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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
Mortgage Broker Practices Act of Washington by:

Miriam Lozano,

Respondent.

NO. C-04-133-07-FO01

**FINAL ORDER
Miriam Lozano**

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee Consumer Services Acting Division Director Deborah Bortner, pursuant to RCW 34.05.440(1). On October 18, 2006, the Director through his designee Consumer Services Division Director Chuck Cross, entered a Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry and Collect Investigation Fee (Statement of Charges). A copy of the Statement of Charges is attached and incorporated into this order by this reference.

On October 21, 2006 the Department served the Statement of Charges, cover letter dated October 20, 2006, Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Miriam Lozano (Respondent) on Respondent by sending packages containing the documents to Respondent at her residence via Federal Express overnight delivery and by first class mail. On October 21, 2006, 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 Respondent did not request an adjudicative hearing within twenty calendar days after the
2 Department served her 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 and cover letter dated February October 20, 2006; and
- 7 2. Notice of Opportunity to Defend and Opportunity for Hearing; and
- 8 3. Blank Application for Adjudicative Hearing for Miriam Lozano; and
- 9 4. Documentation of service on October 21, 2006, of the Statement of Charges, Notice
10 of Opportunity to Defend and Opportunity for Hearing, Blank Application for
11 Adjudicative Hearing for Miriam Lozano, and cover letter dated October 20, 2006;
12 and
- 13 5. Whatcom County Court Judgement and Sentence in State v. Miriam Lozano, Case
14 No. 05-1-01876-6, dated May 4, 2006, listing Respondents address as 3707 Morning
15 Mist Way, Bellingham, WA 98229.

16 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the
17 Director, through his Designee, hereby adopts the Statement of Charges, which is attached hereto.

18 II. FINAL ORDER

19 Based upon the foregoing, and the Director, through his designee, having considered the
20 record and being otherwise fully advised, NOW, THEREFORE:

21 A. IT IS HEREBY ORDERED, That:

- 22 1. Respondent Miriam Lozano be prohibited from participation in the conduct of the
23 affairs of any licensed mortgage broker, in any manner, for a period of ten (10) years
24 from the date of this Order; and
- 25 2. Respondent Miriam Lozano pay an investigation fee in the amount of \$2620.73
calculated at \$47.78 per hour for 54.85 staff hours devoted to the investigation.

1 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
2 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
3 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150
4 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
5 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
6 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
7 Reconsideration a prerequisite for seeking judicial review in this matter.
8

9 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date
10 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written
11 notice specifying the date by which it will act on a petition.
12

13 C. Stay of Order. The Director, through his Designee, has determined not to consider
14 a Petition to Stay the effectiveness of this order. Any such requests should be made in connection with a
15 Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

16 D. Judicial Review. Respondent has the right to petition the superior court for judicial
17 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing
18 a Petition for Judicial Review, see RCW 34.050.510 and subsequent sections.

19 E. Non-compliance with Order. If you do not comply with the terms of this order, the
20 Department may seek its enforcement by the Office of Attorney General to include the collection of the
21 fees imposed herein.
22

23 //
24 //
25 //

1 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
2 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
3 attached hereto.

4 DATED this 13th day of February, 2007.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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DEBORAH BORTNER
ACTING DIRECTOR
DIVISION OF CONSUMER SERVICES
DEPARTMENT OF FINANCIAL INSTITUTIONS

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

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

Miriam Lozano,

Respondent.

NO. C-04-133-06-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO PROHIBIT FROM INDUSTRY
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 (Act). After having conducted an
investigation pursuant to RCW 19.146.235, and based upon the facts available as of October 20, 2006,
the Director institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent: Miriam Lozano (Lozano) was a loan officer with Channel Lending at the time
of the alleged violations. Lozano is known to have conducted business at the following location:

Daniel R. Shaffer dba Channel Lending
1508 E. Sunset Dr. Bellingham, WA.

1.2 Investigation: The Department received information that Lozano had taken the personal
identification of a borrower and used that information to purchase two homes in the name of the
borrower without the borrower's knowledge or permission. Lozano admitted to falsifying information
contained in that borrower's loan applications.

1 Lozano also admitted to being romantically involved with the borrower and falsifying the
2 borrower's income, employment and citizenship information on two mortgage loan applications.

3 The borrower did not know Lozano had completed the two mortgage loan transactions in his
4 name, and he did not know Lozano had used false employment, income and citizenship information in
5 those two applications.

