

ORDER SUMMARY – Case Number: C-10-350Name(s): Scott Michael Marinelli Order Number: C-10-350-13-FO01Effective Date: 07/29/13License Number: NMLS ID: 151062Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
If applicable, you must specifically note the ending dates of terms.License Effect: Unlicensed Not Apply Until: 7/29/18Not Eligible Until: 7/29/18Prohibition/Ban Until: 7/29/18

Examination Fee	\$21,590.55	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Investigation Costs	\$2,200	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$50,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$10,000	Due	Paid <input type="checkbox"/> Y <input checked="" 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 checked="" type="checkbox"/> N			
	No. of Victims:			

Comments:



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

No.: C-10-350-13-FO01

MORTGAGE NOW, INC.,
NMLS # 117338,
JAMES C. SCHWARTZ,
Principal,
EVERT D. BICE,
Principal,
SCOTT M. MARINELLI,
Principal, and
JAMES L. MARCHESE,
Principal,

FINAL ORDER RE:

SCOTT M. MARINELLI

Respondents.

I. DIRECTOR'S CONSIDERATION

Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington ("Director"), pursuant to RCW 34.05.440(2). On December 28, 2012, the Director, through his designee, Consumer Services Division Director Deborah Bortner, issued a Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, File Annual Reports, Collect Annual Assessment Fees and Late Penalties, Collect Examination Fee, and Collect Investigation Fee ("Statement of Charges") against MORTGAGE NOW, INC., JAMES C. SCHWARTZ, EVERT D. BICE, SCOTT M. MARINELLI, and JAMES L. MARCHESE. On January 29, 2013, the Department served Respondent SCOTT M. MARINELLI ("Respondent Marinelli") with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of

1 Charges was accompanied by a cover letter dated January 29, 2013, a Notice of Opportunity to
2 Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for
3 Respondent Marinelli. On January 31, 2013, Respondent Marinelli filed an Application for
4 Adjudicative Hearing. On March 27, 2013, the Department made a request to the Office of
5 Administrative Hearings (“OAH”) to assign an Administrative Law Judge (“ALJ”) to schedule and
6 conduct a hearing on the Statement of Charges.

7 On April 12, 2013, ALJ Steven C. Smith (“ALJ Smith”) issued a Notice of Conference
8 scheduling a prehearing conference on May 14, 2013, at 11:00 a.m. That Notice stated: “You must
9 participate in the conference. If you do not, a default may be entered. This means you lose the
10 opportunity to further challenge the agency action. RCW 34.05.440.”

11 On May 14, 2013, the prehearing conference was convened by ALJ Smith at 11:00 a.m.
12 Respondent Marinelli failed to appear and the Department moved for an order of default dismissing
13 the administrative appeal. On May 17, 2013, ALJ Smith issued an Order of Default for Respondent
14 Marinelli (“Order of Default”) dismissing Respondent Marinelli’s administrative appeal. On May 17,
15 2013, ALJ Smith sent the Order of Default to Respondent Marinelli via First-Class mail.

16 Pursuant to RCW 34.05.440(3), Respondent Marinelli had seven (7) days from the date of
17 service of the Order of Default to file a written motion with OAH requesting that the Order of Default
18 be vacated, and stating the grounds relied upon. Respondent Marinelli did not make a request to
19 vacate during the statutory period.

20 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent Marinelli had twenty (20)
21 days from the date of service of the Order of Default to file a Petition for Review of the Order of
22 Default. Respondent Marinelli did not file a Petition for Review during the statutory period.

23 A. Record Presented. The record presented to the Director for his review and for entry of
24 a final decision included the following:

- 1 1. Statement of Charges, cover letter dated January 29, 2013, and Notice of
2 Opportunity to Defend and Opportunity for Hearing, with documentation of
3 service.
- 4 2. Application for Adjudicative Hearing for Respondent Marinelli.
- 5 3. Request to OAH for Assignment of Administrative Law Judge.
- 6 4. Notice of Conference dated April 12, 2013, with documentation of service.
- 7 5. Order of Default, dated May 17, 2013, with documentation of service.

