement to the borrowers. In at least four other loans, Respondents Snohomish Mortgage,
12 Gardner, and LaCombe failed to reissue a Rate Lock Agreement after a lock extension. In at least
13 six other loans, Respondents Snohomish Mortgage, Gardner, and LaCombe provided a Rate Lock
14 Agreement that was inaccurately completed.

15 **D. Failure to Provide Accurate Adjustable Rate Mortgage Disclosure.** In at least
16 one loan, Respondents Snohomish Mortgage, Gardner, and LaCombe failed to provide an accurate
17 Adjustable-Rate Mortgage Disclosure to the borrower.

18 **E. Failure to Provide Accurate Truth-in-Lending (TIL) Disclosure Statements.** In
19 at least six loans, Respondents Snohomish Mortgage, Gardner, and LaCombe failed to provide
20 accurate TILs to the borrowers.

21 **F. Failure to Provide Accurate Privacy Policy Disclosure and Opt-Out Notice.** In
22 at least two loans, Respondents Snohomish Mortgage, Gardner, and LaCombe failed to provide
23 accurate Privacy Policy Disclosures and Opt-Out Notices to the borrowers.

1 **G. Failure to Provide Accurate Equal Credit Opportunity Act (ECOA) Notice.** In
2 at least seven loans, Respondents Snohomish Mortgage, Gardner, and LaCombe failed to properly
3 identify the name and address of the federal agency that administers compliance with the ECOA
4 on the ECOA Notice to the borrowers.

5 **1.7 Deceptive Disclosures.** In at least three loans, Respondents Snohomish Mortgage,
6 Gardner, and LaCombe provided incomplete or blank disclosures which the borrower signed. In
7 one of those loans, Respondents Snohomish Mortgage, Gardner, and LaCombe also provided
8 disclosures or forms with inaccurate information relating to the borrowers' loan program.

9 **1.8 Advertising.**

10 **A. Failure to Display NMLS Number and Provide Link to NMLS.** As of April 16,
11 2012, Respondent Snohomish Mortgage, Gardner, and LaCombe's Facebook page used its trade
12 name, Snohomish Mortgage, but did not display Respondent Snohomish Mortgage's NMLS
13 number. In addition, Respondents Snohomish Mortgage, Gardner, and LaCombe's primary
14 website, www.snohomishmtg.com, did not provide a link to the NMLS consumer access web site
15 page for the company.

16 **B. Failure to Display Loan Originator NMLS Numbers.** As of April 16, 2012,
17 Respondents Snohomish Mortgage, Gardner, and LaCombe's sandwich board outside Respondent
18 Snohomish Mortgage's office and three print ads did not include loan originator NMLS numbers
19 immediately following the loan originator's name for two of its loan originators.

20 **C. Advertising "Lowest" Rates.** As of April 16, 2012, two pages on Respondents
21 Snohomish Mortgage, Gardner, and LaCombe's web site and one page on social media advertised
22 using the words "lowest rate(s)."

23 **D. Failure to Disclose Additional Credit Terms.** As of April 16, 2012, Respondents
24 Snohomish Mortgage, Gardner, and LaCombe failed to disclose additional credit terms in print

1 advertisements on a sandwich board outside Respondent Snohomish Mortgage's office and in a
2 print advertisement.

3 **E. Failure to Maintain Advertisement Records.** Respondents Snohomish Mortgage,
4 Gardner, and LaCombe failed to maintain a history of its advertisements and corresponding lender
5 rate sheets for the preceding 25 months.

6 **1.9 Failure to Maintain Books and Records.** In at least three loan files, Respondents
7 Snohomish Mortgage, Gardner, and LaCombe failed to retain all loan documents. To the extent that
8 Respondents Snohomish Mortgage, Gardner, and LaCombe may claim that documents not found in
9 loan files were provided, then Respondents Snohomish Mortgage, Gardner, and LaCombe failed to
10 maintain accurate and current books and records.

11 **1.10 On-Going Investigation.** The Department's investigation into the alleged violations of the
12 Act by Respondents continues to date.

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

14 **2.1 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed
15 mortgage broker must at all times have a designate broker responsible for all activities of the
16 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or
17 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,
18 employee's, or independent contractor's violations of the Act if: the designated broker, principal, or
19 owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows
20 the conduct; or the designated broker, principal, or owner who has supervisory authority over the
21 licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known
22 of the conduct, at a time when its consequences can be avoided or mitigated and fails to take
23 reasonable remedial action.

1 **2.2 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed
2 mortgage broker is liable for any conduct violating the Act by the designated broker or a loan
3 originator while employed or engaged by the licensed mortgage broker.

4 **2.3 Requirement to Comply with the Director's Examination Authority.** Respondents
5 Snohomish Mortgage, Gardner, and LaCombe are in apparent violation of RCW 19.146.235(2)(a) for
6 failing to disclose at least one loan originated by Respondent Snohomish Mortgage on the loan list
7 provided to the Department.

8 **2.4 Prohibition against Misrepresentation of Borrower Information.** Based on the Factual
9 Allegations set forth in Section I above, Respondents Snohomish Mortgage, Gardner, LaCombe, and
10 Chiangpradit are in apparent violation of RCW 19.146.0201(2), and (3) for misrepresenting borrower
11 information on loan applications.

12 **2.5 Prohibited Fees.** Based on the Factual Allegations set forth in Section I above, Respondents
13 are in apparent violation of RCW 19.146.0201(2), (3), (6), and (13) and RCW 19.146.030(4) for
14 collecting unlawful fees and failing to provide a written explanation for an increase in fees.

