

ORDER SUMMARY – Case Number: C-13-1247

Name(s): Harnethia N. Mansell d/b/a Investors Audit Group;

Order Number: C-13-1247-14-FO01

Effective Date: October 8, 2014

License Number: Unlicensed
Or NMLS Identifier [U/L] _____

License Effect: N/A

Not Apply Until: October 8, 2019

Not Eligible Until: October 8, 2019

Prohibition/Ban Until: October 8, 2019

Investigation Costs	\$672	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$3,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$1,850	Due	Paid <input type="checkbox"/> Y <input checked="" 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:		1		

Comments: Cease and desist engaging in the business of a mortgage broker or loan originator



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

Harnethia N. Mansell d/b/a
Investors Audit Group,

Respondent.

No.: C-13-1247-14-FO01

FINAL ORDER

I. DIRECTOR'S CONSIDERATION

Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington ("Director"), pursuant to RCW 34.05.440(2). On November 21, 2013, the Director, through his designee, Consumer Services Division Director Deborah Bortner, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist Business, Prohibit From Industry, Order Restitution, Impose Fine, and Collect Investigation Fee ("Statement of Charges") against Harnethia N. Mansell d/b/a Investors Audit Group ("Respondent"). On November 25, 2013, the Department of Financial Institutions ("Department") served Respondent with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of Charges was accompanied by a cover letter dated November 25, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent. On January 10, 2014, Respondent filed an Application for Adjudicative Hearing. On February 26, 2014, the Department made a request to the Office of Administrative Hearings ("OAH") to assign an Administrative Law Judge ("ALJ") to schedule and conduct a hearing on the Statement of Charges.

1 On March 19, 2014, ALJ Birnbaum issued a Notice of Prehearing Conference scheduling a
2 prehearing conference on Monday, April 21, 2014, at 3:00 p.m. That Notice stated: "You must
3 participate in the conference. If you do not, a default may be entered. This means you lose the
4 opportunity to further challenge the agency action."

5 On April 21, 2014, the prehearing conference was convened by ALJ Birnbaum at 3:00 p.m.
6 Respondent failed to appear and the Department moved for an order of default dismissing the
7 administrative appeal. On April 25, 2014, ALJ Birnbaum issued an Order of Default dismissing
8 Respondent's administrative appeal. On April 28, 2014, ALJ Birnbaum sent the Order of Default to
9 Respondent via First-Class mail.

10 On May 7, 2014, ALJ Birnbaum issued a Notice of Motion to Vacate Default Order
11 scheduling a telephonic hearing for May 15, 2014, at 11:00 a.m.

12 On May 15, 2014, Respondent and representatives of the Department appeared at a telephonic
13 hearing.

14 On May 16, 2014, ALJ Birnbaum issued a Notice of Hearing and Prehearing Conference
15 Order ("Prehearing Conference Order"). The Prehearing Conference Order granted Respondent's
16 motion to vacate the Order of Default.

17 On July 28, 2014, ALJ Birnbaum issued a Notice of Hearing and Scheduling Order
18 ("Scheduling Order"). The Scheduling Order set a motion hearing for the Department's Motion for
19 Summary Judgment on August 26, 2014, at 9:00 a.m. The Scheduling Order stated: "You must
20 participate in the conference. If you do not, a default may be entered. This means you lose the
21 opportunity to further challenge the agency action. RCW 34.05.440."

22 On August 26, 2014, at 9:00 a.m. the Department appeared through its representative.
23 Respondent did not appear for the summary judgment motion and did not request a continuance.

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1 On August 28, 2014, ALJ Birnbaum issued an Order of Default. The Order of Default
2 dismissed Respondent's administrative appeal.

3 Pursuant to RCW 34.05.440(3), Respondent had seven (7) days from the date of service of the
4 Order of Default to file a written motion with OAH requesting that the Order of Default be vacated,
5 and stating the grounds relied upon. Respondent did not make a request to vacate during the statutory
6 period.

