

1
2
3
4
5
6

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

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

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

WAYPOINT LAW GROUP, INC.,

Respondent.

No.: C-10-302-11-FO01

FINAL ORDER

25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

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 June 1, 2011, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Impose Fine, Order Restitution, Collect Investigation Fee, and Maintain Records (Statement of Charges) against Waypoint Law Group, Inc. (Respondent). 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 June 1, 2011, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

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

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

4 B. Record Presented. The record presented to the Director's designee for her review and
5 for entry of a final decision included the following: Statement of Charges, cover letter dated June 1,
6 2011, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for
7 Adjudicative Hearing for Respondent, with documentation for service.

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

10 II. FINAL ORDER

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

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent Waypoint Law Group, Inc. cease and desist from engaging in the
15 business of a mortgage broker or loan originator in regards to residents of the state
of Washington or property located in the state of Washington.
- 16 2. Respondent Waypoint Law Group, Inc. is prohibited from participation in the
17 conduct of the affairs of any mortgage broker subject to licensure by the Director,
in any manner, for a period of five years.
- 18 3. Respondent Waypoint Law Group, Inc. pay a fine of \$8,000.
- 19 4. Respondent Waypoint Law Group, Inc. pay \$3,495 in restitution to consumer
20 K.V., identified in paragraph 1.2 of the Statement of Charges.
- 21 5. Respondent Waypoint Law Group, Inc. pay an investigation fee of \$816.
- 22 6. Respondent Waypoint Law Group, Inc. maintain records in compliance with
23 chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and provide the
Department with the location of the books, records and other information relating
to Respondent Waypoint Law Group, Inc.'s mortgage broker business, and the

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

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

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

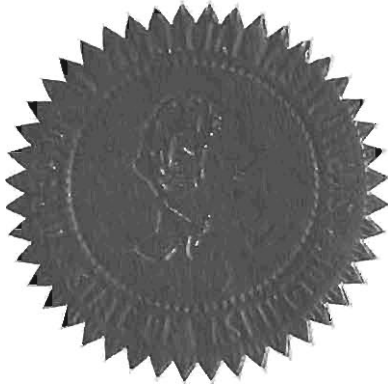
13 C. Stay of Order. The Director's designee has determined not to consider a Petition to
14 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
15 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

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

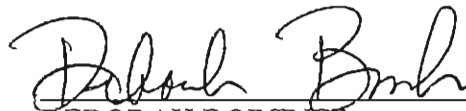
19 E. Non-compliance with Order. If you do not comply with the terms of this order, the
20 Department may seek its enforcement by the Office of the Attorney General to include the collection
21 of the fines, investigation fees, and restitution imposed herein. The Department also may assign the
22 amounts owed 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 17th day of October, 2011



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

8 

9 DEBORAH BORTNER
10 Director
11 Division of Consumer Services

1
2
3
4
5
6
7

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:

WAYPOINT LAW GROUP INC,

Respondent.

No. C-10-302-11-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO CEASE AND DESIST,
PROHIBIT FROM INDUSTRY, IMPOSE
FINE, ORDER RESTITUTION, COLLECT
INVESTIGATION FEE AND MAINTAIN
RECORDS

8
9
10
11
12
13
14

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 19.146.235, 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:

15
16
17
18
19

I. FACTUAL ALLEGATIONS

1.1 Respondent. Waypoint Law Group Inc (Respondent) is located at 17305 Daimler Street, Irvine, California. Respondent has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to engage in the business of a mortgage broker or loan originator in the State of Washington.

1.2 Unlicensed Activity. Between at least August 2009 and November 2009, Respondent held itself out as able to assist at least one consumer in applying to obtain a loan modification on at least one property located in the State of Washington. Respondent sent an advertisement by mail to the consumer. The consumer involved paid Respondent fees totaling at least \$3,495. To date

1 Respondent has never been licensed by the Department to engage in the business of a mortgage
2 broker or loan originator.

3 **1.3 Failure to Comply with a Department Investigation.** On or about April 8, 2010, the
4 Department served a Directive on Respondent via the United States Postal Service First-Class mail
5 (First-Class mail). Respondent was required to respond within fifteen (15) days. On or about April
6 15, 2010, the Department served another Directive on Respondent via First-Class mail. Respondent
7 was also required to respond to this Directive within fifteen (15) days. Neither of the Directives were
8 returned to the Department by the United States Postal Service. Respondent did not respond to either
9 of the Directives.

10 **1.4** On or about May 15, 2010, the Department served a subpoena on Respondent via First-Class
11 mail. The subpoena required Respondent to respond within ten (10) days. The subpoena was not
12 returned to the Department by the United States Postal Service. To date, the Department has not
13 received a response from Respondent.

14 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
15 Act by Respondent continues to date.

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

17 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-
18 010(29), "Mortgage Broker" means any person who, for compensation or gain, or in the expectation
19 of compensation or gain (a) makes a residential mortgage loan or assists a person in obtaining or
20 applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to
21 make a residential mortgage loan or assist a person in obtaining or applying to obtain a residential
22 mortgage loan.

