

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 YOUR MONEY STORE, INC., and  
8 GREGORY GEORGE ZANDI, President, Owner,  
and Designated Broker, and MARY KATHERINE  
ZANDI, Secretary and Owner,

Respondents.

NO. C-08-250-08-FO01

FINAL ORDER

MARY KATHERINE ZANDI

9 I. DIRECTOR'S CONSIDERATION

10 A. Default. This matter has come before the Director of the Department of  
11 Financial Institutions of the State of Washington (Director), through his designee, Consumer Services  
12 Division Director Deborah Bortner, pursuant to RCW 34.05.440(1). On September 5, 2008, the  
13 Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of  
14 Charges and Notice of Intention to Enter an Order to Revoke License, Prohibit from Industry and  
15 Collect Investigation Fee (Statement of Charges). A copy of the Statement of Charges is attached and  
16 incorporated into this order by this reference. The Statement of Charges was accompanied by a cover  
17 letter dated September 8, 2008, a Notice of Opportunity to Defend and Opportunity for Hearing, and  
18 blank Applications for Adjudicative Hearing for Your Money Store, Inc., Gregory George Zandi, and  
19 Mary Katherine Zandi. The Department served the Statement of Charges, cover letter dated  
20 September 8, 2008, Notice of Opportunity to Defend and Opportunity for Hearing, and blank  
21 Applications for Adjudicative Hearing for Your Money Store, Inc., Gregory George Zandi, and Mary  
22 Katherine Zandi on Respondents on September 8, 2008 by first class mail and Federal Express  
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1 overnight delivery. On September 9, 2008, the documents sent via Federal Express overnight delivery  
2 were delivered. The documents sent via first class mail were not returned to the Department by the  
3 United States Postal Service.

4 Respondent Mary Katherine Zandi did not request an adjudicative hearing within twenty  
5 calendar days after the Department served her with the Notice of Opportunity to Defend and  
6 Opportunity for Hearing, as provided for in WAC 208-08-050(2).

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8 B. Record Presented. The record presented to the Director's designee for her review and  
9 for entry of a final decision included the following: Statement of Charges, cover letter dated September  
10 8, 2008, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for  
11 Adjudicative Hearing for Your Money Store, Inc., Gregory George Zandi, and Mary Katherine Zandi,  
12 with documentation of service.

13 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the  
14 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

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16 II. FINAL ORDER

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

19 A. IT IS HEREBY ORDERED, That:

- 20 1. Respondent Mary Katherine Zandi is prohibited from participation in the conduct of  
21 the affairs of any mortgage broker subject to licensure by the Director, in any manner,  
22 for a period of five (5) years; and
- 23 2. Respondent Mary Katherine Zandi pay an investigation fee in the amount of \$192  
24 calculated at \$48 per hour for the four (4) staff hours devoted to the investigation; and
- 25 3. Respondent Mary Katherine Zandi maintain records in compliance with the Act and  
provide the Department with the location of the books, records and other information  
relating to Respondent Your Money Store, Inc.'s mortgage broker business, and the

1 name, address and telephone number of the individual responsible for maintenance of  
2 such records in compliance with the Act.

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

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

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

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

19 E. Non-compliance with Order. If you do not comply with the terms of this order, the  
20 Department may seek its enforcement by the Office of Attorney General to include the collection of the  
21 fines, fees and restitution imposed herein.  
22  
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1 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for  
2 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
3 attached hereto.

4 DATED this 15<sup>th</sup> day of October, 2008.

5 STATE OF WASHINGTON  
6 DEPARTMENT OF FINANCIAL INSTITUTIONS



7  
8 *Deborah Bortner*

9 DEBORAH BORTNER  
10 DIRECTOR  
11 DIVISION OF CONSUMER SERVICES

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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:

YOUR MONEY STORE, INC., and  
GREGORY GEORGE ZANDI, President, Owner  
and Designated Broker, and MARY  
KATHERINE ZANDI, Secretary and Owner,

Respondents.

NO. C-08-250-08-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO REVOKE LICENSE, PROHIBIT  
FROM INDUSTRY 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 (Act)<sup>1</sup>. 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. **Your Money Store, Inc. (YMS)** was originally licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on April 5, 2005, and that license was renewed on January 1, 2008. Respondent YMS is licensed to conduct the business of a mortgage broker at the following location: 24385 Sargeant Rd, Ramona, CA 92065.

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<sup>1</sup> RCW 19.146 2006

1 B. **Gregory George Zandi (Gregory Zandi)** is 50% Owner, President and Designated Broker of  
2 Respondent YMS. Respondent Gregory Zandi was named Designated Broker of Respondent YMS on April 5,  
3 2005, and has continued as Designated Broker to date. On January 1, 2007, Respondent Gregory Zandi was  
4 licensed to conduct the business of a loan originator under Respondent YMS and continues to be licensed to date.

5 C. **Mary Katherine Zandi (Mary Zandi)** is 50% Owner and Secretary of Respondent YMS.

6 **1.2 Prior Criminal Acts.** On or about May 26, 2005, Respondent Gregory Zandi was charged in Superior  
7 Court of California, County of San Diego East County Division with one count of Petty Theft, a misdemeanor  
8 pursuant to California Penal Code Section 490.1(a). On or about October 6, 2005, Respondent Gregory Zandi  
9 entered a plea of no contest to the charge of Petty Theft.

