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

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

No.: C-10-340-11-FO01

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MANHATTAN MORTGAGE CORP.,
LYNN JORDAN, CEO and Owner,
MICHAEL L. JORDAN, Director and Owner

FINAL ORDER

Respondents.

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 August 17, 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, Order Restitution, Impose Fine, and Collect Investigation Fee (Statement of Charges) against Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan (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 August 18, 2011, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On August 18, 2011, the Department served Respondents with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. On August 19, 2011, the documents sent via Federal Express overnight delivery were delivered. The

1 documents sent via First-Class mail were not returned to the Department by the United States Postal
2 Service.

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

6 B. Record Presented. The record presented to the Director's designee for her review and
7 for entry of a final decision included the following: Statement of Charges, cover letter dated August
8 18, 2011, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for
9 Adjudicative Hearing for Respondents, with documentation for service.

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

12 II. FINAL ORDER

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

15 A. IT IS HEREBY ORDERED, That:

- 16 1. Respondents Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan
17 cease and desist engaging in the business of a mortgage broker.
- 18 2. Respondent Manhattan Mortgage Corp. be prohibited from participation in the
19 conduct of the affairs of any mortgage broker subject to licensure by the Director,
20 in any manner, for a period of five years.
- 21 3. Respondent Lynn Jordan be prohibited from participation in the conduct of the
22 affairs of any mortgage broker subject to licensure by the Director, in any manner,
23 for a period of five years.
- 24 4. Respondent Michael L. Jordan be prohibited from participation in the conduct of
the affairs of any mortgage broker subject to licensure by the Director, in any
manner, for a period of five years.

1 5. Respondents Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan
2 jointly and severally pay a fine of \$11,250.

3 6. Respondents Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan
4 jointly and severally pay \$2,500 in restitution to the borrower identified in
5 paragraph 1.2 of the Statement of Charges.

6 7. Respondents Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan
7 jointly and severally pay an investigation fee of \$1,084.80.

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

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

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

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

24 E. Non-compliance with Order. If you do not comply with the terms of this order, the
Department may seek its enforcement by the Office of the Attorney General to include the collection

1 of the fines, fees, and restitution imposed herein. The Department also may assign the amounts owed
2 to a collection agency for collection.

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

6 DATED this 17th day of October, 2011



8 STATE OF WASHINGTON
9 DEPARTMENT OF FINANCIAL INSTITUTIONS

10 *Deborah Bortner*

11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services

1 B. **Lynn Jordan** is the CEO of Manhattan Mortgage. Respondent Lynn Jordan has never
2 been licensed by the Department in any capacity.

3 C. **Michael L. Jordan** is an owner and Director of Manhattan Mortgage. Respondent
4 Michael L. Jordan has never been licensed by the Department in any capacity.

5 **1.2 Unlicensed Activity.** Between at least October 3, 2009, and April 5, 2011, Respondents
6 assisted at least six borrowers in applying to obtain loan modifications on property located in the
7 State of Washington. At least one borrower, G.M., paid fees to Respondents of \$2,500.

8 **1.3 Failure to Respond Timely and Completely to Directives.** On or about July 2, 2010, the
9 Department mailed a Directive and Requirement for Production of Records and Explanation to
10 Respondents by First-Class mail. This Directive was not returned as undeliverable by the United
11 States Postal Service. Respondents did not respond to this Directive. On or about August 4, 2010,
12 the Department issued a Subpoena Compelling Production of Records and Explanation to
13 Respondents. The Subpoena required Respondents to respond by August 15, 2010. On August 20,
14 2010, Respondents telephoned the Department and stated that they would comply with the Subpoena.
15 On or about August 25, 2010, the Department received Respondents response to the Subpoena.

16 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
17 Act by Respondents continues to date.

