

ORDER SUMMARY – Case Number: C-11-0638

Name(s): Keyrose Corporation;
Josef N. Quiroz ;
Maricel Quiroz ;

Order Number: C-11-0638-12-CO01

Effective Date: November 2, 2012

License Number: Unlicensed
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect:

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until: November 3, 2017

Investigation Costs	\$336	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$5,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments:

RECEIVED

NOV 01 2012

Enforcement Unit
Division of Consumer Services
Dept. of Financial Institutions

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-11-0638-12-CO01

CONSENT ORDER

THE KEYROSE CORPORATION,
JOSEF N. QUIROZ, CEO, and
MARISEL QUIROZ, President,
Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and The Keyrose Corporation, Josef N. Quiroz, CEO, and Marisel Quiroz, President (Respondents), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised Code of Washington (RCW) and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-11-0638-12-SC01 (Statement of Charges), entered April 10, 2012, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges.

Based upon the foregoing:

CONSENT ORDER
C-11-0638-12-CO01
The Keyrose Corporation
Josef N. Quiroz
Marisel Quiroz

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter
2 of the activities discussed herein.

3 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
4 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondents, by the signatures below, withdraw their appeal to the Office of
7 Administrative Hearings.

8 **C. Violation of the Act.** It is AGREED that Respondents violated the Act by assisting
9 Washington consumers with loan modifications without a license to do so.

10 **D. Prohibition from Industry.** It is AGREED that, for a period of 5 years from the date of
11 entry of this Consent Order, Respondents are prohibited from participating in the conduct of the
12 affairs of any mortgage broker or consumer loan company licensed by the Department or subject to
13 licensure or regulation by the Department, in any capacity, including but not limited to: (1) any
14 financial capacity whether active or passive; or (2) as an officer, director, principal, partner, LLC
15 member, designated broker, employee, or loan originator; or (3) any management, control, oversight
16 or maintenance of any trust account(s) in any way related to any residential transaction; or (4)
17 receiving, disbursing, managing or controlling in any way, consumer trust funds in any way related to
18 any residential mortgage transaction.

19 **E. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
20 \$5,000 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry
21 of this Consent Order.

22 **F. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
23 investigation fee of \$336, in the form of a cashier's check made payable to the "Washington State

1 Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid together
2 in one \$5,336 cashier's check made payable to the "Washington State Treasurer."

3 **G. Authority to Execute Order.** It is AGREED that the undersigned have represented and
4 warranted that they have the full power and right to execute this Consent Order on behalf of the
5 parties represented.

6 **H. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to
7 abide by the terms and conditions of this Consent Order may result in further legal action by the
8 Director. In the event of such legal action, Respondents may be responsible to reimburse the Director
9 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

10 **I. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily
11 entered into this Consent Order, which is effective when signed by the Director's designee.

12 **J. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
13 this Consent Order in its entirety and fully understand and agree to all of the same.

14 **RESPONDENTS:**

15 **The Keyrose Corporation**

16 By:

17 [Redacted Signature]

18 Josef N. Quiroz
19 CEO

10/30/12
Date

19 [Redacted Signature]

20 Marisel Quiroz
21 President

10/30/12
Date

22 [Redacted Signature]

23 Josef N. Quiroz
24 Individually

10/30/12
Date

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[Redacted]

10/30/12

Marisel Quiroz
Individually

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 2nd DAY OF November, 2012



[Redacted]

DEBORAH BÖRTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

[Redacted]

Steven C. Sherman
Financial Legal Examiner Supervisor

Approved by:

[Redacted]

Charles E. Clark
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:

THE KEYROSE CORPORATION,
JOSEF N. QUIROZ, CEO, and
MARISEL QUIROZ, President,

Respondents.

No. C-11-0638-12-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO PROHIBIT FROM INDUSTRY,
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)¹. 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. **The Keyrose Corporation (Keyrose)** has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct any business regulated by the Department.

B. **Josef N. Quiroz (J. Quiroz)** acted as CEO of Respondent Keyrose at all times relevant to this Statement of Charges.

¹ All references to RCW 19.146 are to that version of the Act in effect at the time of the violation.

1 C. **Maricel Quiroz (M. Quiroz)** acted as President of Respondent Quiroz at all times
2 relevant to this Statement of Charges.

3 **1.2 Unlicensed Activity.** On or about July 13, 2009, Respondents entered into an agreement with
4 borrowers L.S. and J.S. to assist the borrowers with obtaining a modification of the borrowers'
5 Washington residential mortgage loan. Respondents were paid \$3,500 for these services. Upon
6 inquiry by the Department, Respondents admitted that they had provided residential mortgage loan
7 modification assistance to at least 18 Washington borrowers between at least July 2009 and
8 December 2010.

9 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
10 Act by Respondents continues to date.

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

12 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
13 "Mortgage broker" means any person who, for compensation or gain, or in the expectation of
14 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage
15 loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to
16 obtain a residential mortgage loan. For purposes of this definition, a person "assists a person in
17 obtaining or applying to obtain a residential mortgage loan" by, among other things, counseling on
18 loan terms.

19 **2.2 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
20 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
21 19.146.0201(2) and (3) and RCW 19.146.200(1) for engaging in the business of a mortgage broker
22 without first obtaining and maintaining a license under the Act.

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
3 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
4 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
5 mortgage broker or any person subject to licensing under the Act for any violation of RCW
6 19.146.0201(1) through (9) or RCW 19.146.200.

7 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
8 against any persons subject to the Act for any violation of the Act.

9 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
10 520(9) & (11), and WAC 208-660-550(4)(a), the Department may collect the costs of investigation.
11 The Department will charge \$48 per hour for an examiner’s time devoted to an investigation of any
12 person subject to the Act.

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

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

18 **4.1** Respondents The Keyrose Corporation, Josef N. Quiroz, and Maricel Quiroz be
19 prohibited from participation in the conduct of the affairs of any mortgage broker
subject to licensure by the Director, in any manner, for a period of 5 years.

20 **4.2** Respondents The Keyrose Corporation, Josef N. Quiroz, and Maricel Quiroz jointly
21 and severally pay a fine which as of the date of this Statement of Charges totals
\$20,000.

22 **4.3** Respondents The Keyrose Corporation, Josef N. Quiroz, and Maricel Quiroz jointly
23 and severally pay an investigation fee which as of the date of this Statement of Charge
totals \$336.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
3 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
4 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
5 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
6 HEARING accompanying this Statement of Charges.

7
8 Dated this 10th day of April, 2012.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

13 Presented by:



STEVEN C. SHERMAN
Financial Legal Examiner