

# TERMS COMPLETED

## ORDER SUMMARY – Case Number: C-11-0747

**Name(s):** Terence Flannigan

**Order Number:** C-11-0747-13-CO01

**Effective Date:** October 9, 2013

**License Number:** U/L NMLS ID: 345128

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)

**License Effect:** N/A  
If applicable, you must specifically note the ending dates of terms.

**Not Apply Until:** N/A

**Not Eligible Until:** N/A

**Prohibition/Ban Until:** N/A

<b>Investigation Costs</b>	\$513.60	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 10/8/13
<b>Fine</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$2,495	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 10/8/13
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:		1		

**Comments:** \_\_\_\_\_

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SEP 23 2013

STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES

DEPT. OF FINANCIAL INSTITUTIONS  
OLYMPIA, WASHINGTON

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington by:  
UNITED FIDELITY GROUP, INC.,  
DONG "DON" QUACH, President, and  
TERENCE FLANNIGAN, CEO,

No.: C-11-0747-13-CO01  
CONSENT ORDER AS TO  
TERENCE FLANNIGAN, NMLS #345128

Respondents.

COME NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Terence Flannigan (Respondent Flannigan), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled as to Respondent Flannigan only, 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:

**AGREEMENT AND ORDER**

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent Flannigan have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-11-0747-13-SC01 (Statement of Charges), entered June 28, 2013, (copy attached hereto), solely as related to Respondent Flannigan. Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent Flannigan hereby agrees to the Department's entry of this Consent Order and further agrees 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 solely as related to Respondent Flannigan.

CONSENT ORDER  
C-11-0747-13-CO01  
TERENCE FLANNIGAN

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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 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondent Flannigan has been informed of the  
5 right to a hearing before an administrative law judge, and hereby waives his right to a hearing and  
6 any and all administrative and judicial review of the issues raised in this matter, or of the resolution  
7 reached herein. Accordingly, Respondent Flannigan, by his signature below, withdraws his appeal to  
8 the Office of Administrative Hearings.

9 C. **Cease and Desist.** It is AGREED that Respondent Flannigan shall cease and desist from  
10 offering residential loan modification services to Washington consumers. It is further AGREED that  
11 Respondent Flannigan shall not offer or attempt to engage Washington consumers for the provision  
12 of loan modification services without first obtaining appropriate licensure from the Department.

13 D. **Restitution.** It is AGREED that Respondent Flannigan has paid restitution in the amount  
14 of \$2,495 to consumer [REDACTED], and has provided the Department with proof of this restitution.

15 E. **Rights of Non-Parties.** It is AGREED that the Department does not represent or have the  
16 consent of any person or entity not a party to this Consent Order to take any action concerning their  
17 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent  
18 Order, this Consent Order does not limit or create any private rights or remedies against Respondent  
19 Flannigan, limit or create liability of Respondent Flannigan, or limit or create defenses of Respondent  
20 Flannigan to any claims.

21 F. **Investigation Fee.** It is AGREED that Respondent Flannigan shall pay to the Department  
22 an investigation fee of \$513.60, in the form of a cashier's check made payable to the "Washington  
23 State Treasurer," upon entry of this Consent Order.

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

6 H. **Voluntarily Entered.** It is AGREED that Respondent Flannigan has voluntarily entered  
7 into this Consent Order, which is effective when signed by the Director's designee.

8 I. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent Flannigan  
9 has read this Consent Order in its entirety and fully understands and agrees to all of the same.