18 II. GROUNDS FOR ENTRY OF ORDER

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

1 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10), “Loan Originator” means
2 a natural person who (a) takes a residential mortgage loan application for a mortgage broker, or (b)
3 offers or negotiates terms of a mortgage loan, for direct or indirect compensation or gain, or in the
4 expectation of direct or indirect compensation or gain. “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 to 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 Definition of Borrower.** Pursuant to RCW 19.146.010(3), “Borrower” is defined as any
13 person who consults with or retains a mortgage broker or loan originator in an effort to obtain or seek
14 advice or information on obtaining or applying to obtain a residential mortgage loan for himself,
15 herself, or persons including himself or herself, regardless of whether the person actually obtains
16 such a loan.

17 **2.4 Definition of Residential Mortgage Loan Modification.** Pursuant to RCW 19.146.010(20),
18 “residential mortgage loan modification” means a change in one or more of a residential mortgage
19 loan's terms or conditions. Changes to a residential mortgage loan's terms or conditions include but
20 are not limited to forbearances; repayment plans; changes in interest rates, loan terms, or loan types;
21 capitalizations of arrearages; or principal reductions.

22 **2.5 Definition of Residential Mortgage Loan Modification Services.** Pursuant to RCW
23 19.146.010(21), “residential mortgage loan modification services” means negotiating, attempting to

1 negotiate, arranging, attempting to arrange, or otherwise offering to perform a residential mortgage
2 loan modification. "Residential mortgage loan modification services" also includes the collection of
3 data for submission to any entity performing mortgage loan modification services.

4 **2.6 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
5 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)
6 for engaging in the business of a mortgage broker or loan originator without first obtaining and
7 maintaining a license under the Act.

8 **2.7 Requirement to Comply with Investigation Authority.** Based on the Factual Allegations
9 set forth in Section I above, Respondents are in apparent violation of RCW 19.146.235 for failing to
10 comply with the Department's investigation authority.

11 III. AUTHORITY TO IMPOSE SANCTIONS

12 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
13 Director may issue orders directing a licensee, its employee, loan originator, independent contractor,
14 agent, or other person subject to the Act to cease and desist from conducting business.

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 a
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 19.146.200 or failure to comply with any directive or order of the Director.

20 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
21 restitution against licensees or other persons subject to the Act for any violation of the Act.

22 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(3)(a) and (b) and WAC 208-660-
23 530(6), the Director may impose fines on an employee, loan originator, independent contractor, or

1 agent of the licensee, or other person subject to this chapter for any violations of RCW 19.146.200 or
2 failure to comply with a directive or order of the Director.

3 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-
4 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time
5 devoted to an investigation of the books and records of a licensee or other person subject to the Act.

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

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

11 **4.1** Respondents Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan cease and
12 desist engaging in the business of a mortgage broker.

13 **4.2** Respondent Manhattan Mortgage Corp. be prohibited from participation in the conduct of the
14 affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five
15 years.

16 **4.3** Respondent Lynn Jordan be prohibited from participation in the conduct of the affairs of any
17 mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

18 **4.4** Respondent Michael L. Jordan be prohibited from participation in the conduct of the affairs of
19 any mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

20 **4.5** Respondents Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan jointly and
21 severally pay a fine. As of the date of this Statement of Charges, the fine totals \$11,250.

1 **4.6** Respondents Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan jointly and
2 severally pay restitution totaling \$2,500 to the borrower, G.M., identified in paragraph 1.2 of this
3 Statement of Charges.

4 **4.7** Respondents Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan jointly and
5 severally pay restitution in an amount to be shown at hearing to all similarly situated borrowers.

6 **4.8** Respondents Manhattan Mortgage Corp., Lynn Jordan, and Michael L. Jordan jointly and
7 severally pay an investigation fee. As of the date of this Statement of Charges, the investigation fee
8 totals \$1,084.80.

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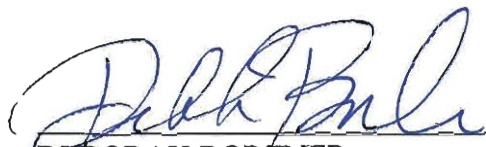
1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
3 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
4 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
5 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
6 HEARING accompanying this Statement of Charges.

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8 Dated this 17th day of August, 2011




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DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

17 Presented by:

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ROBERT E. JONES
Financial Legal Examiner

21 Approved by:

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JAMES R. BRUSSELBACK
Enforcement Chief