

ORDER SUMMARY – Case Number: C-08-323

Name(s): Nguyen, Jackie & Tran, Hoan; Jackie Thi Nguyen; Hoan Thai Tran

Order Number: C-08-323-12-CO01

Effective Date: August 6, 2012

License Number: DFI: Company 47665 [NMLS: 116241],
DFI: Nguyen 28832 [NMLS: 85149], Tran: N/A

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: MB License application denial

Not Apply Until: MB: February 15, 2017; LO Nguyen: February 15, 2013;
Tran: February 15, 2032

Not Eligible Until: MB: February 15, 2017; LO Nguyen: February 15, 2013;
Tran: February 15, 2032

Prohibition/Ban Until: MB: February 14, 2017; LO Nguyen: February 14, 2013;
Tran: February 14, 2032

Investigation Costs	\$1,440	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$2,730	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$2,280	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$4,550	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$N/A	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:	2			

Comments:



ORIGINAL

**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-08-323-12-CO01

CONSENT ORDER

NGUYEN, JACKIE & TRAN, HOAN, d/b/a
FIRST CHOICE MORTGAGE SERVICES;
JACKIE THI NGUYEN, Owner and Designated
Broker; and HOAN THAI TRAN, Owner,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Nguyen, Jackie & Tran, Hoan d/b/a First Choice Mortgage Services; Jackie Thi Nguyen, Owner and Designated Broker; and Hoan Thai Tran, Owner, (collectively "Respondents") and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, 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:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-323-11-SC01 (SOC-01) entered April 26, 2011, (copy attached hereto) and Statement of Charges No. C-08-323-12-SC02 (SOC-02), entered February 22, 2012, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-captioned matters may be

CONSENT ORDER
C-08-323-12-CO01
NGUYEN, JACKIE & TRAN, HOAN;
JACKIE THI NGUYEN; and HOAN THAI TRAN

1

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

1 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent
2 Order to fully resolve SOC-01 and SOC-02. Respondents are agreeing not to contest SOC-01 and
3 SOC-02 in consideration of the terms of this Consent Order.

4 Based upon the foregoing:

5 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter
6 of the activities discussed herein.

7 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
8 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
9 administrative and judicial review of the issues raised in this matter, or of the resolution reached
10 herein. Accordingly, Respondents, by their signatures below, withdraw their appeal to the Office of
11 Administrative Hearings.

12 **C. Mortgage Broker License Application Denial.** It is AGREED that Respondent Nguyen,
13 Jackie & Tran, Hoan's Mortgage Broker license application is denied.

14 **D. Prohibition from Industry.** It is AGREED that, for a period of 20 years retroactive from
15 February 14, 2012, Respondent Hoan Thai Tran is prohibited from participating in the conduct of the
16 affairs of any mortgage broker or consumer loan company licensed by the Department or subject to
17 licensure or regulation by the Department, in any capacity, including but not limited to: (1) any
18 financial capacity whether active or passive; or (2) as an officer, director, principal, partner, LLC
19 member, designated broker, employee, or loan originator; or (3) any management, control, oversight
20 or maintenance of any trust account(s) in any way related to any residential transaction; or (4)
21 receiving, disbursing, managing or controlling in any way, consumer trust funds in any way related to
22 any residential mortgage transaction.

1 **E. Prohibition from Industry.** Except as expressly provided for in the last sentence of this
2 paragraph, it is AGREED that, for a period of 5 years retroactive from February 14, 2012,
3 Respondent Jackie Thi Nguyen is prohibited from participating in the conduct of the affairs of any
4 mortgage broker or consumer loan company licensed by the Department or subject to licensure or
5 regulation by the Department, in any capacity, including but not limited to: (1) any financial capacity
6 whether active or passive; or (2) as an officer, director, principal, partner, LLC member, designated
7 broker, employee, or loan originator; or (3) any management, control, oversight or maintenance of
8 any trust account(s) in any way related to any residential transaction; or (4) receiving, disbursing,
9 managing or controlling in any way, consumer trust funds in any way related to any residential. It is
10 further AGREED that after one year retroactive from February 14, 2012, Respondent Jackie Thi
11 Nguyen may work as a loan originator under the Mortgage Broker Practices Act or Consumer Loan
12 Act provided that she meets the applicable licensing requirements and applies for and is issued a
13 Loan Originator license by the Department.

14 **F. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
15 \$2,730, in the form of a cashier's check made payable to the "Washington State Treasurer," upon
16 entry of this Consent Order.

