

1 returned to the Department as undeliverable. The documents sent via First-Class mail were not
2 returned to the Department by the United States Postal Service.

3 On November 5, 2010, the Department served, by Federal Express overnight delivery, the
4 Statement of Charges, cover letter dated November 2, 2010, Notice of Opportunity to Defend and
5 Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents Mortgage
6 Modification Network LP, John Doe, and John Heatly, on Respondents' registered agent at 1502
7 Lakeside Ln, Huntington Beach, California. On November 8, 2010, the documents sent via Federal
8 Express overnight delivery were delivered on Respondents' registered agent.

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10 Respondents Mortgage Modification Network LP, John Doe, and John Heatly did not request
11 an adjudicative hearing within twenty calendar days after the Department served them with the Notice
12 of Opportunity to Defend and Opportunity for Hearing, as provided for in WAC 208-08-050(2).

13 B. Record Presented. The record presented to the Director's designee for her review and for
14 entry of a final decision included the Statement of Charges, cover letter dated November 2, 2010, Notice
15 of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing
16 for Mortgage Modification Network LP, John Doe, and John Heatly, with documentation of service;

17 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the Director's
18 designee hereby adopts the Statement of Charges, which is attached hereto.
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20 II. FINAL ORDER

21 Based upon the foregoing, and the Director's designee having considered the record and
22 being otherwise fully advised, NOW, THEREFORE:

23 A. IT IS HEREBY ORDERED, That:
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- 1 1. Respondents Mortgage Modification Network LP, John Doe, and John Heatly are to
2 cease and desist offering loan modification services or otherwise conducting the
3 business of a mortgage broker or loan originator in the State of Washington.
- 4 2. Respondents Mortgage Modification Network LP, John Doe, and John Heatly are
5 prohibited from participating in the conduct of the affairs of any mortgage broker
6 subject to licensure by the Director, in any manner, for five (5) years;
- 7 3. Respondents Mortgage Modification Network LP, John Doe , and, John Heatly,
8 jointly and severally pay a fine, totaling \$3,000;
- 9 4. Respondents Mortgage Modification Network LP, John Doe, and John Heatly, jointly
10 and severally pay restitution totaling \$2,995 to the borrowers outlined in the Statement
11 of Charges;
- 12 5. Respondents Mortgage Modification Network LP, John Doe , John Heatly, jointly
13 and severally pay an investigation fee totaling \$480; and
- 14 6. Respondents Mortgage Modification Network LP, John Doe, John Heatly, maintain
15 records in compliance with the Act and provide the Department with the location of
16 the books, records and other information relating to Respondent Mortgage
17 Modification Network LP's mortgage broker business, and the name, address and
18 telephone number of the individual responsible for maintenance of such records in
19 compliance with the Act.

20 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
21 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
22 must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150
23 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
24 Washington 98504-1200, within ten (10) days of service Final Order upon Respondents. The Petition for
25 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.

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

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

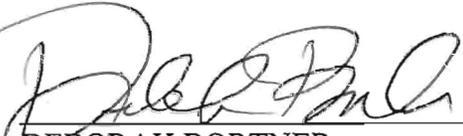
7 E. Non-compliance with Order. If you do not comply with the terms of this order, the
8 Department may seek its enforcement by the Office of Attorney General to include the collection of the
9 fines, restitution, and fees imposed herein.

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

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14 DATED this 10th day of January, 2011.



15
16 STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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19 DEBORAH BORTNER
20 DIRECTOR
21 DIVISION OF CONSUMER SERVICES

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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:

THE MORTGAGE MODIFICATION NETWORK
LP, JOHN DOE, President or Owner, JOHN
HEATLEY, Vice-President, VINCE CORONADO,
and CHRIS FOX,

Respondents.

NO. C-10-091-10-SC01

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

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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)¹. After having conducted an investigation pursuant to RCW 19.146.235, and
based upon the facts available as of the date of these charges, the Director, through his designee, Division of
Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. The Mortgage Modification Network LP (Respondent Mortgage Modification) is a
California corporation at 17581 Irvine Blvd., Suite 202, Tustin, California. Respondent Mortgage Modification
has never been licensed to conduct the business of a Mortgage Broker by the Department of Financial
Institutions.

B. John Doe (Respondent Doe)² is, for all times relevant to these charges, the president or owner
of Respondent Mortgage Modification. Respondent Doe has never been licensed to conduct the business of a
Mortgage Broker or Loan Originator by the Department of Financial Institutions.

¹ RCW 19.146 (2006)

² The real name of the president and owner of Respondent Mortgage Modification is unknown at this time.

