

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:

No.: C-10-053-11-FO01

7 NATIONAL MODIFICATION CENTER, LLC
8 ZEPYOR PARSEGHIAN, President; and
9 WALID FAROOQI, Managing Director,

FINAL ORDER

Respondents.

10 I. DIRECTOR'S CONSIDERATION

11 A. Default. This matter has come before the Director of the Department of Financial
12 Institutions of the State of Washington (Director), through his designee, Consumer Services Division
13 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On August 3, 2011,
14 the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention
15 to Enter an Order to Cease and Desist, Prohibit From Industry, Impose Fine, Order Restitution, and
16 Collect Investigation Fee (Statement of Charges) against National Modification Center, LLC, Zepyor
17 Parseghian, and Walid Farooqi (Respondents). A copy of the Statement of Charges is attached and
18 incorporated into this order by this reference. The Statement of Charges was accompanied by a cover
19 letter dated August 4, 2011, a Notice of Opportunity to Defend and Opportunity for Hearing, and
20 blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying
21 documents).

22 On August 4, 2011, the Department served Respondents with the Statement of Charges and
23 accompanying documents, sent by First-Class mail and Federal Express overnight delivery. On
24 August 5, 2011, the documents sent via Federal Express overnight delivery to Respondent Parseghian
and Respondent Farooqi were delivered. The documents sent via First-Class mail to Respondent

1 Parseghian and Respondent Farooqi were not returned to the Department by the United States Postal
2 Service. On August 15, 2011, the documents sent via First-Class mail to Respondent National
3 Modification Center, LLC were returned to the Department as undeliverable by the United States
4 Postal Service. On August 18, 2011, the documents sent via Federal Express overnight delivery to
5 Respondent National Modification Center, LLC were returned to the Department as undeliverable.

6 On August 4, 2011, the Department served the Statement of Charges and accompanying
7 documents on Respondent National Modification Center, LLC's Registered Agent, Gary K.
8 Salomons, by sending a package containing the documents to his place of business via First-Class
9 mail and Federal Express overnight delivery. On August 5, 2011, the documents set via Federal
10 Express overnight delivery were delivered. The documents sent via First-Class mail were not
11 returned to the Department by the United States Postal Service.

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

15 B. Record Presented. The record presented to the Director's designee for her review and
16 for entry of a final decision included the following: Statement of Charges, cover letter dated August
17 4, 2011, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for
18 Adjudicative Hearing for Respondents, with documentation for service.

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

21 II. FINAL ORDER

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

1 A. IT IS HEREBY ORDERED, That:

- 2 1. Respondents National Modification Center, LLC, Zepyor Parseghian, and Walid
3 Farooqi cease and desist engaging in the business of a mortgage broker.
- 4 2. Respondent National Modification Center, LLC be prohibited from participation in
5 the conduct of the affairs of any mortgage broker subject to licensure by the
6 Director, in any manner, for a period of five years.
- 7 3. Respondent Zepyor Parseghian be prohibited from participation in the conduct of
8 the affairs of any mortgage broker subject to licensure by the Director, in any
9 manner, for a period of five years.
- 10 4. Respondent Walid Farooqi be prohibited from participation in the conduct of the
11 affairs of any mortgage broker subject to licensure by the Director, in any manner,
12 for a period of five years.
- 13 5. Respondents National Modification Center, LLC, Zepyor Parseghian, and Walid
14 Farooqi jointly and severally pay a fine of \$9,000.
- 15 6. Respondents National Modification Center, LLC, Zepyor Parseghian, and Walid
16 Farooqi jointly and severally pay \$4,000 in restitution to the borrowers identified
17 in paragraph 1.2 of the Statement of Charges.
- 18 7. Respondents National Modification Center, LLC, Zepyor Parseghian, and Walid
19 Farooqi jointly and severally pay an investigation fee of \$1,056.

