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

IN THE MATTER OF INVESTIGATING
the Loan Originator License Application under the
Mortgage Broker Practices Act of Washington by:

NO. C-07-365-08-FO01

JOE CUNANAN GUZMAN JR., AKA
JOJO CUNANAN GUZMAN

FINAL ORDER

Respondent.

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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, Deborah Bortner, pursuant to RCW 34.05.440(1). On December 21, 2007, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Deny License Application and collect investigation fee. (Statement of Charges). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated December 24, 2007, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing. The Department served the Statement of Charges, cover letter dated December 24, 2007, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative Hearing on Respondent on December 24, 2007 by first class mail and Federal Express overnight delivery. On January 3, 2008, the documents sent via Federal Express overnight delivery were returned to the Department as undeliverable. The documents sent via first class mail were not returned to the Department by the United States Postal Service.

1 Respondent did not request an adjudicative hearing within twenty calendar days after the
2 Department served him with the Notice of Opportunity to Defend and Opportunity for Hearing, as
3 provided for in WAC 208-08-050(2).

4 B. Record Presented. The record presented to the Director's designee for her review and
5 for entry of a final decision included the Statement of Charges, cover letter dated December 24, 2007,
6 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for Adjudicative
7 Hearing, with documentation of service.

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

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

14 A. IT IS HEREBY ORDERED, That:

- 15 1. Respondent Joe Cunanan Guzman Jr's application for a loan originator license is
16 denied; and
- 17 2. Respondent Joe Cunanan Guzman Jr pay an investigation fee in the amount of
18 \$1,488 calculated at \$48.00 per hour for the thirty one (31) staff hours devoted to
the investigation; and
- 19 3. Respondent Joe Cunanan Guzman Jr take immediate action to maintain records in
20 his possession in compliance with the Act and provide the Department with the
21 location of the books, records and the name, address and telephone number(s) of
any other individual responsible for maintenance of such records in compliance
with the Act.

22 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a Petition
23 for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be
24 filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road
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1 SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-
2 1200, within ten (10) days of service of the Final Order upon Respondent. The Petition for
3 Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a
4 prerequisite for seeking judicial review in this matter.

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

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

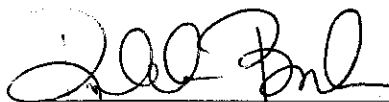
12 D. Judicial Review. Respondent has the right to petition the superior court for judicial
13 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing
14 a Petition for Judicial Review, see RCW 34.05.510 and sections following.

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

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19 DATED this 31st day of January, 2008.



20 STATE OF WASHINGTON
21 DEPARTMENT OF FINANCIAL INSTITUTIONS

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24 DEBORAH BORTNER
25 DIRECTOR
DIVISION OF CONSUMER SERVICES

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

IN THE MATTER OF INVESTIGATING
the Loan Originator License Application under the
Mortgage Broker Practices Act of Washington by:

NO. C-07-365-07-SC01

JOE CUNANAN GUZMAN JR., AKA
JOJO CUNANAN GUZMAN

STATEMENT OF CHARGES AND
NOTICE OF INTENTION TO ENTER
AN ORDER TO DENY LICENSE APPLICATION
AND COLLECT INVESTIGATION FEE

Respondent.

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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 19.146.210 and RCW 19.146.235, and based upon the facts available as of the date of the 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 Submission of Application for a License: Respondent Joe Cunanan Guzman Jr. (Respondent Guzman) submitted an application to the Department of Financial Institutions of the State of Washington (Department) for a license to conduct business as loan originator under America One Finance, Inc, a mortgage broker licensed under the Act. The on-line application was received by the Department on or about March 26, 2007.

1.2 Employment History and Experience: Respondent Guzman provided the following employment information and experience in his online application:

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¹ RCW 19.146 (Amended 2006; Effective January 1, 2007)

Employer	Position Held	City & State	Duration	Financial Related
America One Finance	Loan Originator	Bellevue, WA	07/2006 - Present	Yes
Loan Network	Loan Originator	Seattle, WA	06/2006 - 07/2006	Yes
Washington Loan Network	Office Manager	Renton, WA	01/2003 -- 06/2004	Yes

The information provided in his online application showed that Respondent Guzman had been employed in the financial services business or financial services related business since 2003. Respondent Guzman acquired confidential and sensitive personal information from borrowers during the period of time noted above in his employment history.

1.3 Failure to take measures to physically safeguard and protect confidential and sensitive personal borrower information.

