



State of Washington

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

BRIEF ADJUDICATIVE PROCEEDING

IN THE MATTER OF INVESTIGATING
Whether there has been a violation of the Mortgage
Broker Practices Act of Washington (chapter
19.146 RCW) by:

EQUITY FINANCIAL GROUP, INC.,

Respondent.

NO. C-09-320-10-FO01

FINAL DECISION AND ORDER

I. DIRECTOR'S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.464. On September 15, 2009, the Director, through Consumer Services Division Director, Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and Collect Investigation Fee (Statement of Charges) against Equity Financial Group, Inc., Respondent. A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for a Brief Adjudicative Proceeding for Equity Financial Group, Inc. The Department served the Statement of Charges, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for a Brief Adjudicative Proceeding for Equity Financial Group, Inc. on Respondent, on September 15, 2009, by First-Class mail and Federal Express overnight delivery.

On October 29, 2009, the Department received from Respondent's representative a completed Application for Brief Adjudicative Proceeding.

On December 2, 2009, the Director, through Consumer Services Division Director, Deborah Bortner, entered an Amended Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and Collect Investigation Fee (Amended Statement of Charges) against Equity Financial Group, Inc. A copy of the Amended Statement of Charges is attached and incorporated into this order by this reference. The Amended Statement of Charges was accompanied by a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for a Brief Adjudicative Proceeding for Equity Financial Group, Inc. The Department served the Amended Statement of Charges, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for a Brief Adjudicative Proceeding for Equity Financial Group, Inc. on Respondent, on December 4, 2009, by First-Class mail and Federal Express overnight delivery.

On December 21, 2009, the Division of Consumer Services made a request to the BAP Hearing Officer, Joseph M. Vincent, (BAP Hearing Officer Vincent) to schedule and conduct a hearing on the Amended Statement of Charges. On January 12, 2010, BAP Hearing Officer Vincent issued a Notice of Assignment & Time to File Additional Materials giving Respondent until January 27, 2010, to provide additional materials.

On February 16, 2010, BAP Hearing Officer Vincent issued an Initial Decision and Order. This Initial Decision and Order includes the following Findings of Fact:

- Respondent was required to file a Mortgage Broker Annual Report (MBAR) on or before March 31, 2009.
- The Division did not receive the 2008 MBAR by March 31, 2009.

The Initial Decision and Order ordered Respondent to pay a fine of \$1,500 and to pay investigative costs of \$96. On February 16, 2010, the Initial Decision and Order was mailed to Respondent via First-Class mail.

Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent had twenty (20) days from the date of service of the Initial Decision and Order to file a Petition for Review of the Initial Decision and Order. Respondent did not file a Petition for Review during the statutory period.

B. Record Presented. The record presented to the Director for his review and for entry of a final decision included the following:

1. Statement of Charges, and Notice of Opportunity to Defend and Opportunity for Hearing, with documentation of service;
2. Amended Statement of Charges, and Notice of Opportunity to Defend and Opportunity for Hearing, with documentation of service;
3. Completed application for Brief Adjudicative Proceeding for Equity Financial Group, Inc.;
4. Letter requesting the scheduling of a Brief Adjudicative Proceeding;
5. Notice of Assignment & Time To File Additional Materials dated January 12, 2010; and
6. Initial Decision and Order dated February 16, 2010, with documentation of service.

C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director hereby adopts the Initial Decision and Order, which is attached hereto.

II. FINAL ORDER

Based upon the foregoing, and the Director having considered the record and being otherwise fully advised, NOW, THEREFORE:

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A. IT IS HEREBY ORDERED, That:

1. Respondent Equity Financial Group, Inc. pay a fine of \$1,500; and
2. Respondent Equity Financial Group, Inc. pay an investigative fee of \$96.

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

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

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

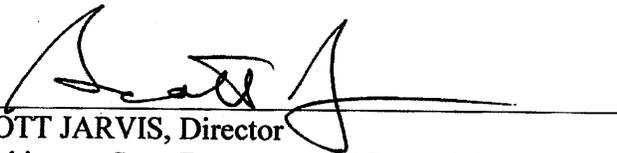
D. Judicial Review. Respondent has the right to petition the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

E. Non-compliance with Order. If Equity Financial Group, Inc. does not comply with the terms of this order, the Department may seek its enforcement by the Office of Attorney General to include the collection of the fine and fees imposed herein.

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

Dated this 18th day of May, 2010, at Tumwater, Washington.




SCOTT JARVIS, Director
Washington State Department of Financial Institutions

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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:

EQUITY FINANCIAL GROUP INC,

Respondent.

NO. C-09-320-09-SC02

AMENDED STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO IMPOSE FINE 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, the Department of Financial Institutions of the State of Washington (Department) issued Statement of Charges C-09-320-09-SC01 on September 15, 2009. Since the issuance of Statement of Charges C-09-320-09-SC01, information came to the Department that necessitated the amendment of Statement of Charges C-09-320-09-SC01. Based upon the facts available as the date of this Amended Statement of Charges, the Director now proceeds to amend Statement of Charges C-09-320-09-SC01 by issuing an Amended Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and Collect Investigation Fee C-09-320-09-SC02 (Amended Statement of Charges). This Amended Statement of Charges includes the following modifications: modification to paragraph 1.2 to the Factual Allegations, modification of the fine amount in paragraph 4.1, and deletion of paragraph 4.3 to the Notice of Intention to Enter Order.

I. FACTUAL ALLEGATIONS

1.1 Respondent Equity Financial Group Inc (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker at all times relevant to the conduct alleged.

