

**ORDER SUMMARY – Case Number: C-12-1054**

**Name(s):** Homeowner Defense Group, LLC d/b/a U.S. Loan Educators, Legal  
Affiliates Group, and Family First Home Preservation Services; Family  
1<sup>st</sup> Home Preservation, LLC d/b/a Nationwide Preservation Company;  
and Tobias West a/k/a Tobey West

**Order Number:** C-12-1054-16-FO01

**Effective Date:** 6/9/16

**License Number:** U/L

**Or NMLS Identifier [U/L]** NMLS: 628618

**License Effect:**

**Not Apply Until:** January 28, 2020

**Not Eligible Until:** January 28, 2020

**Prohibition/Ban Until:** January 28, 2020

<b>Investigation Costs</b>	\$1684	Due 1.29.15	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1.29.15
<b>Fine</b>	\$48,000	Due 6.13.16	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$25,080	Due 1 payment every 45 days	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>	<input type="checkbox"/> Y <input type="checkbox"/> N			
No. of Victims:	13			

Comments: restitution made to 7 consumers. 5 consumers have yet to receive restitution. Remaining restitution is \$12,730.

**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-12-1054-16-FO01

HOMEOWNER DEFENSE GROUP, LLC d/b/a  
U.S. LOAN EDUCATORS, LEGAL  
AFFILIATES GROUP<sup>1</sup>, and FAMILY FIRST  
HOME PRESERVATION SERVICES<sup>2</sup>;  
FAMILY 1<sup>ST</sup> HOME PRESERVATION, LLC  
d/b/a NATIONWIDE PRESERVATION  
COMPANY<sup>3</sup>;  
TOBIAS WEST a/k/a TOBEY WEST, Principal;  
and  
NATHAN C. BISHOP, Principal,

FINAL ORDER LIFTING STAY AND  
IMPOSING FINE AS TO:  
HOMEOWNER DEFENSE GROUP, LLC  
d/b/a U.S. LOAN EDUCATORS, LEGAL  
AFFILIATES GROUP, and FAMILY FIRST  
HOME PRESERVATION SERVICES;  
FAMILY 1<sup>ST</sup> HOME PRESERVATION, LLC  
d/b/a NATIONWIDE PRESERVATION  
COMPANY; and TOBIAS WEST a/k/a  
TOBEY WEST

Respondents.

**I. DIRECTOR'S CONSIDERATION**

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On September 4, 2013, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry, Order Restitution, Impose Fine, Collect Investigation Fee, and Maintain Records against Homeowner Defense Group, LLC d/b/a U.S. Legal Educators, Legal Affiliates Group, and Family First Home Preservation Services (Homeowner Defense Group); Family 1<sup>st</sup> Home Preservation, LLC d/b/a Nationwide Preservation Company (Family 1<sup>st</sup>); Tobias West a/k/a Tobey West (West); and Nathan C. Bishop.

<sup>1</sup> The company documents also use the names Legal Affiliates Group Co. and Legal Affiliates Group & Co.

<sup>2</sup> The company documents also use the names Family First Home Preservation Corp., Family 1<sup>st</sup> Home Preservation Services, and Family 1<sup>st</sup> Home Preservation.

<sup>3</sup> The company documents also use the names Nationwide Preservation Company Inc. and Nationwide PCO.

1 On January 23, 2015, an Amended Statement of Charges was entered to correct a scrivener's  
2 error. On January 27, 2015, the Department served Respondents Homeowner Defense Group, Family  
3 1<sup>st</sup>, and West with the Amended Statement of Charges. Respondents Homeowner Defense Group,  
4 Family 1<sup>st</sup>, and West timely filed an Application for Administrative Hearing and subsequently  
5 entered into Consent Order C-12-1054-15-CO03 which was entered on January 28, 2015 (See  
6 Attachment 1). Respondents Homeowner Defense Group, Family 1<sup>st</sup>, and West agreed to the  
7 following relevant terms in the Consent Order:

8 1. A full restitution payment to one of the consumers identified in Attachment A to  
9 the Consent Order every forty-five days, with all payments made within eighteen  
10 months of entry of the Consent Order.