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

- 9 1. Statement of Charges, cover letter dated November 25, 2013, and Notice of
10 Opportunity to Defend and Opportunity for Hearing, with documentation of
11 service.
- 12 2. Application for Adjudicative Hearing for Harnethia N. Mansell d/b/a Investors
13 Audit Group.
- 14 3. Request to OAH for Assignment of Administrative Law Judge.
- 15 4. Notice of Prehearing Conference dated March 19, 2014, with documentation of
16 service.
- 17 5. Order of Default dated April 25, 2014, with documentation of service.
- 18 6. Notice of Motion to Vacate dated May 7, 2014, with documentation of service.
- 19 7. Notice of Hearing and Prehearing Conference Order dated May 16, 2014, with
20 documentation of service.
- 21 8. Notice of Hearing and Scheduling Order dated July 28, 2014, with documentation
22 of service.
- 23 9. Order of Default dated August 28, 2014, with documentation of service.

24 B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(2), the Director
hereby adopts the Statement of Charges, which is attached hereto.

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1 II. FINAL ORDER

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

4 A. IT IS HEREBY ORDERED, That:

- 5 1. Respondent Harnethia N. Mansell d/b/a Investors Audit Group immediately cease
6 and desist engaging in the business of a mortgage broker or loan originator.
- 7 2. Respondent Harnethia N. Mansell d/b/a Investors Audit Group is prohibited from
8 participation in the conduct of the affairs of any mortgage broker subject to
9 licensure by the Director, in any manner, for a period of five (5) years.
- 10 3. Respondent Harnethia N. Mansell d/b/a Investors Audit Group shall pay One
11 Thousand Eight Hundred Fifty Dollars (\$1,850) in restitution to consumer F.N.
- 12 4. Respondent Harnethia N. Mansell d/b/a Investors Audit Group shall pay to the
13 Washington State Department of Financial Institutions, within thirty (30) days of
14 receipt of this order, a fine of Three Thousand Dollars (\$3,000).
- 15 5. Respondent Harnethia N. Mansell d/b/a Investors Audit Group shall pay to the
16 Washington State Department of Financial Institutions, within thirty (30) days of
17 receipt of this order, an investigation fee of Six Hundred Seventy Two Dollars
18 (\$672).¹
- 19 6. Respondent Harnethia N. Mansell d/b/a Investors Audit Group maintain records
20 in compliance with chapter 19.146 RCW, the Mortgage Broker Practices Act (Act)
21 and provide the Director with the location of the books, records and other
22 information relating to Respondent Harnethia N. Mansell d/b/a Investors Audit
23 Group's mortgage broker business, and the name, address and telephone number
24 of the individual responsible for maintenance of such records in compliance with
the Act.

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

24 ¹ The combined fine and investigation fee may be paid together in the form of a cashier's check in the amount of \$3,672.00 made payable to the
"Washington State Treasurer".

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
2 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

12 E. Non-compliance with Order. If you do not comply with the terms of this order,
13 including payment of any amounts owed within thirty (30) days of receipt of this order, the
14 Department may seek its enforcement by the Office of the Attorney General to include the collection
15 of the fines, fees, and restitution imposed herein. The Department also may assign the amounts owed
16 to a collection agency for collection.

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

20 DATED this 8th day of October, 2014.



21 STATE OF WASHINGTON
22 DEPARTMENT OF FINANCIAL INSTITUTIONS
23 [Redacted Signature]
24 SCOTT JARVIS
Director

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 DIVISION OF CONSUMER SERVICES

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Mortgage Broker Practices Act of Washington by:

7 Harnethia N. Mansell d/b/a
8 Investors Audit Group,

9 Respondent.

No. C-13-1247-13-SC01

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

10 INTRODUCTION

11 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial
12 Institutions of the State of Washington (Director) is responsible for the administration of chapter
13 19.146 RCW, the Mortgage Broker Practices (Act). After having conducted an investigation pursuant
14 to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the
15 Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes
16 this proceeding and finds as follows:

17 I. FACTUAL ALLEGATIONS

18 1.1 Respondent.

