

ORDER SUMMARY – Case Number: C-10-411

Name(s): B&W First Mortgage Inc; Jennifer Chao Shue

Order Number: C-10-411-12-CO01

Effective Date: December 12, 2012

License Number: NMLS 58381
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: Accept surrender of MB license. No affect to LO license

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: Company only: 12/12/17

Investigation Costs	\$678	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: See below
Fine	\$10,000	Due: See below	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$315	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$0	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:		1		

Comments: Inv. Fees: \$578 previously received through bond claim. \$150 paid 12/7/12

Fine: To be immediately referred to collections

Final Order C-10-411-12-FO01 is withdrawn

RECEIVED

DEC 07 2012

CONSUMER SERVICES DIVISION
DEPT OF FINANCIAL INSTITUTIONS
OLYMPIA, WASHINGTON

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

B&W FIRST MORTGAGE, INC., and
JENNIFER SHUE, Owner, Designated Broker,
and Loan Originator,
NMLS #: 58381

No.: C-10-411-12-CO01

CONSENT ORDER AND ORDER
WITHDRAWING FINAL ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and B&W First Mortgage, Inc. (Respondent B&W), and Jennifer Shue, Owner, Designated Broker, and Loan Originator (Respondent Shue) 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 and withdrawal of Final Order C-10-411-12-FO01. 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:

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-10-411-11-SC01 (Statement of Charges), entered November 23, 2012 (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges.

Based upon the foregoing:

CONSENT ORDER
C-10-411-12-CO01
B&W First Mortgage, Inc
Jennifer Shue

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

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

3 **B. Waiver of Hearing.** It is AGREED that Respondents' right to a hearing before an
4 administrative law judge was waived by Respondents' failure to timely file an Application for
5 Adjudicative Hearing. By the signatures below, however, Respondents hereby waive their right to a
6 hearing and any and all administrative and judicial review of the issues raised in this matter, or of the
7 resolution reached herein.

8 **C. No Admission of Liability.** It is AGREED that Respondents do not admit to any
9 wrongdoing by entry of this Consent Order.

10 **D. Mortgage Broker License Surrender.** It is AGREED that the Department will accept
11 the surrender of Respondent B&W's license to conduct business as a mortgage broker. It is further
12 AGREED that Respondent Shue will comply with all Department requirements for surrender of a
13 license within 14 calendar days of entry of the Consent Order.

14 **E. Prohibition from Industry.** It is AGREED that, for a period of five years from the date
15 of entry of this Consent Order, Respondent B&W is prohibited from participating in the conduct of
16 the affairs of any mortgage broker or consumer loan company licensed by the Department or subject
17 to licensure or regulation by the Department, in any capacity.

18 **F. Fine.** It is AGREED that Respondents shall jointly and severally pay a fine to the
19 Department in the amount of \$10,000. It is further AGREED that the Department may immediately
20 refer this Consent Order to its contracted collections agency without further notice to Respondents,
21 and that Respondents shall make all payments through the collections agency in such amount as
22 established through that process. Respondents acknowledge that in pursuing amounts owed
23

1 hereunder, the collection agency will require payment of additional costs related to its collection
2 efforts.

3 **G. Restitution.** It is AGREED that Respondents shall pay restitution in the amount of \$315
4 to the borrower more specifically set forth in the Statement of Charges.

5 **H. Investigation Fee.** It is AGREED that the Department previously received an
6 Investigation fee of \$528 from Respondents' surety bond issuer. It is further AGREED that
7 Respondents shall pay to the Department an additional investigation fee of \$150, in the form of a
8 cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

9 **I. Records Retention.** It is AGREED that Respondents shall maintain records in
10 compliance with the Act and provide the Director with the location of the books, records and other
11 information relating to Respondents' mortgage broker business, and the name, address and telephone
12 number of the individual responsible for maintenance of such records in compliance with the Act.

13 **J. Authority to Execute Order.** It is AGREED that the undersigned have represented and
14 warranted that they have the full power and right to execute this Consent Order on behalf of the
15 parties represented.

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

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

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

1 N. **Withdrawal or Final Order.** It is AGREED that Final Order C-10-411-12-FO01 is
2 hereby withdrawn and shall be removed from the Department's web site.