11 2. A fine of \$48,000 that was stayed pending completion of the terms of the Consent  
12 Order.

13 On or about January 25, 2016, Respondent West notified the Department he would be unable  
14 to make the remaining restitution payments as required in the Consent Order. The Department agreed  
15 to modify the Consent Order to institute a new payment schedule but Respondent West failed to sign  
16 and return the modified Consent Order. On or about May 11, 2016, the Department mailed via first  
17 class mail a letter to Respondent West notifying him of the Department's intention to lift the stay and  
18 impose the fine ordered in the Consent Order. The letter was accompanied by a copy of the Consent  
19 Order and a blank Application for Adjudicative Hearing. Pursuant to the terms of the Consent order,  
20 Respondent West had ten (10) days to request a hearing. More than ten (10) days have passed and  
21 Respondent West has not requested a hearing.

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

- 3 1. Amended Statement of Charges, cover letter dated January 27, 2015, Notice of  
4 Opportunity to Defend and Opportunity for Hearing, and blank Applications for  
5 Adjudicative Hearing for Respondents, with documentation for service.
- 6 2. Consent Order C-12-1054-15-CO03.
- 7 3. Notice to Respondent West of the Department's intent to lift the stay and impose  
8 the fine ordered in the Consent Order, dated May 11, 2016, with documentation of  
9 service.

10 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), and based  
11 upon the foregoing, the Director's designee hereby finds that Respondents Homeowner Defense  
12 Group, Family 1<sup>st</sup>, and West have failed to comply with Consent Order C-12-1054-15-CO03.

## 13 II. FINAL ORDER

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

16 A. IT IS HEREBY ORDERED, That:

- 17 1. The stay of the fine ordered in Consent Order C-12-1054-15-CO03 is lifted.
- 18 2. Respondents Homeowner Defense Group, LLC d/b/a U.S. Loan Educators, Family  
19 First Home Preservation Services, and Legal Affiliates Group; Family 1st Home  
20 Preservation, LLC d/b/a Nationwide Preservation Company; and Tobias West  
21 a/k/a Tobey West shall jointly and severally pay a fine of \$48,000.
- 22 3. All other terms of Consent Order C-12-1054-15-CO03 remain in effect, including,  
23 but not limited to, the Order to pay all unpaid restitution.

24 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a  
25 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
26 must be filed in the Office of the Director of the Department of Financial Institutions by courier at  
27 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
28 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. 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's designee 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. Respondents have 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. Pursuant to the terms of the Consent Order, the Department is immediately assigning the amounts owed to a collection agency for collection.

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 9<sup>th</sup> day of June, 2016.



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

  
\_\_\_\_\_  
CHARLES E. CLARK  
Director  
Division of Consumer Services

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:

HOMEOWNER DEFENSE GROUP, LLC d/b/a  
U.S. LOAN EDUCATORS, LEGAL  
AFFILIATES GROUP<sup>1</sup>, and FAMILY FIRST  
HOME PRESERVATION SERVICES<sup>2</sup>;  
FAMILY 1<sup>ST</sup> HOME PRESERVATION, LLC  
d/b/a NATIONWIDE PRESERVATION  
COMPANY<sup>3</sup>;  
TOBIAS WEST a/k/a TOBEY WEST, Principal;  
and  
NATHAN C. BISHOP, Principal,

Respondents.

