

## ORDER SUMMARY – Case Number: C-12-0904

**Name(s):** Flaster Law Firm, PLLC and Lawrence Michael Flaster

**Order Number:** C-12-0904-13-FO01

**Effective Date:** June 5, 2018

**License Number:** N/A – UL LM  
**Or NMLS Identifier [U/L]** NMLS ID: 1107900 (company) NMLS ID: 1107894 (Flaster)  
(Revoked, suspended, stayed, application denied or withdrawn)  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:** June 5, 2018

**Not Eligible Until:** June 5, 2018

**Prohibition/Ban Until:** June 5, 2018

<b>Investigation Costs:</b>	\$ 312	Due: 30 days	Paid: <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date:
<b>Fine:</b>	\$ 6,000	Due: 30 days	Paid: <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date:
<b>Assessment(s): N/A</b>	\$	Due:	Paid: <input type="checkbox"/> Y <input type="checkbox"/> N	Date:
<b>Restitution:</b>	\$ 4,850	Due: 30 days	Paid: <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date:
<b>Judgment: N/A</b>	\$	Due:	Paid: <input type="checkbox"/> Y <input type="checkbox"/> N	Date:
<b>Satisfaction of Judgment Filed? N/A</b>	<input type="checkbox"/> Y <input type="checkbox"/> N			
No. of Victims:	2			

**Comments:**

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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  
5 Mortgage Broker Practices Act of Washington by:  
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FLASTER LAW FIRM, PLLC, and  
LAWRENCE MICHAEL FLASTER, Owner,  
  
Respondents.

No.: C-12-0904-13-FO01  
FINAL ORDER

8 **I. DIRECTOR'S CONSIDERATION**

9 A. Default. This matter has come before the Director of the Department of Financial  
10 Institutions of the State of Washington (Director), through his designee, Consumer Services Division  
11 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On September 27,  
12 2012, the Director, through the Director's designee, issued a Statement of Charges and Notice of  
13 Intent to Enter an Order to Produce Records, Cease and Desist Business, Prohibit from Industry,  
14 Order Restitution, and Collect Investigation Fee (Statement of Charges) against Flaster Law Firm,  
15 PLLC, and Lawrence Michael Flaster, (Respondents). A copy of the Statement of Charges is  
16 attached and incorporated into this order by this reference.

17 B. On October 1, 2012, the Department of Financial Institutions (Department) served  
18 Respondents by First-Class mail with the Statement of Charges accompanied by cover letters dated  
19 September 27, 2012, Notices of Opportunity to Defend and Opportunity for Hearing, and blank  
20 Applications for Adjudicative Hearing for Respondents. The documents sent by First-Class mail  
21 were not returned to the Department by the United States Postal Service.

22 C. Respondents did not request an adjudicative hearing within twenty calendar days after  
23 service as provided for in WAC 208-08-050(2).

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1 D. Record Presented. The record presented to the Director's designee for her review and  
2 for entry of a final decision included the Statement of Charges, cover letters dated September 27,  
3 2012, Notices of Opportunity to Defend and Opportunity for Hearing, and blank Applications for  
4 Adjudicative Hearing for Respondents, with documentation for service.

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

7 **II. FINAL ORDER**

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

10 A. IT IS HEREBY ORDERED, That:

- 11 1. Respondent Flaster Law Firm, PLLC immediately cease and desist engaging in the  
12 business of a mortgage broker.
- 13 2. Respondent Lawrence Michael Flaster immediately cease and desist engaging in the  
14 business of a mortgage loan originator.
- 15 3. Respondents are prohibited from participation in the conduct of the affairs of any  
16 mortgage broker subject to licensure by the Department, in any manner, for a period of  
17 five years.
- 18 4. Respondents shall pay, jointly and severally, restitution of \$4,850 to the two consumers  
19 identified by the Department in paragraph 1.3 of the Statement of Charges.
- 20 5. Respondents shall pay, jointly and severally, a fine of \$6,000.
- 21 6. Respondents shall pay, jointly and severally, an investigation fee of \$312. The combined  
22 fine and investigation fee may be paid together in the form of a cashier's check in the  
23 amount of \$6,312 made payable to the "Washington State Treasurer."
- 24 7. Respondent Flaster Law Firm, PLLC, its officers, employees, and agents maintain  
records in compliance with chapter 19.146 RCW, the Mortgage Broker Practices Act  
(Act) and provide the Director with the location of the books, records and other  
information relating to Respondent's 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.

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1 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a Petition  
2 for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be  
3 filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel  
4 Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington  
5 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The Petition for  
6 Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a  
7 prerequisite for seeking judicial review in this matter.

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

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

14 D. Judicial Review. Respondent has the right to petition the superior court for judicial review of  
15 this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a  
16 Petition for Judicial Review, see RCW 34.05.510 and sections following.

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

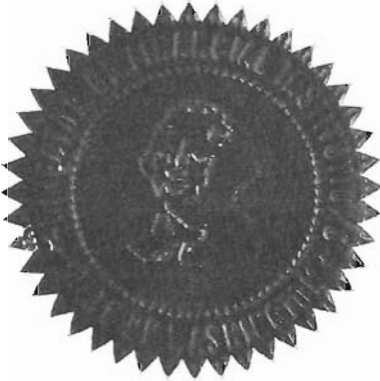
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1 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial  
2 Review, service is effective upon deposit of this Final Order in the U.S. mail by the Department,  
3 declaration of service attached hereto.