3 **RESPONDENTS:**

4 **B&W First Mortgage, Inc.**

5 By:

[Redacted signature]

6 Jennifer Shue
7 Owner

Dec. 06, 2012
Date

[Redacted signature]

8 Jennifer Shue
9 Individually

Dec. 06, 2012
Date

11 DO NOT WRITE BELOW THIS LINE

12 THIS ORDER ENTERED THIS 12th DAY OF December, 2012



[Redacted signature]

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

17 Presented by:

[Redacted signature]

18 Steven C. Sherman
19 Financial Legal Examiner

20 Approved by:

[Redacted signature]

21 Charles E. Clark
22 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 B&W FIRST MORTGAGE, INC., and
8 JENNIFER SHUE, Owner, Designated Broker,
9 and Loan Originator,

10 Respondents.

No. C-10-411-11-SC01

11 STATEMENT OF CHARGES and
12 NOTICE OF INTENTION TO ENTER AN
13 ORDER TO REVOKE LICENSE, PROHIBIT
14 FROM INDUSTRY, ORDER RESTITUTION,
15 IMPOSE FINE, AND COLLECT
16 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. **B&W First Mortgage, Inc. (B&W)** was licensed by the Department of Financial
Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or
about April 27, 2007, and continues to be licensed to date. Respondent B&W is known to conduct
business as a mortgage broker from one location at 2729 181st Place SE, Bothell, Washington.

B. **Jennifer Shue (Shue)** is known to be the President, Owner, and Designated Broker
of Respondent B&W. Respondent Shue was named Designated Broker of Respondent B&W on or

¹ RCW 19.146 (2006)
STATEMENT OF CHARGES
C-10-411-11-SC01
B&W First Mortgage, Inc.
Jennifer Shue

1 about April 27, 2007, and continues to be Designated Broker to date. Respondent Shue was licensed
2 by the Department to conduct business as a loan originator on or about April 27, 2007, and
3 continued to be licensed until her license expired on December 31, 2010.

4 **1.2 Examination.** Between September 20, 2010, and October 1, 2010, the Department examined
5 the books and records of Respondent B&W. The Department examined 17 residential mortgage loan
6 files for the period of December 1, 2007, through November 30, 2009.

7 **1.3 Misrepresentation of Borrower Information.** On or about January 16, 2008, Borrowers
8 [REDACTED] and [REDACTED] (borrowers) entered into a Residential Real Estate Purchase and Sale Agreement to
9 purchase a residence in Puyallup, Washington. Also on or about January 16, 2008, the borrowers
10 applied with Respondents to refinance their primary residence located in Spanaway, Washington.
11 Then, on or about January 18, 2008, the borrowers applied with Respondents for a loan to purchase
12 the Puyallup residence as their primary residence. Respondent Shue assisted the borrowers with both
13 loans, and subsequently submitted both loans to different lenders as the borrowers' primary
14 residence. The refinance loan closed on or about February 15, 2008, and the purchase loan closed on
15 or about February 22, 2008. Respondent Shue did not notify the lender for the refinance loan that the
16 borrowers were simultaneously purchasing a primary residence in Puyallup.

17 **1.4 Charging Unlawful Fee.** In one of the loans examined, Respondents charged the borrower a
18 loan discount fee of \$315 when Respondents were not the lender and had no ability to reduce the
19 interest rate.

20 **1.5 Failure to Disclose Fees.** In 13 of the loans examined, Respondents did not disclose all fees
21 inuring to the Respondents' benefit within three business days of receiving a borrower's application.

22 **1.6 Failure to Include Loan Originator License Number on Application.** In 14 of the loans
23 examined, the loan originator's license number was not included on the mortgage loan application.

1 **1.7 Failure to Properly Disclose the Yield Spread Premium.** In two of the loans reviewed,
2 Respondents used a term other than “yield spread premium” to disclose that fee.

3 **1.8 Advertising “Best Rates.”** During the course of the examination, the Examiner-in-Charge
4 called Respondents’ telephone line to speak with Respondent Shue and reached Respondents’
5 answering machine. The answering machine contained a message using the wordings “best rates” to
6 describe the interest rates Respondents offered.

7 **1.9 On-Going Investigation.** The Department’s investigation into the alleged violations of the
8 Act by Respondents continues to date.

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

10 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed
11 mortgage broker is liable for any conduct violating the Act by the designated broker or a loan
12 originator while employed or engaged by the licensed mortgage broker.

13 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(4), a designated broker,
14 principal, or owner who has supervisory authority over a mortgage broker is responsible for a
15 licensee’s, employee’s, or independent contractor’s violations of the Act if the designated broker,
16 principal, or owner directs or instructs the conduct or, with knowledge of the specific conduct,
17 approves or allows the conduct or the designated broker, principal, or knows or by the exercise of
18 reasonable care and inquiry should have known of the conduct, at a time when its consequences can
19 be avoided or mitigated and fails to take reasonable remedial action.

20 **2.3 Misrepresentation of Borrower Information.** Based on the Factual Allegations set forth in
21 Section I above, Respondents are in apparent violation of RCW 19.146.0201(1), (2), and (3) for
22 directly or indirectly employing a scheme, device, or artifice to defraud or mislead borrowers or
23 lenders or any person, engaging in an unfair or deceptive practice toward any person, and obtaining

1 property by fraud or misrepresentation by misrepresenting borrower information on residential
2 mortgage loan applications.

