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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:

NEW LEAF MODIFICATIONS, INC., and
OLEG ARTISHUK, President,

Respondents.

No.: C-09-515-11-FO01

FINAL ORDER

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 (Director's designee), pursuant to RCW 34.05.440(1). On July 12, 2011, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Prohibit From Industry, Impose Fine, Order Restitution and Collect Investigation Fee (Statement of Charges) against New Leaf Modifications, Inc. and Oleg Artishuk (Respondents). 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 July 13, 2011, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On July 13, 2011, the Department served Respondents with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On July 27, 2011, the documents sent by Federal Express overnight delivery were returned to the Department as undeliverable. The documents sent by First-Class mail were returned to the Department as undeliverable.

1 On October 12, 2011, the Department served Respondents with the Statement of Charges and
2 accompanying documents by First-Class mail and Federal Express overnight delivery. On October
3 19, 2011, the documents sent via Federal Express overnight delivery were delivered. The documents
4 sent via First-Class mail were not returned to the Department by the United States Postal Service.

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

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 July 13,
10 2011, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for
11 Adjudicative Hearing for Respondents, with documentation of service.

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

14 II. FINAL ORDER

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

17 A. IT IS HEREBY ORDERED, That:

- 18 1. Respondent New Leaf Modifications, Inc. is prohibited from participation in the
19 conduct of the affairs of any mortgage broker subject to licensure by the Director,
in any manner, for a period of five years.
- 20 2. Respondent Oleg Artishuk is prohibited from participation in the conduct of the
21 affairs of any mortgage broker subject to licensure by the Director, in any manner,
for a period of five years.
- 22 3. Respondents New Leaf Modifications, Inc. and Oleg Artishuk jointly and severally
23 pay a fine of \$5,250.

1 4. Respondents New Leaf Modifications, Inc. and Oleg Artishuk jointly and severally
2 pay \$5,500 in restitution to the borrower identified in Paragraph 1.2 of the
Statement of Charges.

3 5. Respondents New Leaf Modifications, Inc. and Oleg Artishuk jointly and severally
4 pay an investigation fee of \$945.60.

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

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

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

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

21 E. Non-compliance with Order. If you do not comply with the terms of this order, the
22 Department may seek its enforcement by the Office of the Attorney General to include the collection
23 of the fines, fees, and restitution imposed herein. The Department also may assign the amounts owed
24 to a collection agency for collection.

1 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
2 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
3 attached hereto.

4 DATED this 5th day of December, 2011



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

8 

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:

NEW LEAF MODIFICATIONS, INC., and
OLEG ARTISHUK, President,

Respondents.

No. C-09-515-11-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO PROHIBIT FROM INDUSTRY,
IMPOSE FINE, ORDER RESTITUTION,
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)¹. After having conducted an investigation pursuant to 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. **New Leaf Modifications, Inc. (New Leaf Modifications)** was a California corporation located at 1025 Creekside Dr. Ste. 175, Roseville, California, 95678. Respondent New Leaf Modifications has never been licensed to conduct the business of a Mortgage Broker by the Department of Financial Institutions.

B. **Oleg Artishuk (Artishuk)** was the President of New Leaf Modifications. Respondent Artishuk has never been licensed by the Department of Financial Institutions in any capacity.

¹ RCW 19.146 (2008)
STATEMENT OF CHARGES
C-09-515-11-SC01
New Leaf Modifications, Inc. and Oleg Artishuk

1 **1.2 Unlicensed Activity.** Between at least May 7, 2009, and September 25, 2009, Respondent
2 New Leaf Modifications assisted at least one borrower in applying to obtain a loan modification on
3 property located in the State of Washington from the unlicensed location referenced in paragraph 1.1.
4 Respondent New Leaf Modifications did not obtain a modification for this borrower. The borrower,
5 S.Y., paid fees to Respondent New Leaf Modifications totaling at least \$5,500.

6 **1.3 Failure to Respond to Directive.** On or about May 13, 2009, the Department sent a
7 Directive and Requirement for Production of Records and Explanation to Respondent New Leaf
8 Modifications by First-Class mail. This Directive was not returned to the Department as
9 undeliverable by the United States Postal Service. The Directive required Respondent New Leaf
10 Modifications to respond by May 29, 2009. Respondent New Leaf Modifications never responded to
11 this Directive.

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

14 II. GROUNDS FOR ENTRY OF ORDER

15 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
16 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of
17 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage
18 loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to
19 obtain a residential mortgage loan.