19 A. Harnethia N. Mansell (Respondent Mansell) is the owner of Investors Audit Group.
20 Respondent Mansell has never been licensed by the Department to conduct business as a mortgage
21 broker or loan originator. Respondent Mansell arranged the private mail box and telephone numbers
22 used by Investors Audit Group to contact consumers.

23 1.2 Unlicensed Activity. Between at least February 21, 2012, and May 28, 2012, Investors Audit
24 Group and Respondent Mansell contacted Washington consumer F.N. Respondent offered to contact
25 this consumer's lender and reduce his mortgage payments on a property located in Washington State.

26 After entering into a contractual relationship with Respondent, the consumer provided financial and

1 other information necessary to apply for a loan modification to Respondent. The consumer paid
2 \$1,850 to Respondent to modify the mortgage on his home in advance of the provision of services.

3 **1.3 Misrepresentations and Omissions.** Respondent represented that she was licensed to provide
4 the residential mortgage loan modification services offered or omitted disclosing that she was not
5 licensed to provide those services. Respondent represented that the consumer's fees would be
6 refunded in the event no modification was obtained. Respondent did not refund the consumer's fees
7 even though no modification was obtained.

8 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
9 Act by Respondent continues to date.

10 II. GROUNDS FOR ENTRY OF ORDER

11 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
12 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of
13 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan
14 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person
15 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a
16 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among
17 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan packages...."

18 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a
19 natural person who for direct or indirect compensation or gain, or in the expectation of direct or
20 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;
21 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform
22 any of these activities. "Loan originator" also includes a natural person who for direct or indirect
23 compensation or gain or in the expectation of direct or indirect compensation or gain performs
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1 residential mortgage loan modification services or holds himself or herself out as being able to
2 perform residential mortgage loan modification services.

3 **2.3 Residential Mortgage Loan Modification Services Defined.** Pursuant to RCW
4 19.146.010(21), “residential mortgage loan modification services” includes negotiating, attempting to
5 negotiate, arranging, attempting to arrange, or otherwise offering to perform a residential mortgage
6 loan modification. “Residential mortgage loan modification services” also includes the collection of
7 data for submission to any entity performing mortgage loan modification services.

8 **2.4 Residential Mortgage Loan Modification Defined.** Pursuant to RCW 19.146.010(20)
9 “Residential mortgage loan modification” means a change in one or more of a residential mortgage
10 loan’s terms or conditions. Changes to a residential mortgage loan’s terms or conditions include but
11 are not limited to forbearances; repayment plans; changes in interest rates, loan terms, or loan types;
12 capitalizations of arrearages; or principal reductions.

13 **2.5 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is
14 in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice
15 toward any person and obtaining property by fraud or misrepresentation.

16 **2.6 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
17 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.200(1) for
18 engaging in the business of a mortgage broker for Washington residents or property without first
19 obtaining and maintaining a license to do so.

20 **2.7 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
21 Allegations set forth in Section I above, Respondent Mansell is in apparent violation of RCW
22 19.146.200(1) for engaging in the business of a loan originator without first obtaining and maintaining
23 a license.

1 **2.8 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
2 19.146.060 and WAC 208-660-450, Respondent is required to keep all books and records in a location
3 that is on file with and readily available to the Department until at least twenty-five months have
4 elapsed following the effective period to which the books and records relate.

5 **III. AUTHORITY TO IMPOSE SANCTIONS**

6 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
7 Director may issue orders directing any person subject to the Act to cease and desist from conducting
8 business.

9 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
10 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
11 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or
12 (13), or RCW 19.146.200.

13 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
14 restitution against any person subject to the Act for any violation of the Act.

15 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
16 against any person subject to the Act for any violation of the Act.

17 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
18 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
19 to an investigation of any person subject to the Act.

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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 34.05
4 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set
5 forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6 accompanying this Statement of Charges.

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8 Dated this 21st day of November, 2013.



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

15 Presented by:

16

17 ROBERT E. JONES
18 Financial Legal Examiner

19 Approved by:

20

21 CHARLES E. CLARK
22 Enforcement Chief