

ORDER SUMMARY – Case Number: C-10-356

Name(s): Airan Pace Law, P.A.
Damodar S. Airan
Lalita D. Airan
Rashmi H. Airan

Order Number: C-10-356-12-CO01

Effective Date: March 14, 2013

License Number: N/A
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: N/A

Not Apply Until: Never apply for any license from the Department

Not Eligible Until: N/A

Prohibition/Ban Until: Permanently prohibited from mortgage broker industry

Investigation Costs	\$1,920	Due upon entry	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 03/14/13
Fine	\$5,000	Due upon entry	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 03/14/13
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$14,855	Due within 10 days of entry	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 03/14/13
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:		11 consumers		

Comments:

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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:

No.: C-10-356-12-CO01

CONSENT ORDER

AIRAN PACE LAW, P.A.,
F/K/A AIRAN, AIRAN-PACE & CROSA, P.A.,
F/K/A AIRAN 2, AIRAN-PACE & CROSA, P.A.,
F/K/A AIRAN 2, AIRAN-PACE, CROSA &
FERNANDEZ, P.A.,

DAMODAR S. AIRAN, President,

LALITA D. AIRAN, Vice President, and

RASHMI H. AIRAN, Secretary,

Respondents.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Airan Pace Law, P.A. (Respondent Airan Law), Damodar S. Airan, President (Respondent D. Airan), Lalita D. Airan, Vice President (Respondent L. Airan), and Rashmi H. Airan, Secretary (Respondent R. Airan), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

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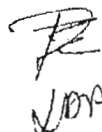
AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-10-356-12-SC01 (Statement of Charges), entered September 27, 2012, (copy attached hereto).

CONSENT ORDER
C-10-356-12-CO01
Airan Pace Law, P.A., Damodar S. Airan, Lalita D. Airan, and
Rashmi H. Airan

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703



1 Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of
2 the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this
3 Consent Order and further agree that the issues raised in the above-captioned matter may be
4 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent
5 Order to fully resolve the Statement of Charges.

6 Based upon the foregoing:

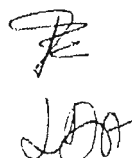
7 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter
8 of the activities discussed herein.

9 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
10 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
11 administrative and judicial review of the issues raised in this matter, or of the resolution reached
12 herein. Accordingly, Respondents, by their signatures and the signatures of their representatives
13 below, withdraw their appeal to the Office of Administrative Hearings.

14 **C. Prohibition from Industry.** It is AGREED that Respondents are permanently prohibited
15 from participating, in any capacity, in the conduct of the affairs of any mortgage broker licensed by
16 the Department or subject to licensure or regulation by the Department.

17 **D. Application for License.** It is AGREED that Respondents shall never apply to the
18 Department for any license under any name or on behalf of any person or entity.

19 **E. Mortgage Broker License Required.** It is AGREED that, pursuant to the Act, a person
20 may not engage in the business of a mortgage broker in the state of Washington without first
21 obtaining and maintaining a mortgage broker license from the Department in accordance with the Act
22 or qualifying for an exemption from licensure as delineated in the Act. It is further AGREED that
23 Respondents shall not engage in the business of a mortgage broker in or related to the state of
24 Washington, including but not limited to the performance of residential mortgage loan modification



1 services involving real property or consumers located in the state of Washington, without qualifying
2 for an exemption from licensure as delineated in the Act.

3 **F. Loan Originator License Required.** It is AGREED that, pursuant to the Act, a natural
4 person may not engage in the business of a mortgage loan originator in the state of Washington
5 without first obtaining and maintaining an active and sponsored mortgage loan originator license
6 from the Department in accordance with the Act or qualifying for an exemption from licensure as
7 delineated in the Act. It is further AGREED that Respondents D. Airan, L. Airan, and R. Airan shall
8 not engage in the business of a mortgage loan originator in or related to the state of Washington,
9 including but not limited to the performance of residential mortgage loan modification services
10 involving real property or consumers located in the state of Washington, without qualifying for an
11 exemption from licensure as delineated in the Act.