17 **G. Restitution.** It is AGREED that Respondents have paid restitution to third party service
18 providers as follows:

- 19 1. Mahon and Rutledge Appraisal Group in the amount of \$2,200.
- 20 2. Washington Valuation & Consulting Services, Inc. in the amount of \$2,350.

21 **H. Examination Fee.** It is AGREED that Respondents shall pay to the Department an
22 examination fee of \$2,280.

23 **I. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
24 investigation fee of \$1,440, in the form of a cashier's check made payable to the "Washington State

1 Treasurer," upon entry of this Consent Order. The Fine, Examination Fee, and Investigation Fee may
2 be paid together in one \$6,450 cashier's check made payable to the "Washington State Treasurer."

3 **J. Records Retention.** It is AGREED that Respondents, its officers, employees, and agents
4 shall maintain records in compliance with the Act and provide the Director with the location of the
5 books, records and other information relating to Respondents' mortgage broker business, and the
6 name, address and telephone number of the individual responsible for maintenance of such records in
7 compliance with the Act.

8 **K. Authority to Execute Order.** It is AGREED that the undersigned have represented and
9 warranted that they have the full power and right to execute this Consent Order on behalf of the
10 parties represented.

11 **L. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to
12 abide by the terms and conditions of this Consent Order may result in further legal action by the
13 Director. In the event of such legal action, Respondents may be responsible to reimburse the Director
14 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

15 **M. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily
16 entered into this Consent Order, which is effective when signed by the Director's designee.

17 **N. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
18 this Consent Order in its entirety and fully understand and agree to all of the same.

19 **RESPONDENTS:**

20 **Nguyen, Jackie & Tran, Hoan; Jackie Thi Nguyen; and Hoan Thai Tran**

21 By:

22 _____
23 Jackie Thi Nguyen
Designated Broker and Owner

22 7-17-12
23 _____
Date

24 CONSENT ORDER
C-08-323-12-CO01
NGUYEN, JACKIE & TRAN, HOAN;
JACKIE THI NGUYEN; and HOAN THAI TRAN

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Hoan Thai Tran
Owner

July 17, 2012
Date

Jackie Thi Nguyen
Individually

7-17-12
Date

Hoan Thai Tran
Individually

July 17/2012
Date

Christopher R. McLeod, WSBA No. 14190
Law Offices of Christopher R. McLeod
Attorney for Hoan Thai Tran

July 17, 2012
Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 6th DAY OF August, 2012



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

DEBORAH TAEILLIOUS
Financial Legal Examiner

Approved by:

CHARLES E. CLARK
Enforcement Chief

CONSENT ORDER
C-08-323-12-CO01
NGUYEN, JACKIE & TRAN, HOAN;
JACKIE THI NGUYEN; and HOAN THAI TRAN

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

IN THE MATTER OF INVESTIGATING
The mortgage broker license application under the
Mortgage Broker Practices Act of Washington by:

NGUYEN, JACKIE & TRAN, HOAN, d/b/a
FIRST CHOICE MORTGAGE SERVICES;
JACKIE THI NGUYEN, Partner and Designated
Broker; and HOAN THAI TRAN, Partner,

Respondents.

No. C-08-323-12-SC02

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO DENY APPLICATION TO
RENEW LICENSE AND PROHIBIT FROM
INDUSTRY

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 19.146.210 and RCW 19.146.235, and based upon the facts available as of 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 Nguyen, Jackie & Tran, Hoan, d/b/a First Choice Mortgage Services, (Respondent First Choice) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about October 19, 2005, under license number 510-MB-28831. Respondent First Choice's license expired on December 31, 2007. Respondent First Choice's mortgage broker application was approved on or about March 3, 2008, under license number 510-MB-47665. Respondent First Choice's mortgage broker license expired on December 31, 2008. Respondent First Choice submitted a mortgage broker license

1 application that was approved on or about February 24, 2009. Respondent First Choice's mortgage
2 broker license expired on December 31, 2009. Respondent First Choice submitted a mortgage broker
3 license application, which was approved on or about February 2, 2010. Respondent First Choice's
4 mortgage broker license expired on December 31, 2010. Respondent First Choice submitted a
5 mortgage broker license application, which was approved on or about March 15, 2011. Respondent
6 First Choice's mortgage broker license expired on December 31, 2011. Respondent First Choice
7 submitted a mortgage broker renewal on or about December 19, 2011. Respondent First Choice is
8 located at 601 South 3rd Street, Suite B, Renton, Washington, 98057.

9 **B. Jackie Thi Nguyen (Respondent Nguyen)** is a partner and the designated broker of
10 Respondent First Choice. Respondent Nguyen has been designated broker of Respondent First
11 Choice at all times relevant to this Statement of Charges.

