

## ORDER SUMMARY – Case Number: C-12-0922

**Name(s):** Mortgageclose.com Inc; Chau Ngoc Lam  
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 \_\_\_\_\_

**Order Number:** C-12-0922-13-FO01  
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**Effective Date:** January 10, 2013  
 \_\_\_\_\_

**License Number:** NMLS ID #3171  
**Or NMLS Identifier [U/L]** License Revoked

**License Effect:**  
 \_\_\_\_\_  
 \_\_\_\_\_

**Not Apply Until:**  
 \_\_\_\_\_

**Not Eligible Until:**  
 \_\_\_\_\_  
 Five years from date of entry

**Prohibition/Ban Until:** 1/10/18  
 \_\_\_\_\_

<b>Investigation Costs</b>	\$4,561.56	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$10,000.00	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>	\$995.00	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:		1		

**Comments:** Order to maintain records in compliance with the Act  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING:  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

No.: C-12-0922-13-FO01

MORTGAGECLOSE.COM, INC.,  
NMLS ID#3171, and  
CHAU NGOC LAM, President and 100% Owner,  
  
Respondents.

FINAL ORDER

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 December 11, 2012, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Prohibit From Industry, Order Restitution, Impose Fine, Collect Investigation Fee and Maintain Records (Statement of Charges) against Mortgageclose.com, Inc. and Chau Ngoc Lam (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 December 12, 2012, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On December 12, 2012, the Department served Respondents with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On December 14, 2012, the documents sent by Federal Express overnight delivery were delivered. The

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

3 Respondents 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: Statement of Charges, cover letter dated  
8 December 12, 2012, Notice of Opportunity to Defend and Opportunity for Hearing, and blank  
9 Applications for Adjudicative Hearing for Respondents, 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 Mortgageclose.com, Inc.'s license to conduct business of a Consumer  
17 Lender is revoked.
- 18 2. Respondent Mortgageclose.com, Inc. and Respondent Chau Ngoc Lam are  
19 prohibited from participation in the affairs of any consumer loan company licensed  
20 by the Department for a period of five (5) years.
- 21 3. Respondent Mortgageclose.com, Inc. and Respondent Chau Ngoc Lam pay  
22 restitution to the consumer identified in the Statement of Charges in the amount of  
23 \$995.00.
- 24 4. Respondent Mortgageclose.com, Inc. and Respondent Chau Ngoc Lam jointly and  
severally pay a fine in the amount of \$10,000.
5. Respondent Mortgageclose.com, Inc. and Respondent Chau Ngoc Lam jointly and  
severally pay investigation costs in the amount of \$4,561.56.

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2 6. Respondent Mortgageclose.com, Inc., its officers, employees, and agents maintain  
3 records in compliance with the Act and keep the Department apprised of the  
4 location of the books, records and other information relating to respondent  
Mortgageclose.com, Inc.'s consumer loan company business, and the name,  
address and telephone number of the individual responsible for maintenance of  
such records in compliance with the Act.

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

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

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

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

21 E. Non-compliance with Order. If you do not comply with the terms of this order, the  
22 Department may seek its enforcement by the Office of the Attorney General to include the collection  
23

1 of the fines, fees, and restitution imposed herein. The Department also may assign the amounts owed  
2 to a collection agency for collection.

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

6 DATED this 10<sup>th</sup> day of January, 2013  
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12 STATE OF WASHINGTON  
13 DEPARTMENT OF FINANCIAL INSTITUTIONS

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DEBORAH BORTNER  
Director  
Division of Consumer Services

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

NO. C-12-0922-12-SC01

MORTGAGECLOSE.COM, INC.,  
NMLS ID#3171, and  
CHAU NGOC LAM, President and 100% Owner,  
  
Respondents.

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO REVOKE LICENSE, PROHIBIT  
FROM INDUSTRY, ORDER  
RESTITUTION, IMPOSE FINE,  
COLLECT INVESTIGATION FEE,  
AND MAINTAIN RECORDS

**INTRODUCTION**

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director, by and through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

A. **Mortgageclose.com, Inc. (Respondent Mortgageclose.com)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a Consumer Loan Company on or about August 24, 2009, and continues to be licensed to date. Respondent Mortgageclose.com is licensed to conduct business from its main office located at 1600 N. Broadway Ste. 500, Santa Ana, CA 92706.