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

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

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

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

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

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

14 DATED this 17th day of October, 2011



16 STATE OF WASHINGTON
17 DEPARTMENT OF FINANCIAL INSTITUTIONS

18 

19 DEBORAH BORTNER
20 Director
21 Division of Consumer Services

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 NATIONAL MODIFICATION CENTER, LLC;
8 ZEPYOR PARSEGHIAN, President; and
9 WALID FAROOQI, Managing Director,

10 Respondents.

No. C-10-053-11-SC01

11 STATEMENT OF CHARGES and
12 NOTICE OF INTENTION TO ENTER AN
13 ORDER TO CEASE AND DESIST,
14 PROHIBIT FROM INDUSTRY, IMPOSE
15 FINE, ORDER RESTITUTION, AND
16 COLLECT INVESTIGATION FEE

17 **INTRODUCTION**

18 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of
19 Financial Institutions of the State of Washington (Director) is responsible for the administration of
20 chapter 19.146 RCW, the Mortgage Broker Practices (Act)¹. After having conducted an investigation
21 pursuant to RCW 19.146.235, and based upon the facts available as of date of this Statement of
22 Charges, the Director, through his designee, Division of Consumer Services Director Deborah
23 Bortner, institutes this proceeding and finds as follows:

24 **I. FACTUAL ALLEGATIONS**

1.1 Respondents.

A. **National Modification Center, LLC (National Modification Center)** is a California
Limited Liability Company located at 16661 Ventura Boulevard Suite 518, Encino, California,
91436. Respondent National Modification Center has never been licensed to conduct the business of
a Mortgage Broker by the Department of Financial Institutions.

¹ RCW 19.146 (2008)

1 **B. Zepyor Parseghian (Parseghian)** is President of Respondent National Modification
2 Center. Respondent Parseghian has never been licensed to conduct the business of a Mortgage
3 Broker by the Department of Financial Institutions.

4 **C. Walid Farooqi (Farooqi)** is Managing Director of Respondent National Modification
5 Center. Respondent Farooqi has never been licensed to conduct the business of a Mortgage Broker
6 by the Department of Financial Institutions.

7 **1.2 Unlicensed Activity.** Between at least June 26, 2009, and November 12, 2009, Respondents
8 assisted at least two (2) borrowers in applying to obtain a loan modification on property located in
9 Washington State from the unlicensed location referenced in paragraph 1.1. The borrowers, B.W.
10 and J.P., paid fees to Respondent National Modification Center of \$2,000 each for a total of \$4,000.
11 Respondents did not obtain loan modifications for these borrowers.

12 **1.3 Failure to Respond to Directives.** On or about February 3, 2010, the Department sent two
13 directives to Respondent National Modification Center by First-Class mail requiring Respondents to
14 provide documents and explanations regarding the complaints of borrowers B.W. and J.P. Neither
15 directive was returned to the Department by the United States Postal Service. Respondents never
16 provided any material responsive to either directive.

17 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
18 Act by Respondents continues to date.

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

20 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
21 “Mortgage Broker” means any person who, for compensation or gain, or in the expectation of
22 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage

1 loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to
2 obtain a residential mortgage loan.

3 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10), “Loan Originator” means
4 a natural person who (a) takes a residential mortgage loan application for a mortgage broker, or (b)
5 offers or negotiates terms of a mortgage loan, for direct or indirect compensation or gain, or in the
6 expectation of direct or indirect compensation or gain. “Loan originator” also includes a person who
7 holds themselves out to the public as able to perform any of these activities. “Loan originator” does
8 not mean persons performing purely administrative or clerical tasks for a mortgage broker. For the
9 purposes of this subsection, “administrative or clerical tasks” means the receipt, collection, and
10 distribution of information common for the processing of a loan in the mortgage industry and
11 communication with a borrower to obtain information necessary for the processing of a loan. A
12 person who holds himself or herself out to the public as able to obtain a loan is not performing
13 administrative or clerical tasks.