12 **C. Hoan Thai Tran (Respondent Tran)** is a partner of Respondent First Choice.

13 **1.2 Failure to Demonstrate Financial Responsibility.**

14 **A.** On or about February 26, 2008, Respondents submitted check number 1057 to the
15 Department, payable to the Washington State Treasurer in the amount of \$371 for its 2008
16 application fee. On or about March 3, 2008, the Department received notice that the check was
17 returned for insufficient funds. On or about March 18, 2008, the Department sent via certified mail a
18 notice to Respondents stating that check number 1057 was dishonored and payment was required
19 within five days of receipt of the letter. On or about April 17, 2008, the Department sent via certified
20 mail a second notice to Respondents stating that check number 1057 was dishonored and that
21 payment was required within five days. On or about January 2, 2009, Respondents submitted a
22 mortgage broker renewal application for 2009. The Department placed Respondents' renewal on
23 hold due to Respondent Nguyen's incomplete continuing education requirements and the outstanding

1 balance owed to the Department for the dishonored 2008 license fee payment. On or about February
2 19, 2009, the Department received full payment for the 2008 license fee plus interest.

3 B. On or around February 28, 2009, the Department conducted an examination of the
4 books and records of Respondents for the period of March 1, 2008, through February 28, 2009. On
5 or about May 15, 2009, the Department mailed Respondents an invoice with cover letter for the
6 investigation cost of \$2,280 for the February 2009 examination stating that payment was due no later
7 than June 14, 2009. On or about August 3, 2009, the Department again mailed the invoice with cover
8 letter to Respondents requiring that Respondents pay the examination cost "promptly." On or about
9 August 27, 2009, Respondent Nguyen contacted the Department via email requesting payment
10 arrangements. The Department responded on August 28, 2009, denying Respondents' request for a
11 payment plan and encouraging Respondents to make the payment "as soon as possible to avoid
12 additional interest and potential penalties." On or about October 1, 2009, the Department received a
13 payment from Respondents in the amount of \$200 for payment toward the outstanding examination
14 cost. The Department voided and returned the check to Respondents again advising Respondents that
15 the Department does not accept partial payments. To date, Respondents have not made payment to
16 the Department for the 2009 examination.¹

17 C. On or about December 21, 2010, Respondents submitted its mortgage broker license
18 renewal via NMLS with the mortgage broker license fee. On or about February 18, 2011, NMLS
19 sent a notice and invoice to Respondents stating that Respondents renewal fee was returned as
20 insufficient. On or about October 24, 2011, NMLS sent Respondents a final reminder and invoice for
21 the outstanding balance. On or about November 1, 2011, the Department was notified of
22

23 ¹ The Director issued Statement of Charges C-08-323-11-SC01 on or about April 26, 2011, which also addresses inter alia
24 the facts above.

1 Respondents' failure to pay its 2011 renewal fee. On or about January 9, 2012, the Department
2 received notice from NMLS that Respondents paid the 2011 license renewal fee.

3 **1.3 Incomplete or Inaccurate Application.**

4 **A.** Respondents' mortgage broker renewal application, which was submitted via NMLS
5 on or about December 21, 2010, asked the following question in the Financial Disclosures section of
6 the application, "Does the entity have any unsatisfied judgments or liens against it?" Respondents
7 answered "no" to this question. Respondents submitted a mortgage broker renewal application on or
8 about December 19, 2011. Respondents again answered "no" to the above question. On or about
9 July 30, 2010, Creditor Vienna Le obtained a civil judgment against Jackie Nguyen and First Choice
10 Mortgage in the amount of approximately \$27,885 in King County Superior Court.

11 **B.** Respondents' renewal application, which was submitted via NMLS on or about
12 November 18, 2011, lists Respondent Nguyen as sole owner with percentage of ownership as 100
13 percent of Respondent First Choice Mortgage. No other owners or officers were included on the
14 application. The application lists Respondent First Choice Mortgage's legal status as that of a
15 Partnership. Respondent First Choice is licensed with the Washington State Department of Licensing
16 as a Partnership under UBI number 602541945.

17 **1.4 Failure to Comply with Reporting Requirements.**

18 **A.** Respondents' 2010 mortgage broker annual report was due on March 31, 2011.
19 Respondents submitted the 2010 mortgage broker annual report on or about December 14, 2011.

20 **B.** Respondents' 2011 first quarter mortgage broker report was due on June 15, 2011.
21 Respondents submitted the 2011 first quarter mortgage broker report on or about October 27, 2011.
22 Respondents' second quarter mortgage broker report was due on August 14, 2011. Respondents
23 submitted the 2011 second quarter mortgage broker report on or about October 27, 2011.