8 B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(2), the Director
9 hereby adopts the Statement of Charges, which is attached hereto.

10 II. FINAL ORDER

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

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent SCOTT M. MARINELLI is prohibited from participation in the
15 conduct of the affairs of any consumer lender subject to licensure by the Director,
16 in any manner, for a period of five (5) years.
- 17 2. Respondent SCOTT M. MARINELLI shall pay to the Washington State
18 Department of Financial Institutions, within thirty (30) days of receipt of this
19 order, a fine of fifty thousand dollars (\$50,000).
- 20 3. Respondent SCOTT M. MARINELLI shall pay to the Washington State
21 Department of Financial Institutions, within thirty (30) days of receipt of this
22 order, annual assessment fees for 2009 and 2010, as calculated in accordance with
23 the instructions for the Annual Assessment Report for each of those years, plus
24 accrued interest.
4. Respondent SCOTT M. MARINELLI shall pay to the Washington State
Department of Financial Institutions, within thirty (30) days of receipt of this
order, a ten thousand dollar (\$10,000) penalty for filing each of Mortgage Now,
Inc.'s 2009 and 2010 Consolidated Annual Reports and Annual Assessment
Reports at least one hundred (100) days late.
5. Respondent SCOTT M. MARINELLI shall pay to the Washington State
Department of Financial Institutions, within thirty (30) days of receipt of this

1 order, an examination fee of twenty-one thousand five hundred ninety-five dollars
2 and fifty-five cents (\$21,590.55), plus accrued interest.

3 6. Respondent SCOTT M. MARINELLI shall pay to the Washington State
4 Department of Financial Institutions, within thirty (30) days of receipt of this
5 order, an investigation fee of two thousand two hundred dollars (\$2,200).

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

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

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

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

22 E. Non-compliance with Order. If Respondent Marinelli does not comply with the terms
23 of this order, including payment of any amounts owed within thirty (30) days of receipt of this order,
24 the Department may seek its enforcement by the Office of the Attorney General to include the

1 collection of the fine, fees, and late penalties imposed herein. The Department also may assign the
2 amounts owed 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 29th day of July, 2013.



7
8 STATE OF WASHINGTON
9 DEPARTMENT OF FINANCIAL INSTITUTIONS

10 [Redacted Signature] _____
11 SCOTT JARVIS
12 Director

23
24

1 **STATE OF WASHINGTON**
2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
3 **DIVISION OF CONSUMER SERVICES**

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

5 MORTGAGE NOW, INC.,
NMLS # 117338,
6 JAMES C. SCHWARTZ,
Principal,
7 EVERT D. BICE,
Principal,
8 SCOTT M. MARINELLI,
Principal, and
9 JAMES L. MARCHESE,
Principal,

10 Respondents.

No. C-10-350-12-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO REVOKE LICENSE, PROHIBIT
FROM INDUSTRY, IMPOSE FINE, FILE
ANNUAL REPORTS, COLLECT ANNUAL
ASSESSMENT FEES AND LATE
PENALTIES, COLLECT EXAMINATION
FEE, AND COLLECT INVESTIGATION FEE

11 **INTRODUCTION**

12 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial
13 Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04
14 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW
15 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director,
16 by and through his designee, Division of Consumer Services Director, Deborah Bortner, institutes this
17 proceeding and finds as follows:

18 **I. FACTUAL ALLEGATIONS**

19 **1.1 Respondents.**

20 **A. Mortgage Now, Inc. (Respondent MNI)** was licensed by the Department of
21 Financial Institutions of the State of Washington (Department) to conduct the business of a consumer
22 loan company on or about November 28, 2007. Respondent MNI is known to have operated from its
23 licensed main office located at 750 West Resource Drive, Brooklyn Heights, Ohio; a branch location

1 at 18 Dravus Street, Seattle, Washington (licensed on or about April 20, 2009); an unlicensed branch
2 location at 141 West Front Street, Red Bank, New Jersey; an unlicensed branch location at 2300
3 Computer Road, Willow Grove, Pennsylvania; an unlicensed branch location at 4001A Hadley Road,
4 South Plainfield, New Jersey; and an unlicensed branch location at 7001 Peachtree Industrial
5 Boulevard, Norcross, Georgia.