14 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(3), a “Borrower” is defined as any
15 person who consults with or retains a mortgage broker or loan originator in an effort to obtain or seek
16 advice or information on obtaining or applying to obtain a residential mortgage loan for himself,
17 herself, or persons including himself or herself, regardless of whether the person actually obtains
18 such a loan.

19 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on Factual
20 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200
21 for engaging in the business of a mortgage broker or loan originator without first obtaining and
22 maintaining a license under the Act.

1 **2.5 Requirement to Comply with Investigation Authority.** Based on the Factual Allegations
2 set forth in Section I above, Respondents are in apparent violation of RCW 19.146.235 for failing to
3 comply with the Department's investigation authority.

4 **III. AUTHORITY TO IMPOSE SANCTIONS**

5 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
6 Director may issue orders directing a licensee, its employee or loan originator, or other person subject
7 to the Act to cease and desist from conducting business.

8 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a) and, the Director
9 may issue orders removing from office or prohibiting from participation in the conduct of the affairs
10 of licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any
11 licensed mortgage broker or any person subject to licensing under the Act for any violation of RCW
12 19.146.200.

13 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(d) and (e) and WAC 208-660-
14 530, the Director may impose fines on a licensee, employee or loan originator of the licensee, or
15 other person subject to the Act for any violations of RCW 19.146.200 or failure to comply with a
16 directive or order of the Director.

17 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may issue
18 orders directing a licensee, its employee or loan originator, or other person subject to the Act to pay
19 restitution to an injured borrower.

20 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-
21 660-550(4) and WAC 208-660-520(9), the Department will charge forty-eight dollars per hour for an
22 examiner's time devoted to an investigation of the books and records of a licensee or other person
23 subject to the Act.

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

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

6 **4.1** Respondents National Modification Center, LLC, Zepyor Parseghian, and Walid Farooqi
7 cease and desist engaging in the business of a mortgage broker.

8 **4.2** Respondent National Modification Center, LLC be prohibited from participation in the
9 conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for
10 a period of five years.

11 **4.3** Respondent Zepyor Parseghian be prohibited from participation in the conduct of the affairs
12 of any mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

13 **4.4** Respondent Walid Farooqi be prohibited from participation in the conduct of the affairs of
14 any mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

15 **4.5** Respondents National Modification Center, LLC, Zepyor Parseghian, and Walid Farooqi
16 jointly and severally pay a fine. As of the date of this Statement of Charges, the fine totals \$9,000.

17 **4.6** Respondents National Modificatoin Center, LLC, Zepyor Parseghian, and Walid Farooqi
18 jointly and severally pay restitution totaling \$4,000 to the borrowers identified in paragraph 1.2 of
19 this Statement of Charges.

20 **4.7** Respondents National Modification Center, LLC, Zepyor Parseghian, and Walid Farooqi
21 jointly and severally pay restitution in an amount to be determined at hearing to all similarly situated
22 borrowers.

1 **4.8** Respondents National Modification Center, LLC, Zepyor Parseghian, and Walid Farooqi
2 jointly and severally pay an investigation fee. As of the date of this Statement of Charges, the
3 investigation fee totals \$1,056.

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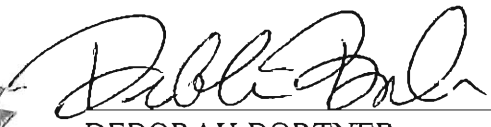
24 STATEMENT OF CHARGES
C-10-053-11-SC01
National Modification Center, LLC
Zepyor Parseghian and Walid Farooqi

1 **V. AUTHORITY AND PROCEDURE**

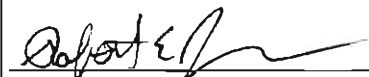
2 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist,
3 Prohibit From Industry, Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of
4 Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 221, RCW 19.146.223, and
5 RCW 19.146.230, 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 3rd day of August, 2011



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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