12 **G. Restitution.** It is AGREED that Respondents shall pay restitution totaling \$14,855 to the
13 following consumers in the following amounts:

<u>Consumer</u>	<u>Restitution</u>
[REDACTED]	\$ 1,995.00
[REDACTED]	\$ 1,150.00
[REDACTED]	\$ 800.00
[REDACTED]	\$ 700.00
[REDACTED]	\$ 1,150.00
[REDACTED]	\$ 1,995.00
[REDACTED]	\$ 1,800.00
[REDACTED]	\$ 765.00
[REDACTED]	\$ 1,800.00
[REDACTED]	\$ 1,200.00
[REDACTED]	\$ 1,500.00

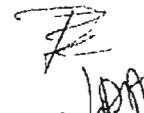
20 Within 10 days after entry of this Consent Order, Respondents shall mail restitution checks to the
21 specified consumers at their last known address, and provide the Department with copies of the
22 restitution checks. In the event that any restitution checks are not cashed, or any consumer(s) cannot
23 be located, within 90 days after entry of this Consent Order, Respondents will submit such funds to

1 the Washington State Department of Revenue ("DOR") as unclaimed property on behalf of the
2 specified consumer(s), subject to the rules and regulations of the Unclaimed Property Section of the
3 DOR. Respondents will bear the cost of all related expenses such as costs of mailing and stop
4 payment fees on outstanding checks that are not returned or cashed. Within 120 days after entry of
5 this Consent Order, Respondents will provide the Department with written proof of all restitution
6 payments made pursuant to this paragraph. Such written proof shall consist of a copy of the front and
7 back of each cancelled restitution check to each consumer, a copy of the front and back of each
8 cancelled check made to the DOR on behalf of each consumer, and a copy of all unclaimed property
9 reports submitted to the DOR by Respondents.

10 H. **Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
11 \$5,000, in the form of a cashier's check made payable to the "Washington State Treasurer," upon
12 entry of this Consent Order.

13 I. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
14 investigation fee of \$1,920, in the form of a cashier's check made payable to the "Washington State
15 Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid together
16 in one \$6,920 cashier's check made payable to the "Washington State Treasurer."

17 J. **Records Retention.** It is AGREED that Respondents shall maintain records in
18 compliance with the Act and provide the Director with the location of the books, records and other
19 information relating to Respondent's provision of residential mortgage loan modification services in
20 Washington, and the name, address and telephone number of the individual responsible for
21 maintenance of such records in compliance with the Act.



1 **K. Authority to Execute Order.** It is AGREED that the undersigned have represented and
2 warranted that they have the full power and right to execute this Consent Order on behalf of the party
3 represented.

4 **L. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to
5 abide by the terms and conditions of this Consent Order may result in further legal action by the
6 Director. In the event of such legal action, Respondents may be responsible to reimburse the Director
7 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

8 **M. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily
9 entered into this Consent Order, which is effective when signed by the Director's designee.

10 **N. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
11 this Consent Order in its entirety and fully understand and agree to all of the same.

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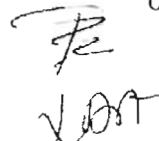
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24 CONSENT ORDER
C-10-356-12-CO01
Airan Pace Law, P.A., Damodar S. Airan, Lalita D. Airan, and
Rashmi H. Airan



1 **RESPONDENTS:**

2 **Airan Pace Law, P.A.**

3 By:

[Redacted]

3/12/13

4 Damodar S. Airan
5 President

Date

6 [Redacted]

3/12/13

7 Lalita D. Airan
8 Vice President (FORMER)

Date

9 [Redacted]

3/12/13

10 Rashmi H. Airan
11 Secretary

Date

12 [Redacted]

3/12/13

13 Damodar S. Airan
14 Individually

Date

15 [Redacted]

2/12/13

16 Lalita D. Airan
17 Individually

Date

18 [Redacted]

3/12/13

19 Rashmi H. Airan
20 Individually

Date

21 **DO NOT WRITE BELOW THIS LINE**

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25 **CONSENT ORDER**
C-10-356-12-CO01
Airan Pace Law, P.A., Damodar S. Airan, Lalita D. Airan, and
Rashmi H. Airan

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THIS ORDER ENTERED THIS 14th DAY OF March, 2013



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



STEVEN C. SHERMAN
Financial Legal Examiner Supervisor

Approved by:



CHARLES E. CLARK
Enforcement Chief

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 AIRAN PACE LAW, P.A.,
8 F/K/A AIRAN, AIRAN-PACE & CROSA, P.A.,
9 F/K/A AIRAN 2, AIRAN-PACE & CROSA, P.A.,
10 F/K/A AIRAN 2, AIRAN-PACE, CROSA &
11 FERNANDEZ, P.A.,

12 DAMODAR S. AIRAN, President,
13 LALITA D. AIRAN, Vice President, and
14 RASHMI H. AIRAN, Secretary,

15 Respondents.

No. C-10-356-12-SC01

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

16 INTRODUCTION

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

23 I. FACTUAL ALLEGATIONS

24 **1.1 Respondent Airan Pace Law, P.A., F/K/A Airan, Airan-Pace & Crosa, P.A., F/K/A
Airan 2, Airan-Pace & Crosa, P.A., F/K/A Airan 2, Airan-Pace, Crosa & Fernandez, P.A.**

(Respondent Airan Law) 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.