No.: C-12-1054-15-CO03

CONSENT ORDER AS TO  
HOMEOWNER DEFENSE GROUP, LLC  
d/b/a U.S. LOAN EDUCATORS, LEGAL  
AFFILIATES GROUP, and FAMILY FIRST  
HOME PRESERVATION SERVICES;  
FAMILY 1<sup>ST</sup> HOME PRESERVATION, LLC  
d/b/a NATIONWIDE PRESERVATION  
COMPANY; and TOBIAS WEST a/k/a  
TOBEY WEST

COMES NOW the Director of the Department of Financial Institutions (Director), through his  
designee Charles E. Clark, Division Director, Division of Consumer Services, and Homeowner  
Defense Group, LLC d/b/a U.S. Loan Educators, Legal Affiliates Group, Family First Home  
Preservation Services (Respondent HDG), Family 1<sup>st</sup> Home Preservation, LLC d/b/a Nationwide  
Preservation Company, (Respondent Family 1<sup>st</sup>), and Tobias West a/k/a Tobey West, Principal  
(Respondent West), and finding that the issues raised in the above-captioned matter may be  
economically and efficiently settled solely as they relate to Respondents HDG, Family 1<sup>st</sup>, and West,  
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:

<sup>1</sup> The company documents also use the names Legal Affiliates Group Co. and Legal Affiliates Group & Co.

<sup>2</sup> The company documents also use the names Family First Home Preservation Corp., Family 1<sup>st</sup> Home Preservation  
Services, and Family 1<sup>st</sup> Home Preservation.

<sup>3</sup> The company documents also use the names Nationwide Preservation Company Inc. and Nationwide PCO.

CONSENT ORDER

C-12-1054-15-CO03

HOMEOWNER DEFENSE GROUP, LLC, et. al.

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DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Consumer Services

PO Box 41200

Olympia, WA 98504-1200

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

1       **D. Restitution.** It is AGREED that Respondent West shall pay restitution to all consumers  
2 identified on Attachment A to this Consent Order, in the amounts indicated therein. The payment of  
3 restitution to consumers E.D. and D.J. shall be joint and several with Respondent Nathan C. Bishop.  
4 Payments must be made directly to the individual consumer via cashier's check. A full restitution  
5 payment must be made to at least one consumer every forty-five (45) days, and all restitution  
6 payments must be made within eighteen (18) months of entry of this Consent Order. Respondent  
7 West shall provide the Department with copies of the front of each check within ten days after each  
8 restitution check has been mailed.

9       **E. Investigation Fee.** It is AGREED that Respondent West shall pay to the Department an  
10 investigation fee of \$1,684 in the form of a cashier's check made payable to the "Washington State  
11 Treasurer" by mailing the cashier's check via U.S. mail within twenty-four (24) hours of entry of this  
12 Consent Order. Payment shall be deemed completed upon final payment of the cashier's check by  
13 drawee bank.

14       **F. Stayed Fine.** It is AGREED that Respondent West shall pay a fine of \$48,000. It is  
15 further AGREED that said fine shall be stayed pending completion of the terms of the Consent Order.  
16 It is further AGREED that if the Department does not seek to lift the stay and impose the fine upon  
17 completion of the above condition, said fine will be deemed withdrawn without further action being  
18 required by either party.

19       **G. Lifting of Stay and Imposing Fine.** It is AGREED that:

- 20               1. If the Department determines that Respondent West has not complied with the  
21 terms of this Consent Order and accordingly seeks to lift the stay and impose the  
22 fine set forth in section F above, the Department will first notify Respondent West  
23 in writing of its determination.  
24               2. The Department's notification will include:
- a) A description of the alleged noncompliance;



