

## ORDER SUMMARY – Case Number: C-12-0976

**Name(s):** Home Owners Advocate LLC; Stephen D Vesper  
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 \_\_\_\_\_

**Order Number:** C-12-0976-13-FO01  
 \_\_\_\_\_

**Effective Date:** June 12, 2013  
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**License Number:** N/A – Unlicensed  
**Or NMLS Identifier [U/L]** N/A

**License Effect:**  
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**Not Apply Until:** June 12, 2018  
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**Not Eligible Until:** June 12, 2018  
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**Prohibition/Ban Until:** June 12, 2018  
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<b>Investigation Costs</b>	\$504	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>	\$3,495	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: Also ordered to cease and desist engaging in the business of a mortgage broker or loan originator, ordered to provide a list of loan modification customers, ordered 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  
Mortgage Broker Practices Act of Washington by:

No.: C-12-0976-13-FO01

HOME OWNERS ADVOCATE LLC, and  
STEPHEN D. VESPER, Principal,

FINAL ORDER

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 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 Home Owners Advocate LLC and Stephen D. Vesper. 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 September 27, 2012, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On April 4, 2013, after prior failed service attempts on Respondents, the Department received confirmation from the Oceanside California Branch Office of the United States Postal Service that mail addressed to Respondents was being delivered to 3434 Capri Unit 2, Oceanside, California 92056 (Oceanside address). The Department served the Statement of Charges and accompanying

1 documents on Respondents by sending packages containing the documents to the Oceanside address  
2 by First-Class mail on April 5, 2013, and via Federal Express overnight delivery on April 5, 2013.  
3 On April 8, 2013, the documents sent via Federal Express overnight delivery were delivered to the  
4 Oceanside address and signed for by S. Vesper. The documents sent via First-Class mail were not  
5 returned to the Department by the United States Postal Service.

6 Respondents did not request an adjudicative hearing within twenty calendar days after the  
7 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for  
8 in WAC 208-08-050(2).

9 B. Record Presented. The record presented to the Director's designee for her review and  
10 for entry of a final decision included the following:

- 11 1. Statement of Charges, cover letter dated April 5, 2013, Notice of Opportunity to  
12 Defend and Opportunity for Hearing, and blank Applications for Adjudicative  
Hearing for Respondents, with documentation for service.
- 13 2. Post Office Address Verification Request form completed by Oceanside California  
14 Branch Office of the United States Postal Service received by the Department on  
April 4, 2013.

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

## 17 II. FINAL ORDER

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

20 A. IT IS HEREBY ORDERED, That:

- 21 1. Respondents Home Owners Advocate LLC and Stephen D. Vesper cease and  
22 desist engaging in the business of a mortgage broker or loan originator.
- 23 2. Respondents Home Owners Advocate LLC and Stephen D. Vesper provide the  
24 Department with a list detailing all residential mortgage loan modification services  
transactions with Washington consumers, including the name, address, and phone

1 numbers of the consumers, the transaction date, and fees collected by Respondents  
2 for the provision of those services.

- 3 3. Respondents Home Owners Advocate LLC and Stephen D. Vesper are prohibited  
4 from participation in the conduct of the affairs of any mortgage broker subject to  
5 licensure by the Director, in any manner, for a period of five years.
- 6 4. Respondents Home Owners Advocate LLC Stephen D. Vesper jointly and  
7 severally pay restitution to the one consumer identified by the Department in  
8 paragraph 1.3 of the Statement of Charges as having paid \$3,495 to Respondents,  
9 and that respondents jointly and severally pay restitution to each Washington  
10 consumer with whom they entered into a contract for residential mortgage loan  
11 modification services related to real property or consumers located in the state of  
12 Washington equal to the amount collected from that Washington consumer for  
13 those services.
- 14 5. Respondents Home Owners Advocate LLC and Stephen D. Vesper jointly and  
15 severally pay a fine of \$3,000.
- 16 6. Respondents Home Owners Advocate LLC and Stephen D. Vesper jointly and  
17 severally pay an investigation fee of \$504.
- 18 7. Respondents Home Owners Advocate LLC and Stephen D. Vesper maintain  
19 records in compliance with the Act and provide the Department with the location  
20 of the books, records and other information relating to Respondents' provision of  
21 residential mortgage loan modification services in Washington, and the name,  
22 address and telephone number of the individual responsible for maintenance of  
23 such records in compliance with the Act.

24 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents 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. Mail at P.O. Box 41200, Olympia,  
Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The  
Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

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

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

18 DATED this 12<sup>th</sup> day of June, 2013



19  
20 STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

21 [Redacted Signature]  
22 DEBORAH BORTNER  
23 Director  
Division of Consumer Services

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

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Mortgage Broker Practices Act of Washington by:  
  
HOME OWNERS ADVOCATE LLC, and  
STEPHEN D. VESPER, Principal,  
  
Respondents.

No. C-12-0976-12-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

**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 Respondent** Home Owners Advocate LLC (Respondent Home Owners Advocate) has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker or loan originator.

**1.2 Respondent** Stephen D. Vesper (Respondent Vesper) is Principal of Respondent Home Owners Advocate. During the relevant time period, Respondent Vesper was not licensed by the Department to conduct business as a mortgage broker or loan originator.

**1.3 Unlicensed Activity.** On or about June 29, 2010, Respondents Home Owners Advocate and Vesper (Respondents) were offering residential mortgage loan modification services to Washington 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. The consumer  
5 (████) paid Respondents a fee of \$3,495.

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  
for the provision of those services.

20 **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.

21 **5.4** Respondents jointly and severally pay restitution to the one consumer identified by the  
22 Department in paragraph 1.3 as having paid \$3,495 to Respondents, and that Respondents  
23 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  
24 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 \$504.

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.

16 /S/  
DEBORAH BORTNER  
17 Director, Division of Consumer Services  
Department of Financial Institutions

18 Presented by:

19 /S/  
ROBERT E. JONES  
20 Financial Legal Examiner

21 Approved by:

22 /S/  
CHARLES E. CLARK  
23 Enforcement Chief  
24