10 **RESPONDENT:**

11 [Redacted Signature] *TS*  
12 Terence Flannigan  
Individually

SEPT 1, 2013  
Date

13 DO NOT WRITE BELOW THIS LINE

14 THIS ORDER ENTERED THIS 9<sup>th</sup> DAY OF October, 2013

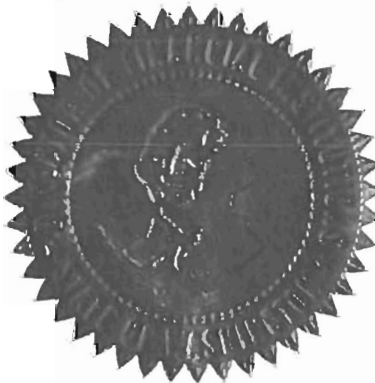
15 [Redacted Signature]  
16 DEBORAH BORTNER  
17 Director  
18 Division of Consumer Services  
19 Department of Financial Institutions

18 Presented by:

19 [Redacted Signature]  
20 SHANA L. OLIVER  
21 Financial Legal Examiner

21 Approved by:

22 [Redacted Signature]  
23 CHARLES E. CLARK  
24 Enforcement Chief



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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:

UNITED FIDELITY GROUP, INC.,  
DONG "DON" QUACH, President, and  
TERENCE FLANNIGAN, CEO,

Respondents.

No. C-11-0747-13-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

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**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:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

**A. United Fidelity Group, Inc. (Respondent United Fidelity)** is a California corporation formerly licensed with the California Department of Real Estate as a corporate real estate broker. Respondent United Fidelity has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker.

**B. Dong "Don" Quach (Respondent Quach)** was the President of Respondent United Fidelity at all times relevant to this Statement of Charges. Respondent Quach has never been licensed by the Department to conduct business as a mortgage broker or loan originator.



1 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), “loan originator” means a  
2 natural person who for direct or indirect compensation or gain, or in the expectation of direct or  
3 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;  
4 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform  
5 any of these activities.

6 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
7 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice  
8 toward any person and obtaining property by fraud or misrepresentation.

9 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
10 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
11 for engaging in the business of a mortgage broker for Washington residents or property without first  
12 obtaining a license to do so.

13 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
14 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
15 for engaging in the business of a loan originator without first obtaining and maintaining a license.

16 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
17 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
18 location that is on file with and readily available to the Department until at least twenty-five months  
19 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 conducting  
4 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) or  
8 (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.

13 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-  
14 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted  
15 to an investigation of any person subject to the Act.

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

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

- 20 **4.1** Respondents cease and desist engaging in the business of a mortgage broker or loan originator.
- 21 **4.2** Respondents be prohibited from participation, in any manner, in the conduct of the affairs of  
22 any mortgage broker subject to licensure by the Director for a period of five years.
- 23 **4.3** Respondents jointly and severally pay restitution of \$2,495 to the consumer identified by the  
24 Department in paragraph 1.2, and that Respondents jointly and severally pay restitution to each  
Washington consumer with whom they entered into a contract for residential mortgage loan  
modification services related to real property or consumers located in the state of Washington



1 equal to the amount collected from that Washington consumer for those services in an amount  
2 to be determined at hearing.

3 **4.4** Respondents jointly and severally pay a fine, which as of the date of this Statement of Charges  
4 totals \$3,000.


5 **4.5** Respondents jointly and severally pay an investigation fee, which as of the date of this  
6 Statement of Charges totals \$513.60, calculated at \$48 per hour for 10.7 examiner hours.

7 **4.6** Respondents maintain records in compliance with the Act and provide the Department with the  
8 location of the books, records and other information relating to Respondents' provision of  
9 residential mortgage loan modification services in Washington, and the name, address and  
10 telephone number of the individual responsible for maintenance of such records in compliance  
11 with the Act.


### 12 **V. AUTHORITY AND PROCEDURE**

13 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW  
14 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05  
15 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as  
16 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
17 accompanying this Statement of Charges.


18 Dated this 28th day of June, 2013.

19   
20 **DEBORAH BORTNER**  
21 Director, Division of Consumer Services  
22 Department of Financial Institutions

23 Presented by:

24   
**SHANA L. OLIVER**  
Financial Legal Examiner

Approved by:

  
**CHARLES E. CLARK**  
Enforcement Chief