- 1                   b)     A statement that because of the noncompliance, the Department seeks  
2                   to lift the stay and impose the fine;
- 3                   c)     The opportunity for Respondent West to contest the Department's  
4                   determination of noncompliance in an administrative hearing before an  
5                   Administrative Law Judge (ALJ) of the Office of Administrative  
6                   Hearings (OAH); and
- 7                   d)     A copy of this Consent Order. The notification and hearing process  
8                   provided in this Consent Order applies only to this Consent Order. It is  
9                   solely provided in the event Respondent West chooses to contest the  
10                  Department's determination of noncompliance.
- 11                 3. Respondent West will be afforded ten (10) business days from the date of receipt  
12                 of the Department's notification to submit a written request to the Department for  
13                 an administrative hearing to be held before an ALJ from the OAH.
- 14                 4. Respondent West, in addition to its request for hearing, may provide a written  
15                 response to include any information pertaining to the alleged noncompliance.
- 16                 5. The administrative hearing shall be expedited and follow the timing and processes  
17                 described in this Consent Order.
- 18                 6. If requested, the hearing will be held within 15 business days (or as soon as the  
19                 schedule of the ALJ permits) from the due date for Respondent West's request for  
20                 hearing or from the date of receipt of Respondent West's timely request for  
21                 hearing, whichever is sooner. The parties will accommodate the prompt scheduling  
22                 of the hearing.
- 23                 7. The scope and issues of the hearing are limited solely to whether or not  
24                 Respondent is in violation of the terms of this Consent Order to a degree sufficient  
25                 to warrant imposition of the fine.
- 26                 8. At the conclusion of the hearing, the ALJ will issue an initial decision. Either  
27                 party may file a Petition for Review with the Director of the Department.
- 28                 9. If Respondent West does not request the hearing within the stated time, the  
29                 Department will impose the fine and pursue whatever action it deems necessary to  
30                 enforce the fine.

31                 **H. Authority to Execute Order.** It is AGREED that the undersigned have represented and  
32                 warranted that they have the full power and right to execute this Consent Order on behalf of the  
33                 parties represented. It is further AGREED that this Consent Order may be executed by facsimile,  
34                 which shall be deemed to be an original.

1 I. **Non-Compliance with Order.** It is AGREED that Respondents HDG, Family 1<sup>st</sup>, and  
2 West understand that failure to abide by the terms and conditions of this Consent Order may result in  
3 further legal action by the Director. In the event of such legal action, Respondents HDG, Family 1<sup>st</sup>,  
4 and West may be responsible to reimburse the Director for all costs incurred in pursuing such action,  
5 including but not limited to, attorney fees.

6 J. **Voluntarily Entered.** It is AGREED that Respondents HDG, Family 1<sup>st</sup>, and West have  
7 voluntarily entered into this Consent Order, which is effective when signed by the Director's  
8 designee.

9 K. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents HDG,  
10 Family 1<sup>st</sup>, and West have read this Consent Order in its entirety and fully understand and agree to all  
11 of the same.

12 **RESPONDENTS:**

13 **Homeowner Defense Group, LLC**

14 By: [REDACTED]

15 Tobias West  
16 Principal

1/28/15  
Date

17 **Family 1<sup>st</sup> Home Preservation, LLC**

18 By: [REDACTED]

19 Tobias West  
20 Principal

1/28/15  
Date

21 Tobias West  
22 Individually

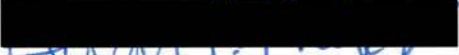
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23 DO NOT WRITE BELOW THIS LINE


1 THIS ORDER ENTERED THIS 28<sup>th</sup> DAY OF January, 2015.

2  
3   
4 CHARLES E. CLARK  
5 Director, Division of Consumer Services  
6 Department of Financial Institutions

7 Presented by:

8   
9 DEVON P. PHELPS  
10 Financial Legal Examiner

11 Approved by:

12   
13 STEVEN C. SHERMAN  
14 Enforcement Chief



**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:

HOMEOWNER DEFENSE GROUP, LLC d/b/a  
U.S. LOAN EDUCATORS, LEGAL AFFILIATES  
GROUP<sup>1</sup>, and FAMILY FIRST HOME  
PRESERVATION SERVICES<sup>2</sup>;  
FAMILY 1<sup>ST</sup> HOME PRESERVATION, LLC d/b/a  
NATIONWIDE PRESERVATION COMPANY<sup>3</sup>;  
TOBIAS WEST a/k/a TOBEY WEST, Principal;  
and  
NATHAN C. BISHOP, Principal,

Respondents.

No. C-12-1054-15-SC02

AMENDED STATEMENT OF CHARGES  
and NOTICE OF INTENT TO ENTER AN  
ORDER TO PROHIBIT FROM INDUSTRY,  
ORDER RESTITUTION, IMPOSE FINE,  
COLLECT INVESTIGATION FEE AND  
MAINTAIN RECORDS

**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). On September 4, 2013, the Department issued Statement of Charges C-12-1054-13-SC01, which, due to a scrivener's error, identified U.S. Legal Educators, instead of U.S. Loan Educators, as a Respondent. This Amended Statement of Charges C-12-1054-15-SC02 is issued to correct the scrivener's error.