1 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10), "Loan Originator" means
2 a natural person who for direct or indirect compensation or gain, or in the expectation of direct or
3 indirect compensation or gain (i) takes a residential mortgage loan application for a mortgage broker,
4 or (ii) offers or negotiates terms of a mortgage loan. "Loan originator" also includes a person who
5 holds themselves out to the public as able to perform any of these activities. "Loan originator" does
6 not mean persons performing purely administrative or clerical tasks for a mortgage broker. For the
7 purposes of this subsection, "administrative or clerical tasks" means the receipt, collection, and
8 distribution of information common for the processing of a loan in the mortgage industry and
9 communication with a borrower to obtain information necessary for the processing of a loan. A
10 person who holds himself or herself out to the public as able to obtain a loan is not performing
11 administrative or clerical tasks.

12 **2.3 Requirement to Obtain and Maintain Mortgage Broker License.** Based on Factual
13 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.200 for
14 engaging in the business of a mortgage broker without first obtaining and maintaining a license under
15 the Act.

16 **2.4 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
17 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.200(1)
18 and WAC 208-660-155(1) for engaging in the business of a loan originator without first obtaining
19 and maintaining a loan originator license under the Act.

20 **2.5 Requirement to Comply with a Department Investigation.** Based on the Factual
21 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.235 for
22 failure to comply with the Director's investigatory authority by not timely or fully and completely
23 complying with the Department's Directive.

1 **2.6 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent
2 is in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a
3 scheme, device or artifice to defraud or mislead borrowers or lenders or any person, engaging in an
4 unfair or deceptive practice toward any person, or obtaining property by fraud or misrepresentation.

5 **2.7 Requirement to Maintain Books and Records.** Based on Factual Allegations set forth in
6 Section I above, Respondent is in apparent violation of RCW 19.146.060 for failing to maintain all
7 books and records in a location that is on file with and readily available to the Department until at
8 least twenty-five months have elapsed following the effective period to which the books and records
9 relate.

10 III. AUTHORITY TO IMPOSE SANCTIONS

11 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
12 Director may issue orders directing a licensee, its employee or loan originator, or other person subject
13 to the Act to cease and desist from conducting business in a manner that is injurious to the public or
14 violates any provision of the Act.

15 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
16 issue orders removing from office or prohibiting from participation in the conduct of the affairs of
17 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
18 mortgage broker or any person subject to licensing under the Act for any violation of RCW
19 19.146.0201(1) through (9) or (12), RCW 19.146.200, or failure to comply with a directive or order
20 of the Director.

21 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(d), (e), and (3)(a) and (b), the
22 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person
23

1 subject to the Act for any violations of RCW 19.146.020(1) through (9) or (12), RCW 19.146.200, or
2 failure to comply with a directive or order of the Director.

3 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2)(d) and (e), the Director
4 may issue orders directing a licensee, its employee or loan originator, or other person subject to the
5 Act to pay restitution to an injured borrower.

6 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
7 550(4), and WAC 208-660-520(9), the Department will charge forty-eight dollars per hour for an
8 examiner's time devoted to an investigation of the books and records of a licensee or other person
9 subject to the Act.

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

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

15 **4.1** Respondent Waypoint Law Group Inc cease and desist engaging in the business of a mortgage
16 broker or loan originator in regards to residents of the State of Washington or property located in the
State of Washington; and

17 **4.2** Respondent Waypoint Law Group Inc be prohibited from participation in the conduct of the
18 affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five
(5) years; and

19 **4.3** Respondent Waypoint Law Group Inc pay a fine, which as of the date of this Statement of
20 Charges totals \$8,000; and

21 **4.4** Respondent Waypoint Law Group Inc pay restitution to at least the consumer identified in
paragraph 1.2 above; and

22 **4.5** Respondent Waypoint Law Group Inc pay an investigation fee, which as of the date of this
23 Statement of Charges totals \$816 Calculated at \$48 per hour for seventeen (17) staff hours devoted to
the investigation; and


1 4.6 Respondent Waypoint Law Group Inc maintain records in compliance with the Act and
2 provide the Department with the location of the books, records and other information relating to
3 Respondent Waypoint Law Group Inc's mortgage broker business, and the name, address and
4 telephone number of the individual responsible for maintenance of such records in compliance with
5 the Act.

6 **V. AUTHORITY AND PROCEDURE**

7 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
8 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
9 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a
10 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
11 HEARING accompanying this Statement of Charges.

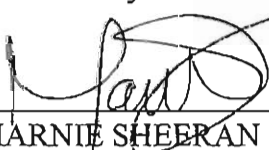
12 Dated this 1st day of June, 2011



13 

14 DEBORAH BORTNER
15 Director
16 Division of Consumer Services
17 Department of Financial Institutions

18 Presented by:

19 

20 MARNIE SHEERAN
21 Financial Legal Examiner

22 Approved by:

23 

24 JAMES R. BRUSSELBACK
Enforcement Chief