1 Respondents' third quarter mortgage broker report was due on November 14, 2011. Respondents
2 submitted the 2011 third quarter mortgage broker report on or about December 12, 2011.

3 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
4 Act by Respondents continues to date.

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

6 **2.1 Requirement to Demonstrate Financial Responsibility, Character and General Fitness.**

7 Based on Factual Allegations set forth in Section I above, Respondents fail to meet the requirements
8 of RCW 19.146.210(1)(f) and WAC 208-660-163(4) by Respondents, its principals, and the
9 designated broker failing to demonstrate financial responsibility, character, and general fitness such
10 as to command the confidence of the community and to warrant a belief that the business will be
11 operated honestly, fairly, and efficiently within the purposes of the Act.

12 **2.2 Requirement to Submit an Application in the Form Prescribed by the Director.** Based
13 on the Factual Allegations set forth in Section I above, Respondents fail to meet the requirements of
14 RCW 19.146.210(1)(b) and WAC 208-660-163(1) by failing to submit a complete and accurate
15 mortgage broker application.

16 **2.3 Requirement to File Mortgage Broker Reports.** Based on the Factual Allegations set forth
17 in Section I above, Respondents fail to meet the requirements of RCW 19.146.290 and WAC 208-
18 660-400 by failing to timely provide the Department with an annual report of mortgage broker
19 activity.

20 **2.4 Requirement to Pay Examination Costs.** Based on the Factual Allegations set forth in
21 Section I above, Respondents fail to meet the requirements of RCW 19.146.235, RCW 19.146.228,
22 WAC 208-660-510(8), and WAC 208-660-550 by failing to pay for the invoice for the cost of
23 examination within 30 days.

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Deny Application to Renew Mortgage Broker License.** Pursuant to RCW
3 19.146.220(1), the Director may deny licenses to mortgage brokers. Pursuant to RCW
4 19.146.220(2), the Director may decline to renew licenses for: violations of orders, including cease
5 and desist orders; false statements or omission of material information on the application that, if
6 known, would have allowed the Director to deny the application for the original license; failure to
7 pay a fee required by the Director or maintain the required bond; failure to comply with any directive,
8 order, or subpoena of the Director; or any violation of the Act. Pursuant to RCW 19.146.210(2), if
9 the Director does not find the conditions of RCW 19.146.210(1) have been met, the Director shall not
10 issue the mortgage broker license and shall notify the applicant of the denial.

11 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
12 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
13 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
14 mortgage broker or any person subject to licensing under the Act for: any violation of RCW
15 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, RCW 19.146.200,
16 RCW 19.146.205(4), or RCW 19.146.265; false statements or omission of material information on
17 the application that, if known, would have allowed the Director to deny the application for the
18 original license; conviction of a gross misdemeanor involving dishonesty or financial misconduct or a
19 felony after obtaining a license; or failure to comply with any directive or order of the Director.

20 **IV. NOTICE OF INTENTION TO ENTER ORDER**

21 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,
22 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
23

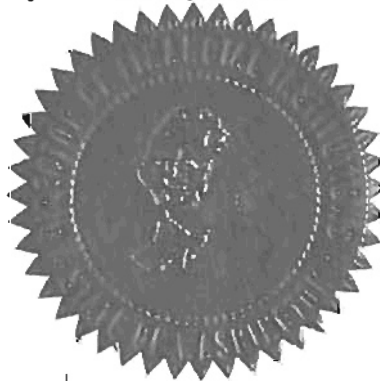
1 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,
2 RCW 19.146.223, and RCW 19.146.210. Therefore, it is the Director's intention to ORDER that:

- 3 4.1 Respondent Nguyen, Jackie & Tran, Hoan d/b/a First Choice Mortgage Services'
4 application to renew a license to conduct the business of a mortgage broker be denied.
- 5 4.2 Respondent Nguyen, Jackie & Tran, Hoan d/b/a First Choice Mortgage Services be
6 prohibited from participation in the conduct of the affairs of any mortgage broker
7 subject to licensure by the Director, in any manner, for a period of five (5) years.