3 **2.4 Charging Unlawful Fees.** Based on the Factual Allegations set forth in Section I above,
4 Respondents are in apparent violation of RCW 19.146.0201(2) and (3) and WAC 208-660-
5 500(3)(e)(i) for charging a borrower a loan discount fee of \$315 when Respondents were not the
6 lender and had no ability to reduce the interest rate.

7 **2.5 Requirement to Disclose Fees Inuring to Respondents' Benefit.** Based on the Factual
8 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
9 19.146.0201(2) and (3) and RCW 19.146.030(1) for failing to specify within three days following
10 receipt of a loan application or any moneys from the borrowers all fees inuring to the benefit of the
11 mortgage broker.

12 **2.6 Requirement to Include Loan Originator License Number on Application.** Based on the
13 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
14 19.146.0201(2) and WAC 208-660-350(23) for failing to include the loan originator's license number
15 on all residential mortgage loan applications.

16 **2.7 Requirement to Properly Disclose Yield Spread Premium.** Based on the Factual
17 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
18 19.146.0201(2) and WAC 208-660-430(5)(a) for failing to use the term "yield spread premium" to
19 disclose that fee.

20 **2.8 Prohibition against Advertising "Best Rates."** Based on the Factual Allegations set forth in
21 Section I above, Respondents are in apparent violation of RCW 19.146.0201(2) and (7) and WAC
22 208-660-440(6) for advertising interest rates as "best."

23 //

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke
3 licenses for any violation of the Act.

4 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
5 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
6 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
7 mortgage broker or any person subject to licensing under the Act for any violation of RCW
8 19.146.0201(1) through (9) or RCW 19.146.030.

9 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
10 restitution against licensees or other persons 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 a licensee or other persons subject to the Act for any violation of the Act. Pursuant to RCW
13 19.146.220(3), the Director may impose fines on an employee, loan originator, independent
14 contractor, or agent of the licensee, or other person subject to the Act, for any violations of RCW
15 19.146.0201(1) through (9) and RCW 19.146.030.

16 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
17 520(9) & (11), and WAC 208-660-550(4)(a), the Department may collect the costs of investigation.
18 The Department will charge \$48 per hour for an examiner's time devoted to an investigation of a
19 licensee or other person subject to the Act.

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

21 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,
22 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
23

1 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and
2 RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

3 **4.1** Respondent B&W First Mortgage, Inc.'s license to conduct the business of a mortgage broker
4 be revoked.

5 **4.2** Respondent Jennifer Shue's license to conduct the business of a loan originator be revoked.

6 **4.3** Respondent B&W First Mortgage, Inc. be prohibited from participation in the conduct of the
7 affairs of any mortgage broker subject to licensure by the Director, in any manner, for a
8 period of five years.

9 **4.4** Respondent Jennifer Shue be prohibited from participation in the conduct of the affairs of any
10 mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

11 **4.5** Respondents B&W First Mortgage, Inc. and Jennifer Shue jointly and severally pay a fine
12 which as of the date of this Statement of Charges totals \$10,000.

13 **4.6** Respondents B&W First Mortgage, Inc. and Jennifer Shue jointly and severally pay
14 restitution of \$315 to the borrower [REDACTED] (loan [REDACTED]).

15 **4.7** Respondents B&W First Mortgage, Inc. and Jennifer Shue jointly and severally pay an
16 investigation fee which as of the date of these charges totals \$528.

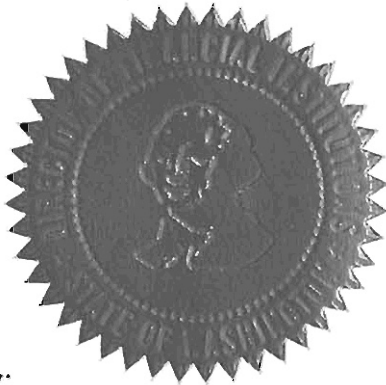
17 **4.8** Respondents B&W First Mortgage, Inc. and Jennifer Shue maintain records in compliance
18 with the Act and provide the Department with the location of the books, records and other
19 information relating to Respondents' mortgage broker business, and the name, address and
20 telephone number of the individual responsible for maintenance of such records in
21 compliance with the Act.

22 //
23 //
24 //

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 23rd day of November, 2011.



9
10
11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:



16 STEVEN C. SHERMAN
17 Financial Legal Examiner

18 Approved by:



19 JAMES R. BRUSSELBACK
20 Enforcement Chief