

## ORDER SUMMARY – Case Number: C-11-0759

**Name(s):** John Towers Financial Services  
John F. Uribe

**Order Number:** C-11-0759-13-FO01

**Effective Date:** February 6, 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**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  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:** N/A

**Not Eligible Until:** N/A

**Prohibition/Ban Until:** February 6, 2018

<b>Investigation Costs</b>	\$192	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$3,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$1,710	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<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:				

**Comments:**  
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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:  
  
JOHN TOWERS FINANCIAL SERVICES, and  
JOHN F. URIBE, President,  
  
Respondents.

No.: C-11-0759-13-FO01

FINAL ORDER

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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 September 27, 2012, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Produce Records, Cease and Desist Business, Prohibit from Industry, Order Restitution, Impose Fine, and Collect Investigation Fee (Statement of Charges) against John Towers Financial Services and John F. Uribe (Respondents). 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 October 19, 2012, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On October 19, 2012, the Department served Respondents with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On October 22, 2012, the documents sent by Federal Express overnight delivery were delivered and signed for by

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

3 Respondent did not request an adjudicative hearing within twenty calendar days after the  
4 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for  
5 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 following:

- 8 1. Statement of Charges,
- 9 2. Cover letter dated October 19, 2012,
- 10 3. Notice of Opportunity to Defend and Opportunity for Hearing, and
- 11 4. Blank Application for Adjudicative Hearing for Respondents, with documentation  
12 for service.

13 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the  
14 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

## 15 II. FINAL ORDER

16 Based upon the foregoing, and the Director's designee having considered the record and being  
17 otherwise fully advised, NOW, THEREFORE:

18 A. IT IS HEREBY ORDERED, That:

- 19 1. Respondents cease and desist engaging in the business of a mortgage broker or  
20 loan originator.
- 21 2. Respondents provide the Department with a list detailing all residential mortgage  
22 loan modification services transactions with Washington consumers, including  
23 the name, address, and phone numbers of the consumers, the transaction date, and  
24 fees collected by Respondents for the provision of those services.
3. Respondents are prohibited from participation in the conduct of the affairs of any  
mortgage broker subject to licensure by the Director, in any manner, for a period  
of five years.

- 1 4. Respondents jointly and severally pay restitution to the one consumer identified
- 2 by the Department in paragraph 1.3 as having paid \$1,710 to Respondents.
- 3 5. Respondents jointly and severally pay a fine of \$3,000.
- 4 6. Respondents jointly and severally pay an investigation fee of \$192.
- 5 7. Respondents maintain records in compliance with the Act and provide the
- 6 Department with the location of the books, records and other information relating
- 7 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.

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

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

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

21 D. Judicial Review. Respondents have the right to petition the superior court for judicial  
22 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for  
23 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

1 E. Non-compliance with Order. If you do not comply with the terms of this order, the  
2 Department may seek its enforcement by the Office of the Attorney General to include the collection  
3 of the fines, fees, and restitution imposed herein. The Department also may assign the amounts owed  
4 to a collection agency for collection.

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

8 DATED this 6<sup>th</sup> day of February, 2013



11 STATE OF WASHINGTON  
12 DEPARTMENT OF FINANCIAL INSTITUTIONS

13 [Redacted Signature]  
14 DEBORAH BORTNER  
15 Director  
16 Division of Consumer Services

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  
Mortgage Broker Practices Act of Washington by:

5 JOHN TOWERS FINANCIAL SERVICES, and  
6 JOHN F. URIBE, President,  
7 Respondents.

No. C-11-0759-12-SC01

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

8 **INTRODUCTION**

9 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial  
10 Institutions of the State of Washington (Director) is responsible for the administration of chapter  
11 19.146 RCW, the Mortgage Broker Practices (Act). After having conducted an investigation pursuant  
12 to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the  
13 Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes  
14 this proceeding and finds as follows:

15 **I. FACTUAL ALLEGATIONS**

16 **1.1 Respondent** John Towers Financial Services (Respondent John Towers) has never been  
17 licensed by the Department of Financial Institutions of the State of Washington (Department) to  
18 conduct business as a mortgage broker or loan originator.

19 **1.2 Respondent** John F. Uribe (Respondent Uribe) is President of Respondent John Towers.  
20 During the relevant time period, Respondent Uribe was not licensed by the Department to conduct  
21 business as a mortgage broker or loan originator.

22 **1.3 Unlicensed Activity.** On or about July 1, 2010, Respondents John Towers and Uribe  
23 (Respondents) were offering residential mortgage loan modification services to Washington  
24 consumers on property located in Washington State. Respondents entered into a contractual

1 relationship with at least one Washington consumer to provide those services and collected an advance  
2 fee for the provision of those services. The Department has received at least one complaint from a  
3 Washington consumer alleging Respondents provided or offered to provide residential mortgage loan  
4 modification services while not licensed by the Department to provide those services. At least,  
5 Consumer [REDACTED] paid Respondents a fee of \$1,710.