20 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10), "Loan Originator" means
21 a natural person who (a) takes a residential mortgage loan application for a mortgage broker, or (b)
22 offers or negotiates terms of a mortgage loan, for direct or indirect compensation or gain, or in the
23 expectation of direct or indirect compensation or gain. "Loan originator" also includes a person who

1 holds themselves out to the public as able to perform any of these activities. “Loan originator” does
2 not mean persons performing purely administrative or clerical tasks for a mortgage broker. For the
3 purposes of this subsection, “administrative or clerical tasks” means the receipt, collection, and
4 distribution of information common for the processing of a loan in the mortgage industry and
5 communication with a borrower to obtain information necessary for the processing of a loan. A
6 person who holds himself or herself out to the public as able to obtain a loan is not performing
7 administrative or clerical tasks.

8 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(3), a “Borrower” is defined as any
9 person who consults with or retains a mortgage broker or loan originator in an effort to obtain or seek
10 advice or information on obtaining or applying to obtain a residential mortgage loan for himself,
11 herself, or persons including himself or herself, regardless of whether the person actually obtains
12 such a loan.

13 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on Factual
14 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200
15 for engaging in the business of a mortgage broker or loan originator without first obtaining and
16 maintaining a license under the Act.

17 **2.5 Requirement to Comply with Investigation Authority.** Based on Factual Allegations set
18 forth in Section I above, Respondents are in apparent violation of RCW 19.146.235 for failing to
19 comply with the Department’s investigation authority.

20 III. AUTHORITY TO IMPOSE SANCTIONS

21 **3.1 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
22 issue orders removing from office or prohibiting from participation in the conduct of the affairs of
23 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed

1 mortgage broker or any person subject to licensing under the Act for any violation of RCW
2 19.146.200, or failure to comply with a directive or order of the Director.

3 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(3) and WAC 208-660-530, the
4 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person
5 subject to the Act for any violations of RCW 19.146.200 or failure to comply with a directive or
6 order of the Director.

7 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may issue
8 orders directing a licensee, its employee or loan originator, or other person subject to the Act to pay
9 restitution.

10 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-
11 660-550(4), the Department will charge forty-eight dollars per hour for an examiner's time devoted to
12 an investigation of the books and records of a licensee or other person subject to the Act.

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

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

18 **4.1** Respondent New Leaf Modifications, Inc. be prohibited from participation in the conduct of
19 the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of
20 five years.

21 **4.2** Respondent Oleg Artishuk be prohibited from participation in the conduct of the affairs of any
22 mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

1 **4.3** Respondents New Leaf Modifications, Inc. and Oleg Artishuk jointly and severally pay a fine,
2 which as of the date of this Statement of Charges totals \$5,250.

3 **4.4** Respondents New Leaf Modifications, Inc. and Oleg Artishuk jointly and severally pay
4 restitution totaling \$5,500 to the borrower identified in paragraph 1.2 of this Statement of Charges.

5 **4.5** Respondents New Leaf Modifications, Inc. and Oleg Artishuk jointly and severally pay
6 restitution in an amount to be shown at hearing to any similarly situated borrowers.

7 **4.6** Respondents New Leaf Modifications, Inc. and Oleg Artishuk jointly and severally pay an
8 investigation fee, which as of the date of this Statement of Charges totals \$945.60.

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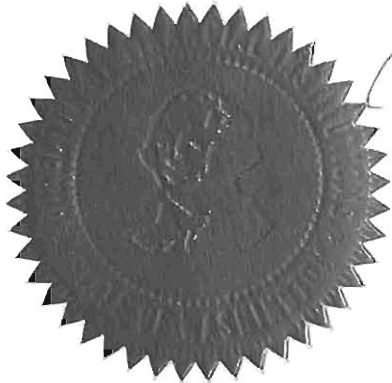
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1 **V. AUTHORITY AND PROCEDURE**

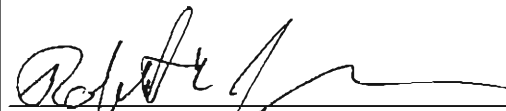
2 This Statement of Charges and Notice of Intention to Enter an Order to Prohibit From
3 Industry, Impose Fine, Order Restitution and Collect Investigation Fee (Statement of Charges) is
4 entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and
5 RCW 19.146.230, and is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

9
10 Dated this 12th day of July, 2011



11 
12 _____
13 DEBORAH BORTNER
14 Director
15 Division of Consumer Services
16 Department of Financial Institutions

17 Presented by:

18 
19 _____
20 ROBERT E. JONES
21 Financial Legal Examiner

22 Approved by:

23 
24 _____
25 JAMES R. BRUSSELBACK
26 Enforcement Chief