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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:

YOUR MONEY STORE, INC., and  
GREGORY GEORGE ZANDI, President, Owner  
and Designated Broker, and MARY  
KATHERINE ZANDI, Secretary and Owner,

Respondents.

NO. C-08-250-08-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO REVOKE LICENSE, 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)<sup>1</sup>. 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. **Your Money Store, Inc. (YMS)** was originally licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on April 5, 2005, and that license was renewed on January 1, 2008. Respondent YMS is licensed to conduct the business of a mortgage broker at the following location: 24385 Sargeant Rd, Ramona, CA 92065.

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<sup>1</sup> RCW 19.146 2006

1 B. **Gregory George Zandi (Gregory Zandi)** is 50% Owner, President and Designated Broker of  
2 Respondent YMS. Respondent Gregory Zandi was named Designated Broker of Respondent YMS on April 5,  
3 2005, and has continued as Designated Broker to date. On January 1, 2007, Respondent Gregory Zandi was  
4 licensed to conduct the business of a loan originator under Respondent YMS and continues to be licensed to date.

5 C. **Mary Katherine Zandi (Mary Zandi)** is 50% Owner and Secretary of Respondent YMS.

6 **1.2 Prior Criminal Acts.** On or about May 26, 2005, Respondent Gregory Zandi was charged in Superior  
7 Court of California, County of San Diego East County Division with one count of Petty Theft, a misdemeanor  
8 pursuant to California Penal Code Section 490.1(a). On or about October 6, 2005, Respondent Gregory Zandi  
9 entered a plea of no contest to the charge of Petty Theft.

10 On or about June 18, 2007, the Superior Court of California, County of San Diego, East County  
11 Division, in court case number C250651 issued an Order Granting Petition for Relief and granted a petition to  
12 set aside the conviction and dismiss the charges. The Order Granting Petition for Relief also ordered the  
13 following: **"IT IS FURTHER ORDERED that the defendant is released from all penalties and disabilities**  
14 **resulting from this conviction, EXCEPT:** The defendant is ordered to disclose this conviction in response to  
15 any direct question contained in any questionnaire or application for public office, for licensure by any state or  
16 local agency,...."

17 **1.3 False Statements on Mortgage Broker Renewal Application.** The "Criminal Disclosure" section of  
18 the mortgage broker renewal license application consists of four questions, Respondents answered "no" to the  
19 following questions on the "Criminal Disclosure" of the mortgage broker renewal license application:

- 20 • 3-Has your designated broker, any owner or officer been convicted of or plead guilty or nolo  
21 contendere ("no contest") in a domestic, foreign or military court to a misdemeanor involving:  
22 financial services or a financial services-related business or any fraud, false statements or  
23 omissions, theft or any wrongful taking of property, bribery, perjury, forgery, counterfeiting,  
24 extortion or a conspiracy to commit any of the these offenses in the past 7 years? If yes,  
25 please provide an explanation.

- 4-Has your designated broker, any owner or officer been charged with a misdemeanor specified in 3 in the past 7 years? If yes, please provide an explanation.

Respondents were obligated by statute to answer questions on the mortgage broker renewal license application truthfully and to provide the Department with an explanation.

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

## II. GROUNDS FOR ENTRY OF ORDER

**2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making a false statement or knowingly and willfully making an omission of material fact in connection with any reports filed by a mortgage broker or in connection with an investigation conducted by the Department.

**2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set forth in Section I above, Respondents fail to meet the requirements of RCW 19.146.205(1), RCW 19.146.210(1), WAC 208-660-163(1) by failing to provide an accurate and complete written license application in the form prescribed by the Director.

**2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set forth in Section I above, Respondents fail to meet the requirements of RCW 19.146.210(1)(f) and WAC 208-660-163(2)(a) by failing to demonstrate character and general fitness such as to command the confidence of the community and to warrant a belief that the business will be operated honestly and fairly within the purposes of the Act.

## III. AUTHORITY TO IMPOSE SANCTIONS

**3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(e), and WAC 208-660-163, the Director may revoke a license for any violation of the Act.

**3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed

1 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
2 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or (12),  
3 RCW 19.146.030 through RCW 19.146.080, RCW 19.146.200, RCW 19.146.205(4), or RCW 19.146.265.

4 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-550(4),  
5 upon completion of any investigation of the books and records of a licensee or other person subject to the Act,  
6 the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of the  
7 investigation. The investigation charge will be calculated at the rate of forty-seven dollars (\$48) per hour that  
8 each staff person devoted to the investigation.

#### 9 IV. NOTICE OF INTENTION TO ENTER ORDER

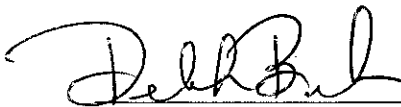
10 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth  
11 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis  
12 for the entry of an Order under RCW 19.146.220, RCW 19.146.221 and RCW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

- 14 **4.1** Respondent Your Money Store, Inc.'s license to conduct the business of a mortgage broker be revoked;  
15 and
- 16 **4.2** Respondent Gregory George Zandi's license to conduct the business of a loan originator be revoked; and
- 17 **4.3** Respondent Your Money Store, Inc. be prohibited from participation in the conduct of the affairs of any  
18 mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years; and
- 19 **4.4** Respondent Gregory George Zandi be prohibited from participation in the conduct of the affairs of any  
20 mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years; and
- 21 **4.6** Respondents Your Money Store, Inc., Gregory George Zandi and Mary Katherine Zandi jointly and  
22 severally pay an investigation fee in the amount of \$192 calculated at \$48 per hour for the four (4) staff  
hours devoted to the investigation; and
- 23 **4.7** Respondents Your Money Store, Inc., Gregory George Zandi and Mary Katherine Zandi maintain records  
24 in compliance with the Act and provide the Department with the location of the books, records and other  
information relating to Respondent Your Money Store, Inc.'s mortgage broker business, and the name,  
25 address and telephone number of the individual responsible for maintenance of such records in compliance  
with the Act.

1 **V. AUTHORITY AND PROCEDURE**

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

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9 Dated this 5<sup>th</sup> day of September, 2008.

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

16 Presented by:

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19 FATIMA BATIE  
20 Financial Legal Examiner Supervisor

21 Approved by:

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23 \_\_\_\_\_  
24 JAMES R. BRUSSELBACK  
25 Enforcement Chief

