

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 DIVISION OF CONSUMER SERVICES

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

8 INFINITY FINANCIAL GROUP LLC, and
9 JEROD LEE KEYSER, Owner and
10 Designated Broker,

11 Respondents.

NO. C-06-175-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSES,
PROHIBIT FROM INDUSTRY, IMPOSE FINE,
ORDER RESTITUTION, AND COLLECT
INVESTIGATION FEE

12 INTRODUCTION

13 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial
14 Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146
15 RCW, the Mortgage Broker Practices Act (Act)¹. After having conducted an investigation pursuant to
16 RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the
17 Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this
18 proceeding and finds as follows:

19 I. FACTUAL ALLEGATIONS

20 1.1 Respondents.

21 A. **Infinity Financial Group LLC (Infinity Financial)** was licensed by the Department
22 of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage
23 broker on March 27, 2002, and has continued to be licensed to date. Respondent Infinity Financial is
24 licensed to conduct the business of a mortgage broker at the following two locations:

25 1221 Albeni Hwy, Ste. 2
Priest River, Idaho

1616 E. Seltice Way
Post Falls, Idaho

¹ RCW 19.146 (1994) OR (2006) OR both

1 B. **Jerod Lee Keyser (Keyser)** is Owner and Designated Broker of Respondent Infinity
2 Financial. Respondent Keyser was named Designated Broker of Respondent Infinity on March 27,
3 2002, and has continued as Designated Broker to date.

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5 **1.2 Unlicensed Activity.** Respondents were required to renew their main and branch office
6 licenses before January 1, 2008. Respondents, however, failed to file for license renewal until on or
7 about February 14, 2008. Respondents' main and branch office licenses were subsequently renewed
8 effective March 7, 2008. Between January 1, 2008, and March 7, 2008, Respondents assisted at least
9 five borrowers in applying to obtain residential mortgage loans on property located in the State of
10 Washington from the unlicensed main or branch office locations. Respondents assisted at least one of
11 these borrowers in obtaining a residential mortgage loan prior to the renewal of Respondents' licenses.
12 The borrower involved in this residential mortgage loan paid fees to Respondents totaling \$2,951.50.

13 **1.3 Failure to Notify Department of Significant Developments.**

14 A. On or about September 13, 2006, Respondent Keyser was charged by federal
15 Indictment under case No. 06-0126 with felony crimes related to his mortgage broker activities and
16 arraigned in the United States District Court for the District of Idaho. Respondents failed to notify the
17 Department of the Indictment in writing within 30 days of this occurrence.

18
19 B. On or about January 8, 2008, Respondent Keyser was charged by federal Information
20 under case No. 08-001 with a felony crime and was arraigned in the United States District Court for
21 the District of Idaho. Respondents failed to notify the Department of this Indictment in writing within
22 10 days of this occurrence.

23 C. On or about March 24, 2008, Respondent Keyser was convicted by guilty plea in the
24 United States District Court for the District of Idaho of a felony crime charged under federal case No.
25

1 08-001. Respondents failed to notify the Department of this conviction in writing within 10 days of
2 this occurrence.

3 **1.4 Negligent False Statement.** On February 26, 2008, Respondent Keyser spoke with a
4 representative of the Department concerning issues related to Indictment C-06-0126, and specifically a
5 notation in the Public Access to Court Electronic Records (PACER) system under that case number
6 stating that the case had been dismissed on January 22, 2008, in anticipation of Respondent Keyser
7 pleading guilty to charges under a 2008 case number.¹ Respondent Keyser stated to the Department's
8 representative that he had not been charged under any new case. The Department subsequently
9 received documents showing that an Information had been filed on January 8, 2008, under case No.
10 08-001, in the United States District Court for the District of Idaho, charging Respondent Keyser with
11 the felony crime of Conspiracy to Launder Money, and that Respondent Keyser had signed a Plea
12 Agreement on that date agreeing to plead guilty to the crime of Conspiracy to Launder Money.
13 Additionally, Respondent Keyser had appeared in the United States District Court for the District of
14 Idaho on February 25, 2008, at which time Respondent Keyser signed a document waiving
15 prosecution by Indictment and consenting to prosecution by Information.
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17 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
18 Act by Respondents continues to date.
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20 **II. GROUNDS FOR ENTRY OF ORDER**

21 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-
22 010(29), "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of
23 compensation or gain (a) makes a residential mortgage loan or assists a person in obtaining or
24 applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to make
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¹ The records available on PACER on that date did not include any 2008 case filed against Respondent Keyser.

1 a residential mortgage loan or assist a person in obtaining or applying to obtain a residential mortgage
2 loan.

3 **2.2 Definition of Borrower.** Pursuant to RCW 19.146.010(2), a “Borrower” is defined as any
4 person who consults with or retains a mortgage broker or loan originator in an effort to obtain or seek
5 advice or information on obtaining or applying to obtain a residential mortgage loan for himself,
6 herself, or persons including himself or herself, regardless of whether the person actually obtains such
7 a loan.