B. **Chau Ngoc Lam (Respondent Lam)** is the President and 100% owner of Respondent Mortgageclose.com.

1 **1.2 Failure to Maintain Surety Bond.** On or about February 11, 2011, the Department received notice  
2 that Respondent Mortgageclose.com's surety bond would be cancelled effective March 27, 2011. On March 27,  
3 2011, Respondent Mortgageclose.com's surety bond was cancelled. As of the date of this Statement of  
4 Charges, the Department has not received a replacement surety bond from Respondent Mortgageclose.com.

5 **1.3 Failure to File Annual Reports and Pay Annual Assessments.** Respondent Mortgageclose.com's  
6 Annual Assessment Report, Consolidated Annual Report, and Annual Assessment Fee for 2010 were due by  
7 March 1, 2011. As of the date of this Statement of Charges, Respondent Mortgageclose.com has not filed its  
8 Annual Assessment Report or Consolidated Annual Report and has not paid its Annual Assessment Fee.

9 **1.4 Consumer Complaint.** The Department received a complaint from a consumer, [REDACTED] (Complainant),  
10 regarding an application for a residential mortgage loan from Respondent Mortgageclose.com. On or about  
11 May 11, 2011, Respondent Mortgageclose.com entered into an application fee agreement with Complainant.  
12 The agreement specified that the Complainant would wire \$995.00 to Respondent Mortgageclose.com. It also  
13 specified that Respondent Mortgageclose.com would credit the application fee towards Complainant's closing  
14 costs if Complainant's loan closed. The agreement specified that if Complainant's loan did not close  
15 Respondent Mortgageclose.com would apply the money first to third party fees and that the remainder of the  
16 money would be returned to the Complainant. The Complainant paid Respondent \$995.00 by wire transfer on  
17 or about June 24, 2011. Complainant's loan application was subsequently denied on or about July 29, 2011.  
18 Respondent Mortgageclose.com did not refund any money to Complainant and did not respond to any phone  
19 calls from Complainant.

20 **1.5 Failure to Comply with Investigation Authority.** Between April 11, 2011, and March 14, 2012,  
21 Respondents failed to comply with at least five directives issued by the Department related to at least three  
22 complaints.

23 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
24 Respondents continues to date.

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

2 **2.1 Requirement to Obtain and Maintain a Surety Bond.** Based on the Factual Allegations set forth in  
3 Section I above, Respondents are in apparent violation of RCW 31.04.045(6) by failing to maintain a surety  
4 bond approved by the Director.

5 **2.2 Requirement to File Annual Reports and Pay Annual Assessment.** Based on the Factual  
6 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.085, RCW  
7 31.04.155, WAC 208-620-430(1), WAC 208-620-460(1), and WAC 208-620-499(2) for failing to file Annual  
8 Reports and pay an annual assessment, as calculated on the Annual Assessment Report, to the Director on or  
before the first day of March of each year, or within thirty days of closure.

9 **2.3 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,  
10 Respondents are in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging in any unfair or  
11 deceptive practice toward any person.

12 **2.4 Obtaining Property by Fraud or Misrepresentation.** Based on the Factual Allegations set forth in  
13 Section I above, Respondents are in apparent violation of RCW 31.04.027(3) for directly or indirectly obtaining  
14 property by fraud or misrepresentation.

15 **2.5 Requirement to Comply with Investigation Authority.** Based on the Factual Allegations set forth in  
16 Section I above, Respondents are in apparent violation of RCW 31.04.145 for failing to comply with the  
17 Department's investigation authority.

18 **2.6 Requirement to Maintain Records.** Pursuant to RCW 31.04.155 and WAC 208-620-520, a licensee  
19 shall keep and use in the business such books, accounts, records, papers, documents, files, and other  
20 information as will enable the director to determine whether the licensee is complying with the Act and with the  
21 rules adopted by the director under the Act. The director shall have free access to such books, accounts,  
22 records, papers, documents, files, and other information wherever located. Every licensee shall preserve the  
23 books, accounts, records papers, documents, files, and other information relevant to a loan for at least twenty-



1 five months, or the period of time required by federal law, whichever is longer, after making the final entry on  
2 the loan at a location approved by the director.