8 V. AUTHORITY AND PROCEDURE

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

14 Dated this 22nd day of February, 2012



15 _____
16 DEBORAH BORTNER
17 Director
18 Division of Consumer Services
19 Department of Financial Institutions

20 Presented by:

21 _____
22 DEBORAH TAEILLIOUS
23 Financial Legal Examiner
24 Approved by:

25 _____
26 JAMES R. BRUSSELBACK
27 Enforcement Chief

1
2
3
4
5
6
7
8
9

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

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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

NO. C-08-323-11-SC01

NGUYEN, JACKIE & TRAN, HOAN, d/b/a
FIRST CHOICE MORTGAGE SERVICES;
JACKIE THI NGUYEN, Owner and Designated
Broker; and HOAN THAI TRAN, Owner,

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE, PROHIBIT
FROM INDUSTRY, IMPOSE FINE, ORDER
RESTITUTION, COLLECT EXAMINATION FEE,
AND COLLECT INVESTIGATION FEE

Respondents.

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). 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. **Nguyen, Jackie & Tran, Hoan, d/b/a First Choice Mortgage Services, (Respondent
First Choice)** was licensed by the Department of Financial Institutions of the State of Washington
(Department) to conduct business as a mortgage broker on or about October 19, 2005, under license
number 510-MB-28831. Respondent First Choice's license expired on December 31, 2007.
Respondent First Choice's mortgage broker application was approved on or about March 3, 2008,
under license number 510-MB-47665. Respondent First Choice's mortgage broker license expired on

1 December 31, 2008. Respondent First Choice submitted a mortgage broker license application, which
2 was approved on or about February 24, 2009. Respondent First Choice's mortgage broker license
3 expired on December 31, 2009. Respondent First Choice submitted a mortgage broker license
4 application, which was approved on or about February 2, 2010. Respondent First Choice's mortgage
5 broker license expired on December 31, 2010. Respondent First Choice submitted a mortgage broker
6 license application, which was approved on or about March 15, 2011. Respondent First Choice
7 continues to be licensed to date by the Department. Respondent First Choice is licensed to conduct
8 business at 141 Park Ave North, Renton, Washington, 98055.
9

10 **B. Jackie Thi Nguyen (Respondent Nguyen)** is an owner and the designated broker of
11 Respondent First Choice. Respondent Nguyen has been designated broker of Respondent First Choice
12 at all times relevant to this Statement of Charges.

13 **C. Hoan Thai Tran (Respondent Tran)** is an owner of Respondent First Choice.

14 **1.2 Surety Bond or Alternative.** On or about September 21, 2005, Respondents obtained a time
15 deposit in the amount of \$20,000 held at Washington Mutual Bank in lieu of obtaining a surety bond.
16 Respondents subsequently obtained a surety bond on or about February 13, 2008.

17 **1.3 Incomplete Application.** Respondent First Choice's application was inadequate or
18 incomplete because the check that Respondents submitted was dishonored. Respondents submitted a
19 check dated February 25, 2008, payable to the Washington State Treasurer in the amount of \$371 for
20 its application fee. On or about March 3, 2008, the Department received notice that the check was
21 returned for insufficient funds. On or about February 19, 2009, the Department received full payment
22 for the application fee plus interest, which completed Respondent First Choice's application.
23

24 **1.4 Failure to Maintain Bond and Notify the Department of Significant Change.** On or about
25 April 23, 2008, the Department received notice from Great American Insurance Company that

1 Respondent First Choice's surety bond would be cancelled effective 30 days after receipt of this
2 notice. On or about October 9, 2008, the Department received notice of reinstatement of Respondents'
3 surety bond "without lapse in coverage." Respondents did not notify the Department of the
4 cancellation of the surety bond within 30 days after receipt of notification of cancellation of its surety
5 bond.

6 **1.5 Failure to Respond to Directives.** On or about March 19, 2008, the Department sent a
7 directive to Respondents via certified mail requiring Respondents to pay its application fee within five
8 days of receipt of the directive. This directive was received and signed for by Respondent Nguyen on
9 or about March 20, 2008. On or about April 18, 2008, the Department sent a directive to Respondents
10 by certified mail requiring Respondents to pay its application fee within five days of receipt of the
11 directive. This directive was received and signed for by Respondent Nguyen on or about April 21,
12 2008. Respondents did not comply with these directives by the respective due dates.

13
14 On or about May 5, 2008, the Department sent a directive to Respondents by certified mail
15 requiring that it provide the Department with a reinstatement of its surety bond within ten days prior to
16 the cancellation of the surety bond, which was set to be cancelled on May 23, 2008. This directive
17 was received and signed for by Respondent Nguyen on or about May 7, 2008. On or about August 20,
18 2008, the Department sent via First-Class Mail a directive to Respondents requiring that Respondents
19 provide the Department with a surety bond reinstatement by August 22, 2008. Respondents did not
20 comply with these directives by the respective due dates. The Department received Respondents
21 surety bond replacement on or about October 9, 2008.