8 **2.3 Mortgage Broker Liability.** Pursuant to RCW 19.146.245, a licensed mortgage broker is
9 liable for any conduct violating the Act by the designated broker or loan originator.

10 **2.4 Unlicensed Activity.** Based on the Factual Allegations set forth in Section I above,
11 Respondents are in apparent violation of RCW 19.146.200, RCW 19.146.265, and WAC 208-660-
12 163(17) and (18) for engaging in the business of a mortgage broker without valid licenses under the
13 Act for either the main or branch office locations.

14 **2.5 Requirement to Notify Department of Significant Developments.** Based on the Factual
15 Allegations set forth in Section I above, Respondents are in apparent violation of former WAC 208-
16 660-150(1)(c) for failing to notify the Department in writing within thirty days of occurrence that on
17 or about September 13, 2006, Respondent Keyser was charged by federal Indictment under case No.
18 06-0126 with felony crimes related to his mortgage broker activities; are in apparent violation of WAC
19 208-660-400(25)(a) for failing to notify the Department in writing within ten days of occurrence that
20 on or about January 8, 2008, Respondent Keyser was charged by federal Information of a felony crime
21 under case No. 08-001; and are in apparent violation of WAC 208-660-400(25)(b) for failing to notify
22 the Department in writing within ten days of occurrence that on or about March 24, 2008, Respondent
23 Keyser was convicted of a felony crime under federal case No. 08-001.
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1 **2.6 Negligent False Statement.** Based on the Factual Allegations set forth in Section I above,
2 Respondents are in apparent violation of RCW 19.146.0201(8) for negligently making a false
3 statement of material fact in connection with an investigation conducted by the Department.

4 **III. AUTHORITY TO IMPOSE SANCTIONS**

5 **3.1 Authority to Revoke Licenses.** Pursuant to RCW 19.146.220(2)(e), the Director may revoke
6 a license for any violation of the Act.

7 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(c), the Director
8 may issue orders removing from office or prohibiting from participation in the conduct of the affairs of
9 a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any
10 licensed mortgage broker or any person subject to licensing under the Act for any violation of RCW
11 19.146.0201(1) through (9), or for conviction of a felony after obtaining a license.

12 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), the Director may impose fines
13 on a licensee or other person subject to the Act for any violations of the Act.

14 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2)(e), the Director may order
15 restitution for any violation of the Act.

16 **3.5 Authority to Collect Investigation Fee.** Pursuant to former RCW 19.146.228(2), former
17 WAC 208-660-060(4), former WAC 208-660-061, current RCW 19.146.228(2), and current WAC
18 208-660-550(5)(a), the Department may collect an investigation fee to cover the costs of any
19 investigation. The investigation charge will be calculated at the rate of forty-seven dollars and
20 seventy-eight cents (\$47.78) per hour that each staff person devoted to the investigation prior to
21 January 1, 2007, and at the rate of forty-eight dollars (\$48) per hour that each staff person devotes to
22 the investigation on or after January 1, 2007.
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1 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

- 6 **4.1** Respondent Infinity Financial Group LLC's license to conduct the business of a mortgage
7 broker be revoked; and
- 8 **4.2** Respondent Jerod Lee Keyser's license to conduct the business of a designated broker and loan
9 originator be revoked; and
- 10 **4.3** Respondent Infinity Financial Group LLC be prohibited from participation in the conduct of the
11 affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of
12 ten years; and
- 13 **4.4** Respondent Jerod Lee Keyser be prohibited from participation in the conduct of the affairs of any
14 mortgage broker subject to licensure by the Director, in any manner, for a period of ten years; and
- 15 **4.5** Respondents Infinity Financial Group LLC and Jerod Lee Keyser jointly and severally pay a fine
16 of \$9,000;
- 17 **4.6** Respondents Infinity Financial Group LLC and Jerod Lee Keyser jointly and severally pay
18 restitution in the amount of \$2,951.50 to the borrowers in loan number 40918515 for
19 Respondents' illegal practice of originating residential mortgage loans without a valid license.
- 20 **4.7** Respondents Infinity Financial Group LLC and Jerod Lee Keyser jointly and severally pay an
21 investigation fee in the amount of \$1,165.67 to date; calculated at \$47.78 per hour for the three
22 and three tenths staff hours devoted to the investigation prior to January 1, 2007, and calculated at
23 \$48 per hour for the twenty-one staff hours devoted to the investigation after January 1, 2007; and
- 24 **4.8** Respondents Infinity Financial Group LLC and Jerod Lee Keyser maintain records in compliance
25 with the Act and provide the Department with the location of the books, records and other
information relating to Respondent Infinity Financial Group LLC'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.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke Licenses,
3 Prohibit from Industry, Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of
4 Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW
5 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The
6 Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in
7 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
8 accompanying this Statement of Charges.
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10 Dated this 20th day of April, 2008.

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

17 Presented by:

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19 STEVEN C. SHERMAN
20 Financial Legal Examiner



21 Approved by:

22 

23 JAMES R. BRUSSELBACK
24 Enforcement Chief
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