6 Lozano was indicted in Whatcom County Superior Court on December 1, 2005. Lozano plead
7 guilty on May 5, 2006. In Lozano's Statement of Defendant on Plea of Guilty, Lozano stated
8 "Between March 31, 2003 and August 12, 2003, in Whatcom County, State of Washington, I
9 submitted documents to Lenders that contained false and misleading information. Two Lenders relied
10 on that documentation. As a result the Lenders provided monies through mortgage financing that the
11 Lenders would not have loaned if they had known the correct information."

12
13 **1.3 Criminal Conviction of Felony:** On May 5, 2006, in the Superior Court of Whatcom County,
14 in Cause No. 05-1-01876-6, Lozano was convicted of the following:

15 **A. Theft In the First Degree – RCW 9A.56.030**

16 **1.4 Sentence:** As a result of Lozano's conviction of the felony described in Paragraph 1.3 above,
17 a Judgment and Sentence was ordered against Lozano as follows:

18 **A. Confinement:** Lozano's standard range was 0 – 90 days for one count of Theft 1.

19 However, Lozano agreed to an exceptional sentence of 180 days of confinement in the
20 custody of the Whatcom County Jail.
21

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

23
24 **2.1 Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e), the Director
25 may prohibit from participation in the conduct of the affairs of a licensed mortgage broker, any officer,
26

1 principal, employee, or loan originator of any licensed mortgage broker or any person subject to
2 licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or (12), RCW
3 19.146.030 through RCW 19.146.080, or RCW 19.146.200, or RCW 19.146.205(4), or RCW
4 19.146.265, or for conviction of a gross misdemeanor involving dishonesty or financial misconduct or
5 a felony after obtaining a license.

6 **2.2 Authority to Charge Investigation Fee:** Pursuant to RCW 19.146.228(2), WAC 208-660-060(4)
7 and WAC 208-660-061, upon completion of any investigation of the books and records of a licensee or
8 other person subject to the Act; the Department will furnish to the licensee or other person subject to the
9 Act a billing to cover the cost of the investigation. The investigation charge will be calculated at the rate
10 of forty-seven dollars and seventy-eight cents (\$47.78) per hour that each staff person devoted to the
11 investigation.
12

13 **III. NOTICE OF INTENTION TO ENTER ORDER**

14 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as
15 set forth in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry
16 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 3.1 Respondent Miriam Lozano be prohibited from participation in the conduct of the
19 affairs of any licensed mortgage broker, in any manner, for a period of ten (10)
20 years; and
21 3.2 Respondent Miriam Lozano pay an investigation fee in the amount of \$2620.73
22 calculated at \$47.78 per hour for 54.85 staff hours devoted to the investigation.

23 **IV. AUTHORITY AND PROCEDURE**

24 This Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry and
25 Collect Investigation Fee is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221,
26

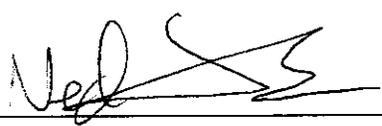
1 RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The
2 Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in
3 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
4 accompanying this Statement of Charges and Notice of Intention to Enter an Order to Prohibit from
5 Industry and Collect Investigation Fee.

6
7 Dated this 18th day of October 2006.



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11 CHUCK CROSS
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 
17 Ned Jursek
18 Financial Legal Examiner

19 Approved by:

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21
22
23 
24 James R. Brusselback
25 Enforcement Chief

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:

NO. C-04-133-06-SC01

MIRIAM LOZANO,

NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR HEARING

Respondent.

THE STATE OF WASHINGTON TO:

Miriam Lozano

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.

INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-speaking
cultural background, cannot readily speak or understand the English language, or if you or a witness for you is a person who,
because of a hearing impairment or speech defect, cannot readily understand or communicate in spoken language, including
persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN INTERPRETER, then a qualified interpreter

1 will be appointed at no cost to you or to the witness. You may request the appointment of a qualified interpreter by indicating
2 your request on the attached Application for Adjudicative Hearing form.

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

8 Washington State Department of Financial Institutions
9 Division of Consumer Services
10 Attn: James R. Brusselback
11 PO Box 41200
12 Olympia, Washington 98504-1200

13 Dated this 20th day of October, 2006



A handwritten signature in black ink, appearing to read "Chuck Cross".

14 CHUCK CROSS
15 Director and Enforcement Chief
16 Division of Consumer Services
17 Department of Financial Institutions