After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this Amended Statement of Charges, the Director, through his designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

//

<sup>1</sup> The company documents also use the names Legal Affiliates Group Co. and Legal Affiliates Group & Co.

<sup>2</sup> The company documents also use the names Family First Home Preservation Corp., Family 1<sup>st</sup> Home Preservation Services, and Family 1<sup>st</sup> Home Preservation.

<sup>3</sup> The company documents also use the names Nationwide Preservation Company Inc. and Nationwide PCO.

1 **I. FACTUAL ALLEGATIONS**

2 **1.1 Respondents.**

3 **A. Respondent Homeowner Defense Group, LLC (Respondent HDG)** was a limited  
4 liability company registered with the California Secretary of State. Respondent HDG has done  
5 business under the following names: U.S. Loan Educators, Legal Affiliates Group, and Family First  
6 Home Preservation Services. Respondent HDG has never been licensed by the Washington State  
7 Department of Financial Institutions (Department) to conduct business as a mortgage broker or loan  
8 originator in Washington.

9 **B. Respondent Family 1<sup>st</sup> Home Preservation, LLC (Respondent Family 1st)** is a limited  
10 liability company registered with the California Secretary of State. Respondent Family 1st has done  
11 business under the name Nationwide Preservation Company. Respondent Family 1st has never been  
12 licensed by the Washington State Department of Financial Institutions (Department) to conduct  
13 business as a mortgage broker or loan originator in Washington.

14 **C. Respondent Tobias West a/k/a Tobey West (Respondent West)** is a principal of  
15 Respondent HDG. Respondent West has never been licensed by the Department in any capacity.

16 **D. Respondent Nathan C. Bishop (Respondent Bishop)** is a principal of Respondent Family  
17 1st. Respondent Bishop has never been licensed by the Department in any capacity.

18 **1.2 Unlicensed Conduct.**<sup>4</sup> Between at least January 27, 2012, and May 1, 2013, Respondents were  
19 offering residential loan modification services to Washington consumers on property located in  
20 Washington State. Respondents entered into a contractual relationship with at least sixteen  
21 consumers to provide those services and collected an advance fee for the provision of those services.  
22 The Department has received at least sixteen complaints from Washington consumers alleging  
23 Respondents provided or offered to provide residential mortgage loan modification services while not

24 <sup>4</sup> Evidence shows that Respondents were acting in concert and used the fictitious business names interchangeably.

1 licensed by the Department to provide those services. A list of Washington consumers with whom  
2 Respondents conducted business as a mortgage broker or loan originator, and the amount paid by  
3 each is appended hereto and incorporated herein by reference.

4 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to  
5 provide the residential mortgage loan modification services or omitted disclosing that they were not  
6 licensed to provide those services.

7 **1.4 False Statements to the Department.** On or about November 19, 2012, Respondent HDG  
8 sent a letter to the Department whereby it indicated it had ceased to conduct business as a loan  
9 modification company in Washington. Additionally, on January 7, 2013, a representative of  
10 Respondent HDG contacted the Department and stated Respondent HDG had discontinued its  
11 business in Washington State sometime in early 2012. However, Respondent HDG entered into  
12 contractual relationships to provide loan modification services with at least eight consumers after  
13 January 7, 2013.

14 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the  
15 Act by Respondents continues to date.

## 16 **II. GROUNDS FOR ENTRY OF ORDER**

17 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,  
18 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of  
19 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage  
20 loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a  
21 person in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-  
22 006, a person "assists a person in obtaining or applying to obtain a residential mortgage loan" by,  
23 among other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan  
24 packages...."



1 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a  
2 natural person who for direct or indirect compensation or gain, or in the expectation of direct or  
3 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;  
4 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to  
5 perform any of these activities.