6 **1.4 Misrepresentations and Omissions.** Respondents represented that they were licensed to  
7 provide the residential mortgage loan modification services or omitted disclosing that they were not  
8 licensed to provide those services.

9 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the  
10 Act by Respondents continues to date.

## 11 **II. GROUNDS FOR ENTRY OF ORDER**

12 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,  
13 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of  
14 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan  
15 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person  
16 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a  
17 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among  
18 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan packages...."

19 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a  
20 natural person who for direct or indirect compensation or gain, or in the expectation of direct or indirect  
21 compensation or gain: takes a residential mortgage loan application for a mortgage broker; offers or  
22 negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform any of  
23 these activities.

1 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
2 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice  
3 toward any person and obtaining property by fraud or misrepresentation.

4 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
5 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
6 for engaging in the business of a mortgage broker for Washington residents or property without first  
7 obtaining a license to do so.

8 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
9 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
10 for engaging in the business of a loan originator without first obtaining and maintaining a license.

11 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
12 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
13 location that is on file with and readily available to the Department until at least twenty-five months  
14 have elapsed following the effective period to which the books and records relate.

### 15 **III. AUTHORITY TO ORDER PRODUCTION OF RECORDS**

16 **3.1 Authority to Order Production of Records.** Pursuant to RCW 19.146.223, RCW 19.146.  
17 235(2), and WAC 208-660-520, the Director may issue orders directing any person to produce books,  
18 accounts, records, files, and any other documents the director or designated person deems relevant to  
19 an investigation.

### 20 **IV. AUTHORITY TO IMPOSE SANCTIONS**

21 **4.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the  
22 Director may issue orders directing any person subject to the Act to cease and desist from conducting  
23 business.



1 **4.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may  
2 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker  
3 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or  
4 (13), or RCW 19.146.200.

5 **4.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order  
6 restitution against any person subject to the Act for any violation of the Act.

7 **4.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
8 against any person subject to the Act for any violation of the Act.

9 **4.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-  
10 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted  
11 to an investigation of any person subject to the Act.

## 12 **V. NOTICE OF INTENT TO ENTER ORDER**

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

16 **5.1** Respondents cease and desist engaging in the business of a mortgage broker or loan originator.

17 **5.2** Respondents provide the Department with a list detailing all residential mortgage loan  
18 modification services transactions with Washington consumers, including the name, address,  
19 and phone numbers of the consumers, the transaction date, and fees collected by Respondents  
20 for the provision of those services.

21 **5.3** Respondents be prohibited from participation in the conduct of the affairs of any mortgage  
22 broker subject to licensure by the Director, in any manner, for a period of five years.

23 **5.4** Respondents jointly and severally pay restitution to the one consumer identified by the  
24 Department in paragraph 1.3 as having paid \$1,710 to Respondents, 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 equal to the amount collected from that  
Washington consumer for those services in an amount to be determined at hearing.

1 5.5 Respondents jointly and severally pay a fine of \$3,000 for each residential loan modification  
2 transaction entered into with Washington consumers. As of the date of this Statement of  
Charges, the fine totals \$3,000.

3 5.6 Respondents jointly and severally pay an investigation fee at the rate of \$48.00 per hour. As of  
4 the date of this Statement of Charges, the investigation fee totals \$192.

5 5.7 Respondents maintain records in compliance with the Act and provide the Department with the  
6 location of the books, records and other information relating to Respondents' provision of  
7 residential mortgage loan modification services in Washington, and the name, address and  
8 telephone number of the individual responsible for maintenance of such records in compliance  
9 with the Act.

### VI. AUTHORITY AND PROCEDURE

10 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW  
11 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05  
12 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as  
13 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
14 accompanying this Statement of Charges.

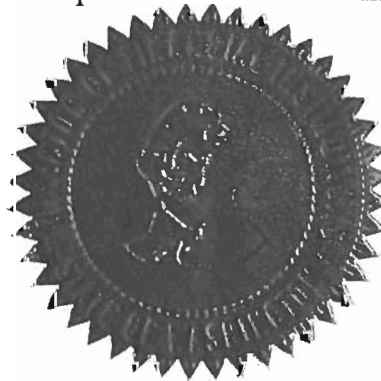
15 Dated this 27<sup>th</sup> day of September, 2012.

[Redacted Signature]

DEBORAH BORTNER  
Director, Division of Consumer Services  
Department of Financial Institutions

18 Presented by: [Redacted Signature]

19 [Redacted Signature]  
20 DEBORAH TAEILLIOUS  
21 Financial Legal Examiner



22 Approved by: [Redacted Signature]

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