1 **1.2 Respondent Damodar S. Airan (Respondent D. Airan)** is President of Respondent Airan
2 Law. Respondent D. Airan has never been licensed by the Department to engage in the business of a
3 mortgage broker or loan originator. Respondent D. Airan has never been licensed to practice law in
4 the state of Washington.

5 **1.3 Respondent Lalita D. Airan (Respondent L. Airan)** was Vice President of Respondent
6 Airan Law from at least in or around October 2008 through at least in or around May 2012.
7 Respondent L. Airan has never been licensed by the Department to engage in the business of a
8 mortgage broker or loan originator. Respondent L. Airan has never been licensed to practice law in
9 the state of Washington.

10 **1.4 Respondent Rashmi H. Airan (Respondent R. Airan)** was Secretary of Respondent Airan
11 Law from at least in or around January 2009 through at least in or around May 2012. Respondent R.
12 Airan has never been licensed by the Department to engage in the business of a mortgage broker or
13 loan originator. Respondent R. Airan has never been licensed to practice law in the state of
14 Washington.

15 **1.5 Unlicensed Activity.** From at least in or around October 2008 through at least in or around
16 August 2010, Respondents offered to provide at least 27 consumers located in the state of
17 Washington with residential mortgage loan modification services related to residential mortgage
18 loans secured by real property located in the state of Washington, and collected at least \$43,137.50
19 in advance fees from at least these 27 consumers. A list identifying each of these 27 consumers and
20 the advance fees each paid to Respondents is appended hereto as Appendix A and incorporated
21 herein by reference.

22 **1.6 Misrepresentations and Omissions.** Respondents omitted disclosing to consumers in the
23 state of Washington that Respondents were neither licensed to provide residential mortgage loan
24 modification services in the state of Washington nor exempt from licensing.

1 **1.7 On-Going Investigation.** The Department’s investigation into the alleged violations of the
2 Act by Respondents continues to date.

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

4 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
5 “Mortgage Broker” means any person who, for compensation or gain, or in the expectation of
6 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage
7 loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
8 person in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-
9 006, a person ““assists a person in obtaining or applying to obtain a residential mortgage loan’ by,
10 among other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan
11 packages....”

12 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), “loan originator” means a
13 natural person who for direct or indirect compensation or gain, or in the expectation of direct or
14 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;
15 offers or negotiates terms of a mortgage loan; performs residential mortgage loan modification
16 services; or holds themselves out to the public as able to perform any of these activities.

17 **2.3 Residential Mortgage Loan Modification Defined.** 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 capitalization of arrearages; or principal reductions.

22 **2.4 Residential Mortgage Loan Modification Services Defined.** Pursuant to RCW
23 19.146.010(21), “residential mortgage loan modification services” includes negotiating, attempting
24 to negotiate, arranging, attempting to arrange, or otherwise offering to perform a residential

1 mortgage loan modification. "Residential mortgage loan modification services" also includes the
2 collection of data for submission to any entity performing mortgage loan modification services.

3 **2.5 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
4 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive
5 practice toward any person and obtaining property by fraud or misrepresentation.

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

10 **2.7 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
11 Allegations set forth in Section I above, Respondents D. Airan, L. Airan, and R. Airan are in apparent
12 violation of RCW 19.146.200(1) for engaging in the business of a loan originator without first
13 obtaining and maintaining a license under the Act.

14 **2.8 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
15 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a
16 location that is on file with and readily available to the Department until at least twenty-five months
17 have elapsed following the effective period to which the books and records relate.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
3 Director may issue orders directing any person subject to the Act to cease and desist from
4 conducting business.

5 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
6 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
7 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9)
8 or (13), or RCW 19.146.200.

9 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
10 restitution against any person subject to the Act for any violation of the Act.

11 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
12 against any person subject to the Act for any violation of the Act. Pursuant to RCW 19.146.220(3),
13 the Director may impose fines on any person subject to the Act for any violations of RCW
14 19.146.0201(1) through (9) or (13), or RCW 19.146.200.

15 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
16 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time
17 devoted to an investigation of any person subject to the Act.