6 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
7 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive  
8 practice toward any person and obtaining property by fraud or misrepresentation.

9 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
10 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
11 for engaging in the business of a mortgage broker for Washington residents or property without first  
12 obtaining a license to do so.

13 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
14 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
15 for engaging in the business of a loan originator without first obtaining and maintaining a license.

16 **2.6 False Statements.** Based on the Factual Allegations set forth in Section I above, Respondents  
17 are in apparent violation of RCW 19.146.0201(8) for making a false statement in connection with an  
18 investigation conducted by the Department.

19 **2.7 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
20 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
21 location that is on file with and readily available to the Department until at least twenty-five months  
22 have elapsed following the effective period to which the books and records relate.

23 //

24 //

### III. AUTHORITY TO IMPOSE SANCTIONS

**3.1 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or (13), or RCW 19.146.200.

**3.2 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order restitution against any person subject to the Act for any violation of the Act.

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

**3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted to an investigation of any person subject to the Act.

### IV. NOTICE OF INTENT TO ENTER ORDER

Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth above 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 intent to ORDER that:

**4.1** Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias West, and Nathan C. Bishop be prohibited from participation, in any manner, in the conduct of the affairs of any mortgage broker subject to licensure by the Director for a period of five years

**4.2** Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias West, and Nathan C. Bishop jointly and severally pay restitution to the consumers identified by the Department in Appendix A in the amounts set forth therein, and that Respondents jointly and severally pay restitution to each Washington consumer with whom they entered into a contract for residential mortgage loan modification services related to real property or consumers located in the state of Washington equal to the amount collected from that Washington consumer for those services in an amount to be determined at hearing.

**4.3** Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias West, and Nathan C. Bishop jointly and severally pay a fine, which as of the date of this Statement of Charges totals \$48,000.



1 4.4 Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias  
2 West, and Nathan C. Bishop jointly and severally pay an investigation fee, which as of the  
date of this Statement of Charges totals \$2,184.

3 4.5 Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias  
4 West, and Nathan C. Bishop maintain records in compliance with the Act and provide the  
5 Department with the location of the books, records and other information relating to  
6 Respondents' provision of residential mortgage loan modification services in Washington,  
and the name, address and telephone number of the individual responsible for maintenance of  
such records in compliance with the Act.

7 **V. AUTHORITY AND PROCEDURE**

8 This Amended Statement of Charges is entered pursuant to the provisions of RCW  
9 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the  
10 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a  
11 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
12 OPPORTUNITY FOR HEARING accompanying this Amended Statement of Charges.

13 Dated this 23<sup>rd</sup> day of January, 2015.  
14

15 [REDACTED]  
16 [Signature]  
17 CHARLES E. CLARK  
Director, Division of Consumer Services  
Department of Financial Institutions

18 Presented by:

19 [REDACTED]  
20 [Signature]  
21 DEVON P. PHELPS  
Financial Legal Examiner

22 Approved by:

23 [REDACTED]  
24 [Signature]  
STEVEN C. SHERMAN  
Enforcement Chief



**Restitution**

<b>Consumer</b>	<b>Company Name</b>	<b>Amount</b>
D.A.	HDG d/b/a Family First	\$1,995
C.B.	HDG d/b/a Legal Affiliates Group	\$2,695
F.B.	HDG d/b/a Family First	\$665
B.C.	HDG d/b/a Family First	\$1,500* <sup>5</sup>
J.C.	HDG d/b/a U.S. Loan Educators	\$1,970*
E.D.	Family 1 <sup>st</sup> d/b/a Nationwide	\$500
L.G.	HDG d/b/a Legal Affiliates Group	\$1,995
M.H.	HDG d/b/a Family First	\$2,195
R.H.	HDG d/b/a Family First	\$2,295
D.J.	Family 1 <sup>st</sup> d/b/a Nationwide	\$830
A.P.	HDG d/b/a Family First	\$2,195 <sup>6</sup>
B.S.	HDG d/b/a U.S. Loan Educators	\$1,595*
C.S.	HDG d/b/a Family First	\$2,175
M.S.	HDG d/b/a Family First	\$2,950
C.V.	HDG d/b/a Legal Affiliates Group	\$1,995
E.W.	HDG d/b/a Legal Affiliates Group	\$2,595

<sup>5</sup> The consumers indicated by the "\*" previously received refunds from Respondents.