15 **2.6 Requirement to Make Full and Accurate Disclosures to Applicants.** Based on the Factual
16 Allegations set forth in Section I above, Respondents Snohomish Mortgage, Gardner, and LaCombe
17 are in apparent violation of RCW 19.146.0201(2), (6), and (7) for providing incomplete disclosures
18 which borrowers signed and providing disclosures or forms with inaccurate information.
19 Respondents Snohomish Mortgage, Gardner, and LaCombe are also in apparent violation of RCW
20 19.146.0201(2), (6), and (11), RCW 19.146.030, RCW 19.146.095, WAC 208-660-430 and WAC
21 208-660-500(3)(b), (k), (r), and (v) for failing to make disclosures in compliance with applicable state
22 and federal law.

23 **2.7 Prohibition against Advertising Violations.** Based on the Factual Allegations set forth in
24 Section I above, Respondents Snohomish Mortgage, Gardner, and LaCombe are in apparent violation

1 of RCW 19.146.0201(2), (7), and (11), WAC 208-660-180(9), WAC 208-660-350(24), WAC 208-
2 660-440(5) and (7), WAC 208-660-446, and WAC 208-660-450(1)(b) and (3)(a) for failing to
3 provide the NMLS unique identifier for Respondent Snohomish Mortgage when using its trade name,
4 failing to provide a link to the NMLS page for Respondent Snohomish Mortgage on its website,
5 failing to provide the NMLS unique identifier for at least two loan originators on its sandwich board
6 and in print advertisements, advertising using the words "lowest rate(s)" on its website and Facebook
7 page, failing to disclose additional credit terms in print advertisements, and failing to maintain a
8 history of its advertisements and corresponding lender rate sheets for the preceding 25 months.

9 **2.8 Requirement to Maintain Accurate and Current Books and Records.** Based on the
10 Factual Allegations set forth in Section I above, to the extent that Respondents Snohomish Mortgage,
11 Gardner, and LaCombe claim to have completed or provided those documents which could not be
12 found in the examined loan files, Respondents Snohomish Mortgage, Gardner, and LaCombe are in
13 apparent violation of RCW 19.146.060(2) and WAC 208-660-450 for failing to keep all books and
14 records in a location that is on file with and readily available to the Department until at least twenty-
15 five months have elapsed following the effective period to which the books and records relate.

16 **III. AUTHORITY TO IMPOSE SANCTIONS**

17 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke
18 licenses for any violation of the Act.

19 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
20 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
21 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
22 mortgage broker or any person subject to licensing under the Act for any violation of RCW
23 19.146.0201(1) through (9), RCW 19.146.030, and RCW 19.146.060.

1 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
2 restitution against licensees or other persons subject to the Act for any violation of the Act.

3 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
4 against a licensee or other persons subject to the Act for any violation of the Act.

5 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
6 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour
7 for an examiner's time devoted to an investigation of a licensee or other person subject to the Act.

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

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

13 **4.1** Respondent Kevin Gardner Inc. d/b/a Snohomish Mortgage's license to conduct the
14 business of a mortgage broker be revoked.

15 **4.2** Respondents Kevin E. Gardner and Timothy Chiangpradit's licenses to conduct the
16 business of a loan originator be revoked.

17 **4.3** Respondents Kevin Gardner Inc. d/b/a Snohomish Mortgage, Kevin E. Gardner, Laura
18 L. LaCombe, and Timothy Chiangpradit be prohibited from participation in the
19 conduct of the affairs of any mortgage broker subject to licensure by the Director, in
20 any manner, for a period of five years.

21 **4.4** Respondents Kevin Gardner Inc. d/b/a Snohomish Mortgage, Kevin E. Gardner, and
22 Laura L. LaCombe jointly and severally pay restitution totaling \$5,394.51 to the 3
23 borrowers identified in Appendix A of this Statement of Charges.

24 **4.5** Respondents Kevin Gardner Inc. d/b/a Snohomish Mortgage, Kevin E. Gardner, and
Laura L. LaCombe jointly and severally pay a fine which as of the date of this
Statement of Charges totals \$50,000.

4.6 Respondent Timothy Chiangpradit pay a fine which as of the date of this Statement of
Charges totals \$3,000.


1 4.7 Respondents Kevin Gardner Inc. d/b/a Snohomish Mortgage, Kevin E. Gardner, and
2 Laura L. LaCombe jointly and severally pay an investigation fee which as of the date
 of this Statement of Charges totals \$1,152.

3 4.8 Respondents Kevin Gardner, Inc. d/b/a Snohomish Mortgage, Kevin E. Gardner, and
4 Laura L. LaCombe maintain records in compliance with the Act and provide the
5 Department with the location of the books, records and other information relating to
6 Respondent Kevin Gardner, Inc. d/b/a Snohomish Mortgage's mortgage broker
 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

7 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
8 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
9 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
10 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
11 HEARING accompanying this Statement of Charges.

12 Dated this 14th day of March, 2013.

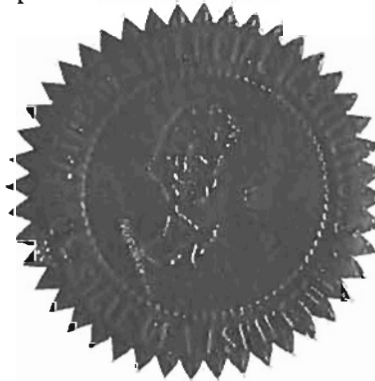
13 
14 DEBORAH BORTNER
15 Director
16 Division of Consumer Services
17 Department of Financial Institutions

18 Presented by:

19 
20 DEVON P. PHELPS
21 Financial Legal Examiner

22 Approved by:

23 
24 CHARLES E. CLARK
 Enforcement Chief



RESTITUTION

Borrower

Loan Number from HUD-1

Amount

\$1,290.24

\$3,999.27

\$105.00