22
23 **1.6 Failure to Respond to Subpoena.** On or about June 2, 2009, the Department served on
24 Respondent a Subpoena to Produce Records requiring Respondents to provide records to the
25 Department within 15 days. Respondents did not to respond to the Department's Subpoena. On or

1 about August 10, 2009, the Department resent to Respondents the Subpoena to Produce Records.
2 Respondents did not timely respond. The Department referred the matter to the Attorney General's
3 Office for subpoena enforcement. The Department received the required documents on or about
4 December 3, 2009.

5 **1.7 Failure to Timely Pay Third-Party Fees.** Between about February 2006 and August 2006,
6 Professional Real Estate Services, Inc. provided Respondent First Choice with at least ten real estate
7 appraisals for which Respondents did not timely pay, totaling \$3,950. Respondent Nguyen and
8 Surinder Khela of Professional Real Estate Services, Inc. entered into an agreement under which
9 Respondent Nguyen agreed to pay \$500 per month until the balance was paid off. Respondent
10 Nguyen made approximately three payments but no further payments. As of the date of this Statement
11 of Charges, Respondents have a balance owing to Professional Real Estate Services, Inc. of \$2,350.
12

13 Between about March 2006 and July 2007 Mahon & Rutledge Appraisal Group provided at
14 least 18 real estate appraisals for Respondents for which Respondents did not timely pay. In October
15 2008, Respondent Nguyen started making payments to Mahon & Rutledge Appraisal Group. As of
16 the date of this Statement of Charges, Respondents have a balance owing to Mahon & Rutledge
17 Appraisal Group of \$2,500.

18 **1.8 For Cause Examination.** On or around February 28, 2009, the Department conducted an
19 examination of the books and records of Respondents for the period of March 1, 2008 through
20 February 28, 2009. The Department reviewed 6 loan files as part of its examination. The Department
21 found violations of the Act as outlined below.
22

23 **1.9 Failure to Correctly Disclose Fees in the Good Faith Estimate (GFE) that Inure to**
24 **Respondents' Benefit.** In all six loan files reviewed, Respondents did not maintain evidence
25 sufficient to establish that Respondents correctly disclosed fees that inured to the mortgage broker's

1 benefit on the GFE in that Respondents did not specifically identify in the GFE each fee that inured to
2 Respondents' benefit, or did not disclose all fees that inured to Respondents' benefit on the GFE or
3 provide a new GFE at least three days prior to closing, or Respondents used line 801 of the GFE to
4 disclose mortgage broker fees.

5 **1.10 Incomplete Truth in Lending Disclosures (TIL).** In four of the six loan files reviewed,
6 Respondents left the lower section of the TIL disclosure blank.

7 **1.11 Untimely Good Faith Estimate and Truth in Lending Disclosure.** In one of the six loan
8 files reviewed, Respondents did not maintain records sufficient to establish that Respondents provided
9 a GFE and TIL disclosure within three days of pulling the credit report, or Respondents did not
10 provide the GFE or TIL disclosure within three days of pulling a credit report.

11 **1.12 Failure to Provide Accurate Lock-in Disclosures or Agreements.** In each of the six loan
12 files reviewed, Respondents did not maintain evidence sufficient to establish that Respondents' rate-
13 lock disclosures or agreements contained a disclosure notifying the consumer that "if a lock-in
14 agreement has not been entered into, the disclosed interest rate and terms are subject to change", or
15 Respondents did not complete the expiration date or other terms of the lock-in agreement, or
16 Respondents did not provide the disclosure to borrowers within three business days of the borrower's
17 loan application.

18 **1.13 Failure to Disclose Loan Originator License Number on Loan Applications.** In four of the
19 six loan files reviewed, Respondents did not disclose the loan originator's license number on the
20 borrowers' residential mortgage loan applications.

21 **1.14 Failure to Deposit All Monies Received for Third Party Fees into Trust Account.** In three
22 of the six loan files reviewed, Respondents did not provide evidence to the Department sufficient to
23 establish that Respondents maintained a trust account for third-party fees received by Respondents. In
24
25

1 the alternative, on three of the six loan files reviewed, Respondents did not maintain evidence
2 sufficient to establish that Respondents deposited escrow checks that included the borrowers' third-
3 party credit report fees or appraisal fees into a trust account.

4 **1.15 In-Going Investigation.** The Department's investigation into the alleged violations of the Act
5 by Respondents continues to date.

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

7
8 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in
9 Section I above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-
10 175 for failing to file and maintain a surety bond or approved alternative with the Department.