10 On or about June 18, 2007, the Superior Court of California, County of San Diego, East County  
11 Division, in court case number C250651 issued an Order Granting Petition for Relief and granted a petition to  
12 set aside the conviction and dismiss the charges. The Order Granting Petition for Relief also ordered the  
13 following: **"IT IS FURTHER ORDERED that the defendant is released from all penalties and disabilities**  
14 **resulting from this conviction, EXCEPT:** The defendant is ordered to disclose this conviction in response to  
15 any direct question contained in any questionnaire or application for public office, for licensure by any state or  
16 local agency,...."

17 **1.3 False Statements on Mortgage Broker Renewal Application.** The "Criminal Disclosure" section of  
18 the mortgage broker renewal license application consists of four questions, Respondents answered "no" to the  
19 following questions on the "Criminal Disclosure" of the mortgage broker renewal license application:

- 20 • 3-Has your designated broker, any owner or officer been convicted of or plead guilty or nolo  
21 contendere ("no contest") in a domestic, foreign or military court to a misdemeanor involving:  
22 financial services or a financial services-related business or any fraud, false statements or  
23 omissions, theft or any wrongful taking of property, bribery, perjury, forgery, counterfeiting,  
24 extortion or a conspiracy to commit any of the these offenses in the past 7 years? If yes,  
25 please provide an explanation.

- 4-Has your designated broker, any owner or officer been charged with a misdemeanor specified in 3 in the past 7 years? If yes, please provide an explanation.

Respondents were obligated by statute to answer questions on the mortgage broker renewal license application truthfully and to provide the Department with an explanation.

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

## II. GROUNDS FOR ENTRY OF ORDER

**2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(8) and WAC 208-660-500(3)(i) for negligently making a false statement or knowingly and willfully making an omission of material fact in connection with any reports filed by a mortgage broker or in connection with an investigation conducted by the Department.

**2.2 Requirement to Provide Information on License Application.** Based on the Factual Allegations set forth in Section I above, Respondents fail to meet the requirements of RCW 19.146.205(1), RCW 19.146.210(1), WAC 208-660-163(1) by failing to provide an accurate and complete written license application in the form prescribed by the Director.

**2.3 Requirement to Demonstrate Character and General Fitness.** Based on the Factual Allegations set forth in Section I above, Respondents fail to meet the requirements of RCW 19.146.210(1)(f) and WAC 208-660-163(2)(a) by failing to demonstrate character and general fitness such as to command the confidence of the community and to warrant a belief that the business will be operated honestly and fairly within the purposes of the Act.

## III. AUTHORITY TO IMPOSE SANCTIONS

**3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(e), and WAC 208-660-163, the Director may revoke a license for any violation of the Act.

**3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed

1 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker  
2 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or (12),  
3 RCW 19.146.030 through RCW 19.146.080, RCW 19.146.200, RCW 19.146.205(4), or RCW 19.146.265.

4 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-550(4),  
5 upon completion of any investigation of the books and records of a licensee or other person subject to the Act,  
6 the Department will furnish to the licensee or other person subject to the Act a billing to cover the cost of the  
7 investigation. The investigation charge will be calculated at the rate of forty-seven dollars (\$48) per hour that  
8 each staff person devoted to the investigation.

#### 9 IV. NOTICE OF INTENTION TO ENTER ORDER

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

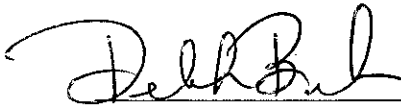
- 14 **4.1** Respondent Your Money Store, Inc.'s license to conduct the business of a mortgage broker be revoked;  
15 and
- 16 **4.2** Respondent Gregory George Zandi's license to conduct the business of a loan originator be revoked; and
- 17 **4.3** Respondent Your Money Store, Inc. be prohibited from participation in the conduct of the affairs of any  
18 mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years; and
- 19 **4.4** Respondent Gregory George Zandi be prohibited from participation in the conduct of the affairs of any  
20 mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years; and
- 21 **4.6** Respondents Your Money Store, Inc., Gregory George Zandi and Mary Katherine Zandi jointly and  
22 severally pay an investigation fee in the amount of \$192 calculated at \$48 per hour for the four (4) staff  
hours devoted to the investigation; and
- 23 **4.7** Respondents Your Money Store, Inc., Gregory George Zandi and Mary Katherine Zandi maintain records  
24 in compliance with the Act and provide the Department with the location of the books, records and other  
information relating to Respondent Your Money Store, Inc.'s mortgage broker business, and the name,  
25 address and telephone number of the individual responsible for maintenance of such records in compliance  
with the Act.



1 **V. AUTHORITY AND PROCEDURE**

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

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9 Dated this 5<sup>th</sup> day of September, 2008.

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

16 Presented by:

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18 \_\_\_\_\_  
19 FATIMA BATIE  
20 Financial Legal Examiner Supervisor

21 Approved by:

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24 JAMES R. BRUSSELBACK  
25 Enforcement Chief