6 **B. James C. Schwartz (Respondent Schwartz)** is known to have been a principal of
7 Respondent MNI from on or about November 28, 2007, to on or about December 30, 2009.

8 **C. Evert D. Bice (Respondent Bice)** is known to have been a principal of Respondent
9 MNI from on or about November 28, 2007, to on or about December 30, 2009.

10 **D. Scott M. Marinelli (Respondent Marinelli)** is known to have been a principal of
11 Respondent MNI from on or about December 30, 2009, to on or about December 22, 2011.

12 **E. James L. Marchese (Respondent Marchese)** is known to have been a principal of
13 Respondent MNI from on or about December 30, 2009, to the date of this Statement of Charges.

14 **1.2 Examination.** From on or about May 17, 2010, to on or about September 21, 2010, the
15 Department examined Respondent MNI's loan portfolio and business practices for the time period
16 from on or about November 28, 2007, to on or about June 30, 2010.

17 **1.3 Operating from Unlicensed Branch Locations.** From on or about June 24, 2008, to on or
18 about February 11, 2009, Respondent MNI originated at least 10 residential mortgage loans from four
19 unlicensed branch locations that were not approved by the Department at the time.

20 **1.4 Engaging in Misleading Residential Mortgage Loan Pricing.** From on or about September
21 26, 2008, to on or about October 30, 2009, Respondent MNI charged fees to borrowers for lowering
22 interest rates in amounts greater than what was required to lower the interest rates in at least two
23 residential mortgage loans.

1 **1.5 Failure to Complete Documents for Borrower Signature.** From on or about August 27,
2 2008, to on or about September 18, 2009, Respondent MNI originated at least nine residential
3 mortgage loans in which one or more documents prepared and provided to a borrower for signature
4 had blanks and were not completed.

5 **1.6 Failure to Disclose Residential Mortgage Loan Fees and Terms.**

6 **A.** In at least five residential mortgage loan applications received between on or about
7 June 24, 2008, and on or about April 10, 2009, Respondent MNI did not provide an itemized
8 estimation and explanation of fees and costs to the borrower within three business days following
9 receipt of the application.

10 **B.** In at least seven residential mortgage loan applications received between on or about
11 June 18, 2008, and on or about April 10, 2009, Respondent MNI did not provide an estimate of the
12 annual percentage rate and a disclosure of whether the residential mortgage loan contained a
13 prepayment penalty within three days following receipt of the application.

14 **C.** In at least four residential mortgage loan applications received between on or about
15 June 24, 2008, and on or about April 10, 2009, Respondent MNI did not provide a servicing
16 disclosure statement to the borrower within three business days following receipt of the application.

17 **D.** In at least two residential mortgage loan applications received between on or about
18 April 10, 2008, and on or about January 13, 2009, Respondent MNI charged higher fees to borrowers
19 on their HUD-1 Settlement Statements than what was disclosed on the borrowers' Good Faith
20 Estimates.

21 **1.7 Failure to Timely File Reports.** A Consolidated Annual Report and an Annual Assessment
22 Report (CAAR) concerning the business and operations of each licensed place of business conducted
23 during the preceding calendar year is due to the Department on or before the first day of March of

1 each year or within 30 days of closure. Respondent MNI's CAAR for the calendar year 2009 was
2 due to the Department on or before March 1, 2010, but the Department did not receive it until April
3 23, 2010. As of the date of this Statement of Charges, the CAARs for calendar years 2010 and 2011
4 have not been filed.

5 **1.8 Failure to Pay Annual Assessment Fees.** Payment of an annual assessment fee is due to the
6 Department on or before the first day of March of each year or within 30 days of closure. As of the
7 date of this Statement of Charges, the annual assessment fee for Respondent MNI has not been paid
8 for the calendar years 2009, 2010, and 2011.