11 **2.2 Requirement to Provide Complete License Application.** Based on the Factual Allegations
12 set forth in Section I above, Respondents failed to meet the requirements of RCW 19.146.205(1),
13 RCW 19.146.210(1), and WAC 208-660-163 by failing to provide an accurate and complete written
14 license application in the form prescribed by the Director.

15 **2.3 Requirement to Notify Department of Significant Developments.** Based on the Factual
16 Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-
17 400(5) for failing to notify the Director in writing within thirty days after receipt of notification of
18 cancellation of the licensee's surety bond.

19 **2.4 Disclosures Other than GFE and TIL.** Based on the Factual Allegations set forth in Section I
20 above, Respondents are in apparent violation of RCW 19.146.0201(6) and (11), RCW
21 19.146.030(1)(2)(c) and (d) and (3), WAC 208-660-430(3), and Regulation X, 24 C.F.R. Section
22 3500.21(b)(1) (1996), for failure to provide rate-lock disclosures, or "if borrower is unable to obtain a
23 loan for any reason."
24
25

1 **2.5 GFE and TIL Disclosures.** Based on the Factual Allegations set forth in Section I above,
2 Respondents are in apparent violation of RCW 19.146.0201(6) and (11), RCW 19.146.030(1), (2)(a),
3 (2)(b), and (4)¹, Regulations X, 24 C.F.R. Section 3500.21(b)(1) (1996), Regulation Z, 12 C.F.R
4 Section 226.18(d)(1) (2001), and Regulation Z, 12 C.F.R. Section 226.5(b) and 226.22(a) (2001) for
5 failure to provide required GFE and TIL disclosures within three business days of receiving a loan
6 application or failure to specify on the GFE which fees inure to the benefit of the mortgage broker or
7 failure to provide a new GFE at least three days prior to closing when fees that inure to the benefit of
8 the mortgage broker increased from that previously disclosed.

9
10 **2.6 Trust Account Violations.** Based on the Factual Allegations set forth in Section I above,
11 Respondents are in apparent violation of RCW 19.146.050(1) and WAC 208-660-410 for failing to
12 deposit into a trust account, prior to the end of the third business day following receipt of such funds,
13 all monies received by a mortgage broker from a borrower or on behalf of a borrower for payment of
14 third-party provider services, and commingling operating funds with trust account funds.

15 **2.7 Requirement to Pay Third-Party Fees.** Based on the Factual Allegations set forth in Section
16 I above, Respondents are in apparent violation of RCW 19.146.0201(12) for failing to pay third-party
17 providers no later than thirty days after the recording of the loan closing documents or ninety days
18 after completion of the third-party service, whichever comes first.

19
20 **2.8 Requirement to Provide Rate Lock Disclosure.** Based on the Factual Allegations set forth in
21 Section I above, Respondents are in apparent violation of RCW 19.146.030(2)(c) for failing to
22 disclose to consumers the cost, terms, duration, and conditions of a lock-in agreement and whether a
23 lock-in agreement has been entered, and whether the lock-in agreement is guaranteed by the mortgage
24
25

¹ And any applicable chapter 208-660 WAC.

1 broker or lender, and if a lock-in agreement has not been entered, disclosure in a form acceptable to
2 the director that the disclosed interest rate and terms are subject to change.

3 **2.9 Requirement to Fully and Timely Comply with Directives and Subpoena.** Based on the
4 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
5 19.146.235 for failure to timely or fully comply with the Department's directives.

6 **2.10 Requirement to Display Loan Originator License Number.** Based on the Factual
7 Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-
8 350(27) for failing to include the loan originator's license number immediately following the loan
9 originator's name of solicitations including mortgage loan applications.

11 III. AUTHORITY TO IMPOSE SANCTIONS

12 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(c), (d), and (e), the Director
13 may revoke a license for failure to pay a fee required by the Director, failure to maintain the required
14 bond, failure to comply with any directive, order, or subpoena of the Director, or any violation of this
15 chapter.

16 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a) and (d), the
17 Director may issue orders removing from office or prohibiting from participation in the conduct of the
18 affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of
19 any licensed mortgage broker or any person subject to licensing under the Act for any violation of
20 RCW 19.146.0201(1) through (9), RCW 19.146.030 through 19.146.080, or failure to comply with a
21 directive or order of the Director.

22 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c), (d), and (e), the Director may
23 impose fines on a licensee or other persons subject to this chapter for failure to pay a fee required by
24

1 the Director, failure to maintain the required bond, failure to comply with any directive, order, or
2 subpoena of the Director, or any violation of this chapter.