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

2 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as
3 set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,
4 and RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

5 **4.1** Respondents Airan Pace Law, P.A., Damodar S. Airan, Lalita D. Airan, and Rashmi H. Airan
6 cease and desist engaging in the business of a mortgage broker without obtaining and
7 maintaining a mortgage broker license from the Department or qualifying for an exemption
8 from licensure under the Act.

9 **4.2** Respondents Damodar S. Airan, Lalita D. Airan, and Rashmi H. Airan cease and desist
10 engaging in the business of a loan originator without obtaining and maintaining a loan
11 originator license from the Department or qualifying for an exemption from licensure under
12 the Act.

13 **4.3** Respondents Airan Pace Law, P.A., Damodar S. Airan, Lalita D. Airan, and Rashmi H. Airan
14 be prohibited from participation in the conduct of the affairs of any licensed mortgage broker,
15 in any manner, for a period of five years.

16 **4.4** Respondents Airan Pace Law, P.A., Damodar S. Airan, Lalita D. Airan, and Rashmi H. Airan
17 jointly and severally pay restitution totaling the amount collected from all consumers for
18 residential mortgage loan modification services related to real property or consumers located
19 in the state of Washington, including at least \$43,137.50 to the 27 consumers as identified
20 and itemized in Appendix A to this Statement of Charges.

21 **4.5** Respondents Airan Pace Law, P.A., Damodar S. Airan, Lalita D. Airan, and Rashmi H. Airan
22 jointly and severally pay a fine of \$3,000 for each transaction in which Respondents provided
23 or offered to provide residential mortgage loan modification services related to real property
24 or consumers located in the state of Washington. As of the date of this Statement of Charges,
the fine totals \$81,000.

4.6 Respondents Airan Pace Law, P.A., Damodar S. Airan, Lalita D. Airan, and Rashmi H. Airan
jointly and severally pay an investigation fee. As of the date of this Statement of Charges,
the investigation fee totals \$1,920.

4.7 Respondents Airan Pace Law, P.A., Damodar S. Airan, Lalita D. Airan, and Rashmi H. Airan
maintain records in compliance with the Act and provide the Department with the location of
the books, records and other information relating to Respondents' provision of residential
mortgage loan modification services in Washington, and the name, address and telephone
number of the individual responsible for maintenance of such records in compliance with the
Act.

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.

7
8 Dated this 27th day of September, 2012.



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10 DEBORAH BORTNER
11 Director, Division of Consumer Services
12 Department of Financial Institutions

13 Presented by: 1



14 MARK OLSON
15 Financial Legal Examiner



16 Approved by:

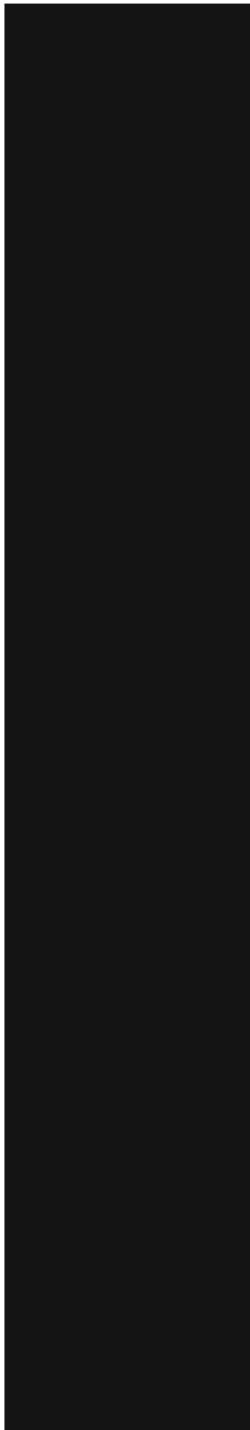


17 CHARLES E. CLARK
18 Enforcement Chief
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RESTITUTION

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Borrower



Advance Fees Collected

\$ 1,995.00
\$ 1,995.00
\$ 1,150.00
\$ 2,195.00
\$ 800.00
\$ 1,800.00
\$ 1,200.00
\$ 2,300.00
\$ 700.00
\$ 1,995.00
\$ 1,150.00
\$ 1,800.00
\$ 750.00
\$ 1,995.00
\$ 1,500.00
\$ 1,800.00
\$ 1,147.50
\$ 1,800.00
\$ 765.00
\$ 5,400.00
\$ 1,200.00
\$ 1,500.00
\$ 800.00
\$ 1,800.00
\$ 1,800.00
\$ 900.00
\$ 900.00

TOTAL

\$43,137.50