9 **1.9 Failure to Pay Examination Fee.** On or about October 18, 2010, the Department issued an
10 invoice in the amount of \$21,590.55 to Respondent MNI for the examination referenced in paragraph
11 1.2. As of the date of this Statement of Charges, the examination fee has not been paid.

12 **1.10 Failure to Maintain Bond.** On or about December 13, 2010, the Department received notice
13 from the Guaranty Company of North America (GCNA) that Respondent MNI's surety bond would
14 be cancelled effective January 25, 2011. On or about January 14, 2011, the Department notified
15 Respondents MNI, Marinelli, and Marchese that Respondent MNI must file a replacement bond by
16 January 25, 2011; however, no replacement bond was filed.

17 **1.11 Failure to Timely Notify Department of Significant Developments.** From on or about
18 March 26, 2010, to on or about March 26, 2012, the states of California, Georgia, and Ohio, and the
19 Commonwealth of Pennsylvania, initiated regulatory actions against Respondent MNI. Respondents
20 MNI, Marinelli, and Marchese failed to amend Respondent MNI's Nationwide Multistate Licensing
21 System and Registry (NMLS) record to disclose any of the regulatory actions until on or about April
22 27, 2012.

23 **1.12 Failure to Comply with Director's Authority.**

1 **A.** On or about January 19, 2010, the Department served a directive on Respondents
2 MNI, Marinelli, and Marchese informing them that Respondent MNI had been selected for an
3 examination and directing them to provide certain documents and information more specifically set
4 forth therein on or before February 8, 2010. Respondents MNI, Marinelli, and Marchese did not
5 provide the request documents and information to the Department until on or about May 10, 2010.

6 **B.** On or about April 20, 2010, the Department served a directive on Respondents MNI,
7 Marinelli, and Marchese directing them to provide a CAAR for the year 2009, and an annual
8 assessment fee and late penalty for the year 2009, on or before April 30, 2010. As of the date of this
9 Statement of Charges, Respondents MNI, Marinelli, and Marchese have not paid the annual
10 assessment fee and late penalty for the year 2009.

11 **C.** On or about March 10, 2011, the Department served a directive on Respondents MNI,
12 Marinelli, and Marchese directing them to pay an examination fee to the Department on or before
13 March 25, 2011. As of the date of this Statement of Charges, Respondents MNI, Marinelli, and
14 Marchese have not paid the examination fee.

15 **1.13 Failure to Properly Maintain Records.** To the extent that Respondents claim to have
16 provided documents which the Department did not find in the related loan files, Respondents failed to
17 properly maintain those records.

18 **1.14 On-Going Investigation.** The Department's investigation into the alleged violations of the
19 Act by Respondents continues to date.

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

21 **2.1 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth
22 in Section I above, Respondents MNI, Schwartz, and Bice are in apparent violation of RCW
23 31.04.027(2), RCW 31.04.035, and RCW 31.04.075 for engaging in the business of a consumer loan

1 company from a fixed physical location without first obtaining and maintaining a branch license for
2 that fixed physical location.

3 **2.2 Prohibited Fees.** Based on the Factual Allegations set forth in Section I above, Respondents
4 MNI, Schwartz, and Bice are in apparent violation of RCW 31.04.027(2), (3), and (7), and WAC
5 208-620-560(5) for collecting fees from borrowers for lowering interest rates in amounts greater than
6 what was required to lower the interest rates.

7 **2.3 Requirement to Complete Documents for Borrower Signature.** Based on the Factual
8 Allegations set forth in Section I above, Respondents MNI, Schwartz, and Bice are in apparent
9 violation of RCW 31.04.027(2) and WAC 208-620-550(7) for providing borrowers with documents
10 that were incomplete and contained blanks.

11 **2.4 Requirement to Disclose Residential Mortgage Loan Fees and Terms.** Based on the
12 Factual Allegations set forth in Section I above, Respondents MNI, Schwartz, and Bice are in
13 apparent violation of RCW 31.04.027(6), RCW 31.04.102(2), (3), and WAC 208-620-505 for failing
14 to provide a borrower, within three business days following the receipt of a loan application, a written
15 disclosure containing an itemized estimation and explanation of all fees and costs that the borrower is
16 required to pay in connection with obtaining a loan, an estimate of the annual percentage rate, a
17 disclosure of whether the loan contains a prepayment penalty, and a servicing disclosure statement.

