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2 **STATE OF WASHINGTON**
3 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
4 **DIVISION OF CONSUMER SERVICES**

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

NO. C-09-061-09-CO01

8 **BROKER SOLUTIONS, INC.,**
9 **d/b/a NEW AMERICAN FUNDING,**

CONSENT ORDER

Respondent.

10 COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
11 Deborah Bortner, Division Director, Division of Consumer Services, and Broker Solutions, Inc., (hereinafter
12 Respondent), and finding that the issues raised in the above-captioned matter may be economically and efficiently
13 settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the
14 Revised Code of Washington (RCW) and RCW 34.05.060 of the Administrative Procedure Act based on the
15 following:

16 **AGREEMENT AND ORDER**

17 The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent
18 have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-09-061-09-SC01
19 (Statement of Charges), entered June 3, 2009, (copy attached hereto). Pursuant to chapter 19.146 RCW, the
20 Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent
21 hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the
22 above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties
23 intend this Consent Order to fully resolve the Statement of Charges. Respondent is agreeing not to contest the
24 Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

25 CONSENT ORDER
C-09-061-09-SC01
Broker Solutions, Inc.,
d/b/a New American Funding

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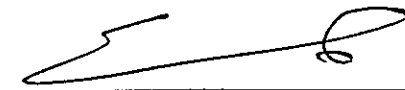
DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

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RESPONDENT:

Broker Solutions, Inc.

By:

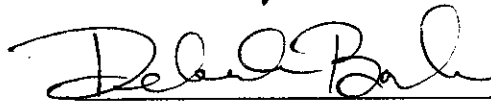


Enrico Arvielo
President

9/29/09
Date

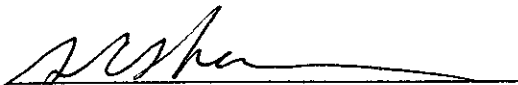
DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 30th DAY OF September, 2009.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



STEVEN C. SHERMAN
Financial Legal Examiner



Approved by:



JAMES R. BRUSSELBACK
Enforcement Chief

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

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

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**BROKER SOLUTIONS, INC.,
d/b/a. NEW AMERICAN FUNDING,**

Respondent.

NO. C-09-061-09-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO IMPOSE FINE, ORDER
RESTITUTION, AND COLLECT
INVESTIGATION FEE

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INTRODUCTION

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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 this Statement of 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 Respondent. Broker Solutions, Inc., (Broker Solutions) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on December 21, 2004. Respondent Broker Solutions was licensed to conduct business as a consumer lender on December 12, 2008, and surrendered its mortgage broker license effective December 31, 2008. Respondent Broker Solutions conducts business at 17890 Sky Circle Park, Suite 100, Irvine, California.

¹ RCW 19.146 (2006)

1 **1.2 Unlicensed Loan Originator Activity.** Between at least October 19, 2007, and December 12,
2 2008, Respondent Broker Solutions permitted twelve unlicensed loan originators to assist at least
3 seventeen borrowers in applying to obtain residential mortgage loans on property located in the State
4 of Washington. Respondent Broker Solutions was the lender for twelve of the loans and brokered five
5 of the loans to other lenders. Respondent Broker Solutions received fees totaling \$47,543.16 from the
6 unlicensed loan originator activity.

7 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
8 Act by Respondent continues to date.
9

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

11 **2.1 Responsibility for Independent Contractor's Violations.** Pursuant to RCW 19.146.245 and
12 WAC 208-660-155(3), a licensed mortgage broker is liable for any conduct violating this chapter by
13 the designated broker, a loan originator, or other licensed mortgage broker while employed or engaged
14 by the licensed mortgage broker.

15 **2.2 Requirement to Ensure that Loan Originators are Licensed.** Based on the Factual
16 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.0201(2)
17 and (3), RCW 19.146.200(1), WAC 208-660-155(9), and WAC 208-660-500(3)(b) and (c) for
18 utilizing the services of unlicensed loan originators to assist borrowers with applying for or obtaining
19 residential mortgage loans.
20

21 **III. AUTHORITY TO IMPOSE SANCTIONS**

22 **3.1 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), the Director may impose a fine
23 for any violation of the Act committed on or after January 1, 2007.
24
25

1 **3.2 Authority to Order Restitution.** Pursuant to RCW 19.146.220(e), the Director may issue orders
2 directing a licensee or other person subject to the Act to pay restitution for any violation of the Act
3 committed on or after January 1, 2007.

4 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-
5 550, the Department may collect the costs of investigation. The investigation charge will be calculated at
6 the rate of forty-eight dollars per hour that each staff person devoted to the investigation.

7
8 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

13 **4.1** Respondent Broker Solutions, Inc., pay a fine which as of the date of these charges totals \$50,000;

14 **4.2** Respondent Broker Solutions, Inc., pay restitution in the amount of \$47,543.16 to the borrowers
15 more specifically set forth in Appendix A, incorporated herein by reference; and

16 **4.3** Respondent Broker Solutions, Inc., pay an investigation fee which as of the date of these charges
17 totals \$144, calculated at \$48 per hour for the three examiner hours devoted to the investigation;
and

18 **4.4** Respondent Broker Solutions, Inc., maintain records in compliance with the Act and provide the
19 Department with the location of the books, records and other information relating to Respondent's
20 mortgage broker business, and the name, address and telephone number of the individual
responsible for maintenance of such records in compliance with the Act.

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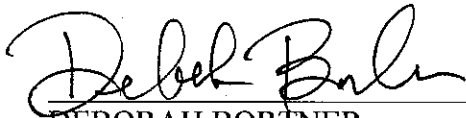
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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Impose Fine, Order
3 Restitution, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions
4 of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the
5 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent Broker Solutions
6 may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
7 DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.
8

9 Dated this 3rd day of June, 2009.
10

11 

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

16 Presented by:

17 

18 STEVEN C. SHERMAN
19 Financial Legal Examiner



20 Approved by:

21 
22 JAMES R. BRUSSELBACK
23 Enforcement Chief
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1 **RESTITUTION**

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Borrower	Loan Number	Amount
C.D.	BV594457	\$ 595.00
J.G.	BV595772	\$ 625.00
M.M.	BV595498	\$ 595.00
E.R.	01782221529	\$8,616.22
L.W.	OL598594	\$3,720.00
A.S.	AS599404	\$ 595.00
M.S.	BV609373	\$ 595.00
J.C.	AS559891	\$1,115.00
B.L.	BV562085	\$1,115.00
V.P.	017714999Y	\$2,287.44
C.H.	AS560908	\$4,552.00
A.H.	1050488922	\$6,545.00
T.H.	4847909	\$5,525.00
R.B.	AS598587	\$ 595.00
J.J.	BV560769	\$1,115.00
A.N.	1718010080	\$9,652.50
	TOTAL	\$47,543.16