### 3 **III. AUTHORITY TO IMPOSE SANCTIONS**

4 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3) and WAC 208-620-570, the Director  
5 may revoke a license if a licensee: has failed to pay any fee due the state of Washington; or, either knowingly or  
6 without the exercise of due care, has violated any provision of the Act or any rule adopted under the Act.

7 **3.2 Authority to Prohibit From Industry.** Pursuant to RCW 31.04.093(6)(d) and (e), the Director may  
8 issue an order removing from office or prohibiting from participation in the affairs of any licensee, or both, any  
9 officer, principal, employee or loan originator, or any person subject to this chapter for: failure to comply with  
10 any order or subpoena issued under this chapter or a violation of RCW 31.04.027.

11 **3.3 Authority to Order Restitution.** Pursuant to RCW 31.04.093(5), the Director may issue an order  
12 directing the licensee, its employee or loan originator, or other person subject to the Act, to make a refund or  
13 restitution to a borrower or other person who is damaged as a result of a violation of the Act.

14 **3.4 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one  
15 hundred dollars per day upon the licensee, its employee or loan originator, or other person subject to the Act for  
16 any violation of the Act or failure to comply with any order or subpoena issued by the Director under the Act.

17 **3.5 Authority to Issue Order to Take Affirmative Action.** Pursuant to RCW 31.04.093(5)(b), the  
18 Director may issue an order directing the licensee, its employee or loan originator, or other person subject to the  
19 Act, to take such affirmative action as is necessary to comply with the Act.

20 **3.6 Authority to Collect Cost of Investigation.** Pursuant to RCW 31.04.145(3) and WAC 208-620-590,  
21 every licensee investigated by the Director or the Director's designee shall pay to the Director the cost of the  
22 investigation, calculated at the rate of \$69.01 per hour.

### 23 **IV. NOTICE OF INTENTION TO ENTER ORDER**

24 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set forth in  
25 the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis

1 for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW 31.04.205. Therefore, it is the  
2 Director's intention to ORDER that:

3 **4.1** Respondent Mortgageclose.com, Inc.'s license to conduct business as a consumer loan company be  
revoked.

4 **4.2** Respondent Mortgageclose.com and Resopndent Chau Ngoc Lam be prohibited from participation in the  
5 affairs of any consumer loan company licensed by the Department for a period of five (5) years.

6 **4.3** Respondent Mortgageclose.com, Inc. and Respondent Chau Ngoc Lam jointly and severally pay restitution  
to consumer █████ in the amount of \$995.00, as discussed in paragraph 1.4 of this Statement of Charges.

7 **4.4** Respondent Mortgageclose.com, Inc. and Respondent Chau Ngoc Lam jointly and severally pay a fine in  
the amount of \$10,000.

8 **4.5** Respondent Mortgageclose.com, Inc. and Respondent Chau Ngoc Lam jointly and severally investigation  
9 costs in the amount of \$4,561.56 as of the date of this Statement of Charges.

10 **4.6** Respondent Mortgageclose.com, Inc., its officers, employees, and agents maintain records in compliance  
with the Act and keep the Department apprised of the location of the books, records and other information  
11 relating to Respondent Mortgageclose.com, Inc.'s consumer loan company business, and the name, address  
and telephone number of the individual responsible for maintenance of such records in compliance with the  
Act.

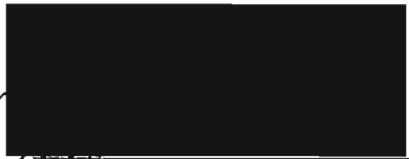
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**V. AUTHORITY AND PROCEDURE**

This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 17<sup>th</sup> day of December, 2012.



DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:



ROBERT E. JONES  
Financial Legal Examiner

Approved by:



CHARLES E. CLARK  
Enforcement Chief