1.2 Failure to Timely File Mortgage Broker Annual Report. By March 31, 2009, Respondent was required to file an annual report of mortgage broker activity to include the total number of closed loans

1 originated and the total volume of closed loans originated. Respondent filed the 2008 mortgage broker annual
2 report after April 30, 2009. Respondent also did not timely file the 2007 mortgage broker annual report.

3 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
4 Respondent continues to date.

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

6 **2.1 Requirement to Timely File Mortgage Broker Annual Report.** Based on the Factual Allegations set
7 forth in Section I above, Respondent is in apparent violation of RCW 19.146.290(1) and WAC 208-660-400(1),
8 (2), (3), and (4) for failing to timely file the mortgage broker annual report.

9 **III. AUTHORITY TO IMPOSE SANCTIONS**

10 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e) the Director may impose fines on a
11 licensee or other person subject to the Act for any violations of the Act.

12 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520, and WAC
13 208-660-550(4), upon completion of any investigation of the books and records of a licensee or other person subject
14 to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of
15 the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each staff person
16 devoted to the investigation.

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

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

22 **4.1** Respondent Equity Financial Group Inc pay a fine of \$1,500; and

23 **4.2** Respondent Equity Financial Group Inc pay an investigation fee, which as of the date of these
24 charges is \$96 calculated at \$48 per hour for two staff hours devoted to the investigation.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Amended Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and
3 Collect Investigation Fee (Amended 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). Respondent may make a written request for a Brief
6 Adjudicative Proceeding as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
7 OPPORTUNITY FOR BRIEF ADJUDICATIVE PROCEEDING accompanying this Amended Statement of
8 Charges.

9 Dated this 2nd day of December 2009.

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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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18 FATIMA BATIE
19 Financial Legal Examiner Supervisor

20 Approved by:

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22 JAMES R. BRUSSELBACK
23 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:

EQUITY FINANCIAL GROUP INC,
Respondent.

No. C-09-320-09-SC02

NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR BRIEF
ADJUDICATIVE PROCEEDING

THE STATE OF WASHINGTON TO:

Equity Financial Group Inc

YOU ARE HEREBY NOTIFIED that an AMENDED STATEMENT OF CHARGES has been issued 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 a Request for Brief Adjudicative Proceeding before the
Washington State Department of Financial Institutions on the Amended Statement of Charges. Service of this
notice is deemed complete upon deposit in the United States mail. YOUR REQUEST MUST BE RECEIVED BY
THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS FROM THE DATE
YOU RECEIVED THIS NOTICE. If you request a Brief Adjudicative Proceeding, you will be notified of the
schedule and oral argument, if any, at least seven (7) days in advance.

The Brief Adjudicative Proceeding will be as informal as is practical within the requirements of the
Administrative Procedure Act (see chapter 34.05 RCW). 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 are a person who, because of non-English-speaking cultural
background, cannot readily speak or understand the English language, or if you are 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 will be appointed at no cost to you. You may request the appointment of a qualified interpreter by
indicating your request on the attached Request for Brief Adjudicative Proceeding form.

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II. GROUNDS FOR ENTRY OF ORDER

2.1 Requirement to File Mortgage Broker Annual Report. Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.290(1) and WAC 208-660-400(1), (2), (3), and (4) for failing to file the mortgage broker annual report.

III. AUTHORITY TO IMPOSE SANCTIONS

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

3.2 Authority to Collect Investigation Fee. Pursuant to RCW 19.146.228(2), WAC 208-660-520, and WAC 208-660-550(4), upon completion of any investigation of the books and records of a licensee or other person subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each staff person devoted to the investigation.

IV. NOTICE OF INTENTION TO ENTER ORDER

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

- 4.1** Respondent Equity Financial Group Inc pay a fine of \$3,000; and
- 4.2** Respondent Equity Financial Group Inc pay an investigation fee, which as of the date of these charges is \$96 calculated at \$48 per hour for two staff hours devoted to the investigation; and
- 4.3** Respondent Equity Financial Group Inc file the 2008 annual report of mortgage broker activity.

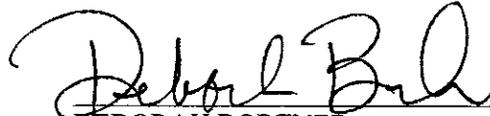
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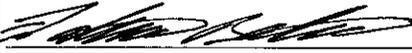
V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a Brief Adjudicative Proceeding as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR BRIEF ADJUDICATIVE PROCEEDING accompanying this Statement of Charges.

Dated this 15th day of September, 2009.

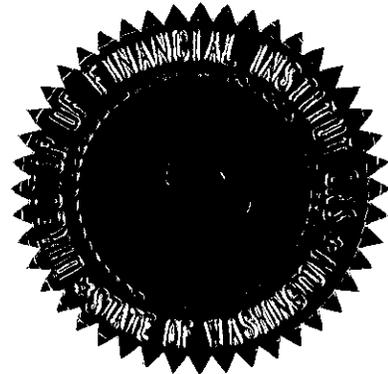

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:


FATIMA BATIE
Financial Legal Examiner Supervisor

Approved by:


JAMES R. BRUSSELBACK
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:

EQUITY FINANCIAL GROUP INC,
Respondent.

No. C-09-320-09-SC01

NOTICE OF OPPORTUNITY TO DEFEND
AND OPPORTUNITY FOR BRIEF
ADJUDICATIVE PROCEEDING

7 THE STATE OF WASHINGTON TO:

Equity Financial Group Inc

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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 a Request for Brief Adjudicative Proceeding 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 REQUEST MUST BE RECEIVED BY THE
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