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5 DATED this 5<sup>th</sup> day of June, 2013.



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

  
DEBORAH BORTNER  
Director, Division of Consumer Services

1   **STATE OF WASHINGTON**  
2   **DEPARTMENT OF FINANCIAL INSTITUTIONS**  
3   **DIVISION OF CONSUMER SERVICES**

3   IN THE MATTER OF DETERMINING  
4   Whether there has been a violation of the  
5   Mortgage Broker Practices Act of Washington by:

5   FLASTER LAW FIRM, PLLC, and  
6   LAWRENCE MICHAEL FLASTER, Owner,  
7   Respondents.

No. C-12-0904-12-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  
12   pursuant to RCW 19.146.235, and based upon the facts available as of the date of this Statement of  
13   Charges, the Director, through his designee, Division of Consumer Services Director Deborah  
14   Bortner, institutes this proceeding and finds as follows:

15   **I. FACTUAL ALLEGATIONS**

16   **1.1     Respondent** Flaster Law Firm, PLLC (Respondent Flaster Law) has never been licensed by  
17   the Department of Financial Institutions of the State of Washington (Department) to conduct  
18   business as a mortgage broker or loan originator.

19   **1.2     Respondent** Lawrence Michael Flaster (Respondent Flaster) is Owner of Respondent  
20   Flaster. During the relevant time period, Respondent Flaster was not licensed by the Department to  
21   conduct business as a mortgage broker or loan originator.

22   **1.3     Unlicensed Activity.** On or about November 15, 2010, Respondents Flaster Law and Flaster  
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  
2 advance fee for the provision of those services. The Department has received at least one complaint  
3 from a Washington consumer alleging Respondents provided or offered to provide residential  
4 mortgage loan modification services while not licensed by the Department to provide those services.  
5 Consumer ■■■ paid Respondents a fee of \$2,600 and consumers ■■■. and ■■■. paid Respondents a  
6 fee of \$2,250.

7 **1.4 Misrepresentations and Omissions.** Respondents represented that they were licensed to  
8 provide the residential mortgage loan modification services or omitted disclosing that they were not  
9 licensed to provide those services. During the relevant time period, Respondent Flaster represented  
10 that he was licensed to practice law in Washington or omitted disclosing that he was not licensed to  
11 practice law in the State of Washington.

12 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the  
13 Act by Respondents continues to date.

## 14 II. GROUNDS FOR ENTRY OF ORDER

15 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,  
16 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of  
17 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage  
18 loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a  
19 person in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-  
20 006, a person "assists a person in obtaining or applying to obtain a residential mortgage loan" by,  
21 among other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan  
22 packages...."

23 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a  
24 natural person who for direct or indirect compensation or gain, or in the expectation of direct or

1 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;  
2 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform  
3 any of these activities.

4 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
5 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive  
6 practice toward any person and obtaining property by fraud or misrepresentation.

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

11 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
12 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
13 for engaging in the business of a loan originator without first obtaining and maintaining a license.

14 **2.6 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.

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

19 **3.1 Authority to Order Production of Records.** Pursuant to RCW 19.146.223, RCW 19.146.  
20 235(2), and WAC 208-660-520, the Director may issue orders directing any person to produce  
21 books, accounts, records, files, and any other documents the director or designated person deems  
22 relevant to an investigation.

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1 **IV. AUTHORITY TO IMPOSE SANCTIONS**

2 **4.1 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 **4.2 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 **4.3 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 **4.4 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 **4.5 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  
15 devoted to an investigation of any person subject to the Act.

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

22 **5.2** Respondents provide the Department with a list detailing all residential mortgage loan  
23 modification services transactions with Washington consumers, including the name, address,  
and phone numbers of the consumers, the transaction date, and fees collected by Respondents  
for the provision of those services.

24 **5.3** Respondents be 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 **5.4** Respondents jointly and severally pay restitution to the two consumers identified by the  
2 Department in paragraph 1.3 as having paid \$4,850 to Respondents, and that Respondents  
3 jointly and severally pay restitution to each Washington consumer with whom they entered  
4 into a contract for residential mortgage loan modification services related to real property or  
5 consumers located in the state of Washington equal to the amount collected from that  
6 Washington consumer for those services in an amount to be determined at hearing.

7 **5.5** Respondents jointly and severally pay a fine of \$3,000 for each residential loan modification  
8 transaction entered into with Washington consumers. As of the date of this Statement of  
9 Charges, the fine totals \$6,000.

10 **5.6** Respondents jointly and severally pay an investigation fee at the rate of \$48.00 per hour. As  
11 of the date of this Statement of Charges, the investigation fee totals \$312.

12 **5.7** Respondents maintain records in compliance with the Act and provide the Department with  
13 the location of the books, records and other information relating to Respondents' provision of  
14 residential mortgage loan modification services in Washington, and the name, address and  
15 telephone number of the individual responsible for maintenance of such records in  
16 compliance with the Act.

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1 **VI. 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.

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



9 [Redacted signature]

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

13 Presented by:

14 [Redacted signature]

15 ANTHONY W. CARTER  
16 Financial Legal Examiner

17 Approved by:

18 [Redacted signature]

19 CHARLES E. CLARK  
20 Enforcement Chief