1 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10) and WAC 208-660-006, means a
2 natural person who (a) takes a residential mortgage loan application for a mortgage broker, or (b) offers or
3 negotiates terms of a mortgage loan, for direct or indirect compensation or gain, or in the expectation of direct
4 or indirect compensation or gain. "Loan originator" also includes a person who holds themselves out to the
5 public as able to perform any of these activities. "Loan originator" does not mean persons performing purely
6 administrative or clerical tasks for a mortgage broker. For the purposes of this subsection, "administrative or
7 clerical tasks" means the receipt, collection, and distribution of information common for the processing of a
8 loan in the mortgage industry and communication with a borrower to obtain information necessary for the
9 processing of a loan. A person who holds himself or herself out to the public as able to obtain a loan is not
10 performing administrative or clerical tasks.

11 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(3), a "Borrower" is defined as any person who
12 consults with or retains a mortgage broker or loan originator in an effort to obtain or seek advice or information
13 on obtaining or applying to obtain a residential mortgage loan for himself, herself, or persons including himself
14 or herself, regardless of whether the person actually obtains such a loan.

15 **2.4 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in Section
16 I above, Respondents are in apparent violation of RCW 19.146.200 for engaging in the business of a mortgage
17 broker or loan originator without first obtaining and maintaining a license under the Act. Individuals
18 negotiating residential mortgage loan terms act as mortgage brokers or loan originators and must be licensed
19 under the Act unless specifically exempt from the Act.

20 **III. AUTHORITY TO IMPOSE SANCTIONS**

21 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the Director may
22 issue orders directing a licensee, its employee or loan originator, independent contractor, agent, or other person
23 subject to the Act to cease and desist from conducting business.

24 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
25 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 19.146.200.

3 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and (3) and WAC 208-660-530, the
4 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to
5 the Act for any violations of RCW 19.146.200.

6 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may issue orders directing
7 a licensee or other person subject to the Act to pay restitution.

8 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-550(4) and
9 WAC 208-660-520(9), upon completion of any investigation of the books and records of a licensee or other person
10 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover
11 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per
12 hour that each staff person devoted to the investigation.

13 IV. NOTICE OF INTENTION TO ENTER ORDER

14 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
15 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
16 for the entry 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 **4.1** Respondents Mortgage Modification Network LP, John Doe, John Heatley, Vince Coronado, and Chris
19 Fox cease and desist offering loan modification services or otherwise conducting the business of a
20 mortgage broker or loan originator in the State of Washington;
- 21 **4.2** Respondents Mortgage Modification Network LP, John Doe, John Heatley, Vince Coronado, and Chris
22 Fox be prohibited from participation in the conduct of the affairs of any mortgage broker subject to
23 licensure by the Director, in any manner, for a period of five (5) years;
- 24 **4.3** Respondents Mortgage Modification Network LP, John Doe, John Heatley, Vince Coronado, and Chris
25 Fox jointly and severally pay a fine, which as of the date of this Statement of Charges, totals \$3,000;
- 4.4** Respondents Mortgage Modification Network LP, John Doe, John Heatley, Vince Coronado, and Chris
Fox jointly and severally pay restitution as shown at hearing;

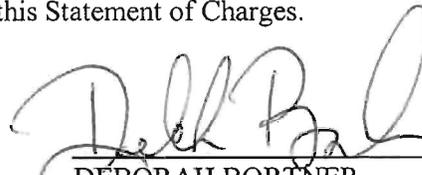
1 4.5 Respondents Mortgage Modification Network LP, John Doe , John Heatley, Vince Coronado, and Chris
2 Fox jointly and severally pay an investigation fee , which as of the date of this Statement of Charges, totals
\$480 calculated at \$48 per hour for the 10 staff hours devoted to the investigation; and

3 4.6 Respondents Mortgage Modification Network LP, John Doe, John Heatley, Vince Coronado, and Chris
4 Fox maintain records in compliance with the Act and provide the Department with the location of the
5 books, records and other information relating to Respondent Mortgage Modification Network LP's
mortgage broker business, and the name, address and telephone number of the individual responsible for
6 maintenance of such records in compliance with the Act.

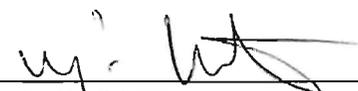
7 **V. AUTHORITY AND PROCEDURE**

8 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from
9 Industry, Impose Fine, Order Restitution, , and Collect Investigation Fee (Statement of Charges) is entered
10 pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and
11 is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make
12 a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
13 OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

14 Dated this 29th day of October, 2010.

15 
16 DEBORAH BORTNER
17 Director
18 Division of Consumer Services
19 Department of Financial Institutions

20 Presented by:

21 
22 WILLIAM HALSTED
23 Financial Legal Examiner

24 Approved by:

25 
26 JAMES R. BRUSSELBACK
27 Enforcement Chief