<sup>6</sup> The consumer closed the account before Respondents cashed the checks.

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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:

HOMEOWNER DEFENSE GROUP, LLC d/b/a  
U.S. LEGAL EDUCATORS, LEGAL  
AFFILIATES GROUP<sup>1</sup>, and FAMILY FIRST  
HOME PRESERVATION SERVICES<sup>2</sup>;  
FAMILY 1<sup>ST</sup> HOME PRESERVATION, LLC d/b/a  
NATIONWIDE PRESERVATION COMPANY<sup>3</sup>;  
TOBIAS WEST a/k/a TOBEY WEST, Principal;  
and  
NATHAN C. BISHOP, Principal,

Respondents.

No. C-12-1054-13-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO PROHIBIT FROM INDUSTRY,  
ORDER RESTITUTION, IMPOSE FINE,  
COLLECT INVESTIGATION FEE AND  
MAINTAIN RECORDS

**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). 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. Respondent Homeowner Defense Group, LLC (Respondent HDG)** was a limited liability company registered with the California Secretary of State. Respondent HDG has done

<sup>1</sup> The company documents also use the names Legal Affiliates Group Co. and Legal Affiliates Group & Co.

<sup>2</sup> The company documents also use the names Family First Home Preservation Corp., Family 1<sup>st</sup> Home Preservation Services, and Family 1<sup>st</sup> Home Preservation.

<sup>3</sup> The company documents also use the names Nationwide Preservation Company Inc. and Nationwide PCO.

1 business under the following names: U.S. Loan Educators, Legal Affiliates Group, and Family First  
2 Home Preservation Services. Respondent HDG has never been licensed by the Washington State  
3 Department of Financial Institutions (Department) to conduct business as a mortgage broker or loan  
4 originator in Washington.

5 **B. Respondent Family 1<sup>st</sup> Home Preservation, LLC (Respondent Family 1st)** is a limited  
6 liability company registered with the California Secretary of State. Respondent Family 1st has done  
7 business under the name Nationwide Preservation Company. Respondent Family 1st has never been  
8 licensed by the Washington State Department of Financial Institutions (Department) to conduct  
9 business as a mortgage broker or loan originator in Washington.

10 **C. Respondent Tobias West a/k/a Tobey West (Respondent West)** is a principal of  
11 Respondent HDG. Respondent West has never been licensed by the Department in any capacity.

12 **D. Respondent Nathan C. Bishop (Respondent Bishop)** is a principal of Respondent Family  
13 1st. Respondent Bishop has never been licensed by the Department in any capacity.

14 **1.2 Unlicensed Conduct.**<sup>4</sup> Between at least January 27, 2012, and May 1, 2013, Respondents were  
15 offering residential loan modification services to Washington consumers on property located in  
16 Washington State. Respondents entered into a contractual relationship with at least sixteen  
17 consumers to provide those services and collected an advance fee for the provision of those services.  
18 The Department has received at least sixteen complaints from Washington consumers alleging  
19 Respondents provided or offered to provide residential mortgage loan modification services while not  
20 licensed by the Department to provide those services. A list of Washington consumers with whom  
21 Respondents conducted business as a mortgage broker or loan originator, and the amount paid by  
22 each is appended hereto and incorporated herein by reference.

23  
24 <sup>4</sup> Evidence shows that Respondents were acting in concert and used the fictitious business names interchangeably.

1 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to  
2 provide the residential mortgage loan modification services or omitted disclosing that they were not  
3 licensed to provide those services.

