

Terms Completed

ORDER SUMMARY – Case Number: C-09-385

Name(s): Direct Loans Online
Arash Fiuzi

Order Number: C-09-385-10-CO01

Effective Date: August 3, 2010

License Number: DFI: 19296 [NMLS: 134367] DFI: 22146 [NMLS: 136212]
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: n/a

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

Investigation Costs	\$192	Due 0	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: Aug 3/10
Fine	\$5,000	Due 0	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: Aug 3/10
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input 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:				

Comments: Provided list of all WA loans between 1/2/09 and 9/24/09

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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:

NO. C-09-385-10-CO01

DIRECT LOANS ONLINE, INC. and ARASH
FIUZI, Designated Broker and Owner,

CONSENT ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Direct Loans Online, Inc. (Respondent Direct Loans) and Arash Fiuzi, Designated Broker and Owner (Respondent Fiuzi), 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 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-09-385-09-SC01 (Statement of Charges), entered November 24, 2009, (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 matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges and agree that Respondents do not admit any wrongdoing by its entry.

Based upon the foregoing:

CONSENT ORDER
C-09-385-10-CO01
Direct Loans Online, Inc. and Arash Fiuzi

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

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

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

8 C. **Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$5,000, in the form of a
9 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

10 D. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee
11 of \$192, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this
12 Consent Order. Respondents may pay both the fine and investigation fee in the form of one cashier's check made
13 payable to the "Washington State Treasurer" upon entry of this Consent Order.

14 E. **Loan List.** It is AGREED that Respondents upon entry of this Consent Order shall provide the
15 Department with a list of all Washington loans, including borrower's name, property address, application date, and
16 settlement date, that Respondents originated between January 2, 2009, and September 24, 2009.

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


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

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


1 **RESPONDENTS:**

2 **Direct Loans Online, Inc.**

3 By:

4 
Arash Fiuzi
5 Designated Broker and Owner

7/27/2010
Date

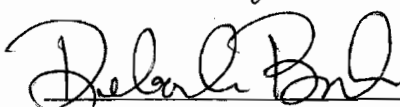
6 
Arash Fiuzi
7 Individually

7/27/2010
Date

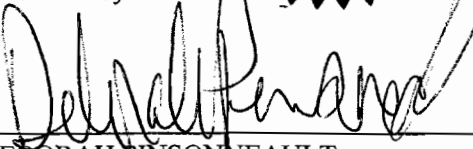
8 DO NOT WRITE BELOW THIS LINE

9 THIS ORDER ENTERED THIS 3rd DAY OF August, 2010.




10 
11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 
17 DEBORAH PINSONNEAULT
18 Financial Legal Examiner

19 Approved by:

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21 JAMES R. BRUSSELBACK
22 Enforcement Chief

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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:

NO. C-09-385-09-SC01

DIRECT LOANS ONLINE, INC. and
ARASH FIUZI, Designated Broker and
Owner,

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

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. **Direct Loan Online, Inc. (Respondent Direct Loans)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about February 17, 2000, and continues to be licensed to date, with the exception of January 1, 2009, through January 21, 2009, when Respondent Direct Loans was not licensed by the Department. Respondent Direct Loans is licensed to conduct the business of a mortgage broker at the following location:

601 108th Avenue NE, 19th Floor
Bellevue, Washington 98005

B. **Arash Fiuzi (Respondent Fiuzi)** is Designated Broker and Owner of Respondent Direct Loans. Respondent Fiuzi was named Designated Broker of Respondent Direct Loans on or about February 17,

1 2000, and continues to date to be Respondent Direct Loans' Designated Broker, with the exception of January
2 1, 2009, through January 21, 2009, when Respondent Direct Loans was not licensed by the Department.

3 **1.2 Failure to Maintain Bond.** On December 2, 2008, the Department received notice from North
4 American Specialty Insurance Company that Respondent Direct Loans' surety bond would be cancelled, which
5 was effective thirty days after receipt of the notice. Respondents obtained a surety bond replacement effective
6 September 24, 2009.

7 **1.3 Failure to Comply with Directive.** On or about December 9, 2008, the Department issued a Directive
8 to Respondents sent via certified mail requiring that Respondents replace or reinstate their surety bond no later
9 than December 24, 2008. The Directive was sent to Respondents' licensed business location and was signed for
10 on December 11, 2008. Respondents did not timely comply with this directive.

11 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
12 Respondents continues to date.

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

14 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
15 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to
16 file and maintain a surety bond with the Department.

17 **2.2 Requirement to Comply with Directive.** Based on the Factual Allegations set forth in Section I
18 above, Respondents are in apparent violation of RCW 19.146.235 and WAC 208-660-520 for failing to comply
19 with the Department investigation authority.

20 **III. AUTHORITY TO IMPOSE SANCTIONS**

21 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(c) the Director may revoke a license
22 for failure to pay a fee required by the Director or maintain the required bond, or for any violation of the Act.

23 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
24 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
25

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 19.146.205(4).

3 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and (3) and WAC 208-660-530(6), the
4 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to
5 the Act for any violations of RCW 19.146.200, or any violation of the Act.

6 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520(9) and
7 WAC 208-660-550(4) upon completion of any investigation of the books and records of a licensee or other person
8 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover
9 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per
10 hour that each staff person devoted to the investigation.

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 set forth
13 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
14 for the entry of an Order under RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the
15 Director's intention to ORDER that:

- 16 **4.1** Respondent Direct Loans Online, Inc's, license to conduct the business of a mortgage broker be revoked;
- 17 **4.2** Respondent Arash Fiuzi be prohibited from participation in the conduct of the affairs of any mortgage
18 broker subject to licensure by the Director, in any manner, for five (5) years;
- 19 **4.3** Respondents Direct Loans Online, Inc and Arash Fiuzi jointly and severally pay a fine which as of the
20 date of this Statement of Charges totals \$10,000;
- 21 **4.4** Respondents Direct Loans Online, Inc and Arash Fiuzi jointly and severally pay an investigation fee
22 which as of the date of this Statement of Charges totals \$192 calculated at \$48 per hour for the four (4) staff
23 hours devoted to the investigation;
- 24 **4.5** Respondents Direct Loans Online, Inc and Arash Fiuzi provide the Department with a list of all loans
25 originated for the period that Respondents did not have a surety bond in effect.

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V. AUTHORITY AND PROCEDURE

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

Dated this 24th day of November, 2009.

Deborah Bortner

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Deborah Pinsonneault

DEBORAH PINSONNEAULT
Financial Legal Examiner



Approved by:

James R. Brusselback
JAMES R. BRUSSELBACK
Enforcement Chief