18 **2.5 Requirement to Timely File Reports.** Based on the Factual Allegations set forth in Section
19 I above, Respondents MNI, Marinelli, and Marchese are in apparent violation of RCW 31.04.027(2),
20 RCW 31.04.155, WAC 208-620-430(1), WAC 208-620-460(1), and WAC 208-620-499(2) for failing
21 to file a CAAR with the Director on or before the first day of March of each year, or within thirty
22 days of closure, giving such relevant information as the Director may reasonably require concerning
23

1 the business and operations of each licensed place of business conducted during the preceding
2 calendar year.

3 **2.6 Requirement to Pay Annual Assessment Fee.** Based on the Factual Allegations set forth in
4 Section I above, Respondents MNI, Marinelli, and Marchese are in apparent violation of RCW
5 31.04.027(2), RCW 31.04.085, WAC 208-620-430(1), WAC 208-620-460(1), and WAC 208-620-
6 499(2) for failing to pay annual assessment fees, as calculated on the CAAR, to the Director on or
7 before the first day of March of each year, or within thirty days of closure.

8 **2.7 Requirement to Pay Examination Fee.** Based on the Factual Allegations set forth in
9 Section I above, Respondents MNI, Marinelli, and Marchese are in apparent violation of RCW
10 31.04.027(2), RCW 31.04.145(3), and WAC 208-620-590 for failing to pay to the Department the
11 cost of examination.

12 **2.8 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in
13 Section I above, Respondents MNI, Marinelli, and Marchese are in apparent violation of RCW
14 31.04.027(2) and RCW 31.04.045(6) for failing to maintain in effect a surety bond or permitted
15 substitute.

16 **2.9 Requirement to Report Significant Developments.** Based on the Factual Allegations set
17 forth in Section I above, Respondents MNI, Marinelli, and Marchese are in apparent violation of
18 RCW 31.04.027(2) and WAC 208-620-490(3) for failing to amend Respondent MNI's NMLS record
19 within twenty days after the occurrence of receipt of notification of license revocation procedures
20 against Respondent MNI's license in any state, or the filing of any material litigation against
21 Respondent MNI.

22 **2.10 Requirement to comply with Director's Authority.** Based on the Factual Allegations set
23 forth in Section I above, Respondents MNI, Marinelli, and Marchese are in apparent violation of

1 RCW 31.04.027(2) and RCW 31.04.145(1) for failing to fully and timely respond to the
2 Department's directives and subpoenas.

3 **2.11 Requirement to Maintain Records.** Based on the Factual Allegations set forth in Section I
4 above, Respondents MNI, Schwartz, and Bice are in apparent violation of RCW 31.04.027(2), RCW
5 31.04.155, and WAC 208-620-520 for failing to preserve the books, accounts, records papers,
6 documents, files, and other information relevant to a loan for at least twenty-five months after making
7 the final entry on any loan.

8 III. AUTHORITY TO IMPOSE SANCTIONS

9 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3) and WAC 208-620-570, the
10 Director may revoke a license if a licensee: has failed to pay any fee due the state of Washington; has
11 failed to maintain in effect the bond or permitted substitute; or, either knowingly or without the
12 exercise of due care, has violated any provision of the Act or any rule adopted under the Act.

13 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
14 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
15 consumer loan company, or both, any officer, principal, employee, or loan originator of any licensed
16 mortgage broker or consumer loan company, or any person subject to licensing under the Act for
17 failure to comply with any order or subpoena issued under the Act, or for any violation of RCW
18 31.04.027, RCW 31.04.102, and RCW 31.04.155.

19 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
20 up to one hundred dollars per day upon the licensee, its employee, or other person subject to the Act
21 for any violation of the Act.

1 **3.4 Authority to Issue Order to Take Affirmative Action.** Pursuant to RCW 31.04.093(5), the
2 Director may issue an order directing the licensee, its employee or loan originator, or other person
3 subject to the Act, to take such affirmative action as is necessary to comply with the Act.

