

ORDER SUMMARY – Case Number: C-11-0747

Name(s): Dong “Don” Quach
United Fidelity Group, Inc.

Order Number: C-11-0747-13-FO01

Effective Date: October 29, 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Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: U/L

Not Apply Until: October 29, 2018

Not Eligible Until: October 29, 2018

Prohibition/Ban Until: October 29, 2018

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$3,000	Due NOW	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input 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 type="checkbox"/> N		
No. of Victims:				

Comments: Respondents must also cease and desist acting as mortgage broker in Washington

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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-11-0747-13-FO01

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

FINAL ORDER RE:
UNITED FIDELITY GROUP, INC. AND
DONG "DON" QUACH

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 June 28, 2013, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist Business, Prohibit from Industry, Order Restitution, Impose Fine, and Collect Investigation Fee (Statement of Charges) against United Fidelity Group, Inc. (Respondent United Fidelity), Dong "Don" Quach (Respondent Quach), and Terence Flannigan.¹ 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 July 10, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On July 10, 2013, the Department served Respondents United Fidelity and Quach with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On July 11, 2013, the documents sent by Federal Express overnight delivery

¹ The Statement of Charges as to Terence Flannigan was resolved through Consent Order C-11-0747-13-CO01.

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

3 Respondents United Fidelity and Quach did not request an adjudicative hearing within twenty
4 calendar days after the Department served the Notice of Opportunity to Defend and Opportunity for
5 Hearing, as provided for 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 Statement of Charges, cover letter dated July 10, 2013,
8 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for
9 Adjudicative Hearing for Respondents United Fidelity and Quach, 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. Respondent United Fidelity Group, Inc. and Respondent Dong "Don" Quach cease
17 and desist engaging in the business of a mortgage broker or loan originator.
- 18 2. Respondent United Fidelity Group, Inc. and Respondent Dong "Don" Quach are
19 prohibited from participation, in any manner, in the conduct of the affairs of any
20 mortgage broker subject to licensure by the Director for a period of five years.
- 21 3. Respondent United Fidelity Group, Inc. and Respondent Dong "Don" Quach
22 jointly and severally pay a fine of \$3,000.

23 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents United Fidelity and
24 Quach have the right to file a Petition for Reconsideration stating the specific grounds upon which
relief is requested. The Petition must be filed in the Office of the Director of the Department of
Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S.

1 Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the
2 Final Order upon Respondents United Fidelity and Quach. The Petition for Reconsideration shall not
3 stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking
4 judicial review in this matter.

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

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

11 D. Judicial Review. Respondents United Fidelity and Quach have the right to petition the
12 superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW.
13 For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections
14 following.

15 E. Non-compliance with Order. If you do not comply with the terms of this order,
16 **including payment of any amounts owed within 30 days of receipt of this order**, the Department
17 may seek its enforcement by the Office of the Attorney General to include the collection of the fines
18 imposed herein. The Department also may assign the amounts owed to a collection agency for
19 collection.

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

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DATED this 29th day of October, 2013.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS



DEBORAH BORTNER
Director
Division of Consumer Services

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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:

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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 25th 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