4 **1.4 False Statements to the Department.** On or about November 19, 2012, Respondent HDG  
5 sent a letter to the Department whereby it indicated it had ceased to conduct business as a loan  
6 modification company in Washington. Additionally, on January 7, 2013, a representative of  
7 Respondent HDG contacted the Department and stated Respondent HDG had discontinued its  
8 business in Washington State sometime in early 2012. However, Respondent HDG entered into  
9 contractual relationships to provide loan modification services with at least eight consumers after  
10 January 7, 2013.

11 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the  
12 Act by Respondents continues to date.

## 13 **II. GROUNDS FOR ENTRY OF ORDER**

14 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,  
15 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of  
16 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage  
17 loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a  
18 person in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-  
19 006, a person "assists a person in obtaining or applying to obtain a residential mortgage loan" by,  
20 among other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan  
21 packages...."

22 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a  
23 natural person who for direct or indirect compensation or gain, or in the expectation of direct or  
24 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;



1 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to  
2 perform any of these activities.

3 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
4 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive  
5 practice toward any person and obtaining property by fraud or misrepresentation.

6 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
7 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
8 for engaging in the business of a mortgage broker for Washington residents or property without first  
9 obtaining a license to do so.

10 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
11 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
12 for engaging in the business of a loan originator without first obtaining and maintaining a license.

13 **2.6 False Statements.** Based on the Factual Allegations set forth in Section I above, Respondents  
14 are in apparent violation of RCW 19.146.0201(8) for making a false statement in connection with an  
15 investigation conducted by the Department.

16 **2.7 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
17 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
18 location that is on file with and readily available to the Department until at least twenty-five months  
19 have elapsed following the effective period to which the books and records relate.

### 20 **III. AUTHORITY TO IMPOSE SANCTIONS**

21 **3.1 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may  
22 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker  
23 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9)  
24 or (13), or RCW 19.146.200.

1 **3.2 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order  
2 restitution against any person subject to the Act for any violation of the Act.

3 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
4 against any person subject to the Act for any violation of the Act.

5 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-  
6 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time  
7 devoted to an investigation of any person subject to the Act.

#### 8 **IV. NOTICE OF INTENT TO ENTER ORDER**

9 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
10 set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,  
11 and RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

12 **4.1** Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias  
13 West, and Nathan C. Bishop be prohibited from participation, in any manner, in the conduct of  
the affairs of any mortgage broker subject to licensure by the Director for a period of five years

14 **4.2** Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias  
15 West, and Nathan C. Bishop jointly and severally pay restitution to the consumers identified  
16 by the Department in Appendix A in the amounts set forth therein, and that Respondents  
17 jointly and severally pay restitution to each Washington consumer with whom they entered  
into a contract for residential mortgage loan modification services related to real property or  
consumers located in the state of Washington equal to the amount collected from that  
Washington consumer for those services in an amount to be determined at hearing.

18 **4.3** Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias  
19 West, and Nathan C. Bishop jointly and severally pay a fine, which as of the date of this  
Statement of Charges totals \$48,000.

20 **4.4** Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias  
21 West, and Nathan C. Bishop jointly and severally pay an investigation fee, which as of the  
date of this Statement of Charges totals \$2,184.


22 **4.5** Respondents Homeowner Defense Group, LLC, Family 1<sup>st</sup> Home Preservation, LLC, Tobias  
23 West, and Nathan C. Bishop maintain records in compliance with the Act and provide the  
Department with the location of the books, records and other information relating to  
24 Respondents' provision of residential mortgage loan modification services in Washington,  
and the name, address and telephone number of the individual responsible for maintenance of  
such records in compliance with the Act.

V. AUTHORITY AND PROCEDURE


This 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). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 4<sup>th</sup> day of September, 2013.



  
DEBORAH BORTNER  
Director, Division of Consumer Services  
Department of Financial Institutions

Presented by:

  
DEVON P. PHELPS  
Financial Legal Examiner

Approved by:

  
CHARLES E. CLARK  
Enforcement Chief



**Restitution**

<b>Consumer</b>	<b>Company Name</b>	<b>Amount</b>
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<sup>5</sup> The consumers indicated by the "\*" previously received refunds from Respondents.

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