4 **3.5 Authority to Collect Annual Assessment Fees.** Pursuant to RCW 31.04.085 and WAC 208-
5 620-430, a licensee shall, for each license held by any person, on or before the first day of each
6 March, pay to the Director an annual assessment as determined by rule by the Director.

7 **3.6 Authority to Collect Report Late Penalties.** Pursuant to RCW 31.04.155 and WAC 208-620-
8 430(2), a licensee that fails to file a report that is required to be filed by the Act, within the time frame
9 required under the Act, is subject to a penalty of fifty dollars per report for each day of delay. The
10 maximum late penalty that will be assessed is five thousand dollars per year.

11 **3.7 Authority to Collect Cost of Examination and Investigation.** Pursuant to RCW 31.04.145(3)
12 and WAC 208-620-590, every licensee examined or investigated by the Director or the Director's
13 designee shall pay to the Director the cost of the investigation, calculated at the rate of \$69.01 per staff
14 hour spent on the investigation. Pursuant to RCW 43.17.240, interest at the rate of one percent per
15 month, or fraction thereof, shall accrue on debts owed to the state, starting on the date the debts become
16 past due.

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

18 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as
19 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
20 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and
21 RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

22 **4.1** Respondent Mortgage Now, Inc.'s license to conduct business as a consumer loan
23 company be revoked.

- 1 **4.2** Respondents Mortgage Now, Inc., James C. Schwartz, Evert D. Bice, Scott M. Marinelli,
2 and James L. Marchese be prohibited from participation in the conduct of the affairs of
3 any consumer loan company subject to licensure by the Director, in any manner, for a
4 period of five years.
- 5 **4.3** Respondents Mortgage Now, Inc., James C. Schwartz, and Evert D. Bice jointly and
6 severally pay a fine, which as of the date of this Statement of Charges totals \$50,000.
- 7 **4.4** Respondents Mortgage Now, Inc., Scott M. Marinelli, and James L. Marchese jointly and
8 severally pay a fine, which as of the date of this Statement of Charges totals \$50,000.
- 9 **4.5** Respondents Mortgage Now, Inc. and James L. Marchese provide the Department with
10 a completed Consolidated Annual Report and a completed Annual Assessment Report,
11 including all required supporting documentation, for each of the calendar years 2010,
12 2011, and 2012.
- 13 **4.6** Respondents Mortgage Now, Inc., Scott M. Marinelli, and James L. Marchese jointly
14 and severally pay annual assessment fees for the calendar years 2009 and 2010, as
15 calculated in accordance with the instructions for the Annual Assessment Report for each
16 of those years, plus accrued interest.
- 17 **4.7** Respondents Mortgage Now, Inc. and James L. Marchese jointly and severally pay an
18 annual assessment fee for the calendar years 2011 and 2012, as calculated in accordance
19 with the instructions for the Annual Assessment Report for each of those years, plus
20 accrued interest.
- 21 **4.8** Respondents Mortgage Now, Inc., Scott M. Marinelli, and James L. Marchese jointly and
22 severally pay a \$10,000 late penalty for failing to timely file a Consolidated Annual
23 Report and a completed Annual Assessment Report for the calendar years 2009 and
24 2010.
- 4.9** Respondents Mortgage Now, Inc. and James L. Marchese jointly and severally pay a
 \$5,000 late penalty for failing to timely file a Consolidated Annual Report and a
 completed Annual Assessment Report for the calendar year 2011.
- 4.10** Respondents Mortgage Now, Inc., Scott M. Marinelli, and James L. Marchese jointly and
 severally pay the cost of the Department's examination. The cost of the examination
 totals \$21,590.55 (\$4,961.55 for travel expenses and \$16,629 for examination costs), plus
 accrued interest.
- 4.11** Respondents Mortgage Now, Inc., James C. Schwartz, Evert D. Bice, Scott M. Marinelli,
 and James L. Marchese jointly and severally pay the cost of the Department's
 investigation. As of the date of this Statement of Charges, the cost of the investigation
 totals \$2,200.