3 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
4 restitution against licensees or other persons subject to this chapter to pay restitution to injured parties.

5 **3.5 Authority to Collect Investigation and Examination Fee.** Pursuant to RCW 19.146.228(2)
6 and WAC 208-660-550, upon completion of any investigation of the books and records of a licensee
7 or other person subject to the Act, the Department will furnish to the licensee or other person subject
8 to the Act a billing to cover the cost of the investigation. The investigation charge will be calculated at
9 the rate of forty-eight dollars (\$48) per hour that each staff person devoted to the investigation.
10

11 **IV. NOTICE OF INTENTION TO ENTER ORDER**

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

- 16 **4.1** Respondent Nguyen, Jackie & Tran, Hoan's, d/b/a First Choice Mortgage Services, license to
17 conduct the business of a mortgage broker be revoked;
- 18 **4.2** Respondent Nguyen, Jackie & Tran, Hoan, d/b/a First Choice Mortgage Services, be prohibited
19 from participation in the conduct of the affairs of any mortgage broker subject to licensure by the
20 Director, in any manner, for a period of three (3) years;
- 21 **4.3** Respondent Jackie Thi Nguyen be prohibited from participation in the conduct of the affairs of
22 any mortgage broker subject to licensure by the Director, in any manner, for a period of three (3)
23 years;
- 24 **4.4** Respondent Hoan Thai Tran be prohibited from participation in the conduct of the affairs of any
25 mortgage broker subject to licensure by the Director, in any manner, for a period of three (3)
years;
- 4.5** Respondent Nguyen, Jackie & Tran, Hoan, d/b/a First Choice Mortgage Services, Respondent
Jackie Thi Nguyen and Respondent Thai Tran jointly and severally pay a fine which as of this
Statement of Charges is \$20,000;

- 1 4.6 Respondent Nguyen, Jackie & Tran, Hoan, d/b/a First Choice Mortgage Services, Respondent
2 Jackie Thi Nguyen, and Respondent Thai Tran jointly and severally refund all fees that inured to
3 Respondents' benefits on the HUD 1/1A settlement Statement or equivalent on all loans referred
4 to in paragraphs 1.9 and 1.11 above;
- 4 4.7 Respondent Nguyen, Jackie & Tran, Hoan, d/b/a First Choice Mortgage Services, Respondent
5 Jackie Thi Nguyen, and Respondent Thai Tran jointly and severally pay restitution to all third
6 party service providers referred to in paragraph 1.7 above;
- 6 4.8 Respondent Nguyen, Jackie & Tran, Hoan, d/b/a First Choice Mortgage Services, Respondent
7 Jackie Thi Nguyen, and Respondent Thai Tran jointly and severally pay an examination fee,
8 which as of the date of this Statement of Charges, is in the amount of \$2,280 calculated at \$48 per
9 hour for the forty-seven and one-half (47.5 hours) staff hours devoted to the examination;
- 9 4.9 Respondent Nguyen, Jackie & Tran, Hoan, d/b/a First Choice Mortgage Services, Respondent
10 Jackie Thi Nguyen, and Respondent Thai Tran jointly and severally pay an investigation fee,
11 which as of the date of this Statement of Charges, is in the amount of \$1,440 calculated at \$48 per
12 hour for the thirty (30) staff hours devoted to the investigation; and
- 12 4.10 Respondent Nguyen, Jackie & Tran, Hoan, d/b/a First Choice Mortgage Services, Respondent
13 Jackie Thi Nguyen, and Respondent Thai Tran maintain records in compliance with the Act and
14 provide the Department with the location of the books, records and other information relating
15 to Respondent Nguyen, Jackie & Tran, Hoan's, d/b/a First Choice Mortgage Services,
16 mortgage broker business, and the name, address and telephone number of the individual
17 responsible for maintenance of such records in compliance with the Act.

15 V. AUTHORITY AND PROCEDURE

16 This Statement of Charges and Notice of Intention to Enter an Order To Revoke License,
17 Prohibit From Industry, Impose Fine, Order Restitution, Collect Examination Fee, and Collect
18 Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,
19 RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter
20 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
21 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
22 HEARING accompanying this Statement of Charges.

24 //

25 //

1 Dated this 26th day of April, 2011.

2
3 DEBORAH BORTNER
4 Director
5 Division of Consumer Services
6 Department of Financial Institutions

7 Presented by:

8 DEBORAH TAELLIUS
9 Financial Legal Examiner

10 Approved by:

11 JAMES R. BRUSSELBACK
12 Enforcement Chief