Respondent Guzman completed a rental application for an office space from BJDS Associates, LLC dba Creative Workspace (BJDS), located at 401 Olympia Ave NE, Renton, Washington, on November 3, 2006. Respondent Guzman paid a security deposit of \$600 and entered into a rental agreement for Unit 219 on the same day with an effective start date of December 1, 2006.

Following execution of the rental agreement, Respondent Guzman took possession of Unit 219 and brought numerous files and documents into the unit. Respondent Guzman also stored many files and other documents in an unlocked storage closet which was accessible to the public.

On or about January 10, 2007, BJDS sent Respondent Guzman a letter and an invoice to Respondent Guzman requesting him to pay past due rent of \$714 or have his rental agreement terminated. Respondent Guzman did not pay the past due rent, contact BJDS, or make any attempt to retrieve the files and documents from BJDS.

On or about May 1, 2007, the property manager for BJDS, contacted the Department and requested guidance on what to do with files and documents left behind by Respondent Guzman.

1 On or about May 2, 2007, a Department employee went to the building and retrieved the abandoned
2 loan files containing confidential and sensitive personal information of borrowers whose loan applications
3 Respondent Guzman had either originated or opened.

4 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
5 Respondent continues to date.

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

7 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent Guzman is
8 in apparent violation of RCW 19.146.0201(11)² for directly or indirectly failing to take measures to protect
9 confidential and sensitive personal information of borrowers as required under RCW 19.146.0201(11), WAC
10 208-660-500(3)(s) and the Federal Trade Commission Privacy Rules, 16 C.F.R. Parts 313-314, mandated by the
11 Gramm-Leach-Bliley Act.

12 **2.2 Requirement to Demonstrate Financial Responsibility, Character and General Fitness.** Based on
13 the Factual Allegations set forth in Section I above, Respondent Guzman has failed to meet the requirements of
14 RCW 19.146.310(1) and WAC 208-660-350(2) for failing to demonstrate financial responsibility, character,
15 and general fitness such as to command the confidence of the community and to warrant a belief that the
16 business will be operated honestly, fairly, and efficiently within the purposes of the Act.

17 **III. AUTHORITY TO IMPOSE SANCTIONS**

18 **3.1 Authority to Deny Application for License.** Pursuant to RCW 19.146.220(1), the Director may deny
19 licenses to loan originators. Pursuant to RCW 19.146.310(2) and WAC 208-660-350(7), the Director shall not
20 issue a loan originator license if the conditions of RCW 19.146.310(1) have not been met by the applicant, and
21 shall notify the loan originator applicant and any mortgage brokers listed on the application of the denial.

22 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-520(9)
23 through (11), upon completion of any investigation of the books and records of a licensee or other person subject to
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² See, *supra* foot note 1 and accompanying text.

1 the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of
2 the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48.00) per hour that
3 each staff person devoted to the investigation.

4 IV. NOTICE OF INTENTION TO ENTER ORDER

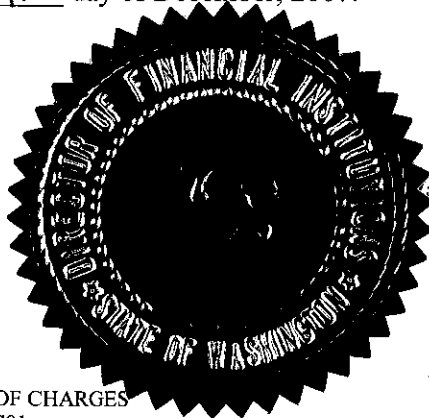
5 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
6 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
7 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.310.
8 Therefore, it is the Director's intention to ORDER that:

- 9 4.1 Respondent JOE CUNANAN GUZMAN JR's application for a Loan Originator license be denied; and
10 4.2 Respondent JOE CUNANAN GUZMAN JR pay an investigation fee in the amount of \$1,488 calculated at
11 \$48.00 per hour for the thirty one (31) staff hours devoted to the investigation; and
12 4.3 Respondent take immediate action to maintain records in his possession in compliance with the Act and
13 provide the Department with the location of the books, records and the name, address and telephone
14 number(s) of any other individual responsible for maintenance of such records in compliance with the Act.

14 V. AUTHORITY AND PROCEDURE

15 This Statement of Charges and Notice of Intention to Enter an Order to Deny License Application, and
16 Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,
17 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05
18 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in
19 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
20 Statement of Charges.

21 Dated this 21st day of December, 2007.



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

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Presented by:

Adrian Cole for Charles E. Woode

CHARLES E. WOODE
Enforcement Attorney

Approved by:

James R. Brusselback

JAMES R. BRUSSELBACK
Enforcement Chief