

**ORDER SUMMARY – Case Number: C-12-0988**Name(s): Law Office of Brett Margolin, PC and Brett K. MargolinOrder Number: C-12-0988-13-FO01Effective Date: June 5, 2013License Number: N/A – UL LMOr NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)If applicable, you must specifically note the ending dates of terms.License Effect: N/A - ULNot Apply Until: N/ANot Eligible Until: N/AProhibition/Ban Until: For 5 years from June 5, 2013, cannot participate in MB industry

<b>Investigation Costs:</b>	\$509	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>	\$2,233	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 D. Record Presented. The record presented to the Director's designee for her review and for  
2 entry of a final decision included the Statement of Charges, cover letters dated March 11, 2013,  
3 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.

7 **II. FINAL ORDER**

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

10 A. IT IS HEREBY ORDERED, That:

- 11 1. Respondent Law Office of Brett Margolin, PC immediately cease and desist engaging in  
12 the business of a mortgage broker.
- 13 2. Respondent Brett K. Margolin immediately cease and desist engaging in the business of a  
14 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 Director, in any manner, for a period of five  
17 years.
- 18 4. Respondents shall pay, jointly and severally, restitution of \$2,233 to the consumer  
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 \$509. The combined  
22 fine and investigation fee may be paid together in the form of a cashier's check in the  
23 amount of \$6,509 made payable to the "Washington State Treasurer."
- 24 7. Respondent Law Office of Brett Margolin, PC and 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 Respondent. 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. Respondents have the right to petition the superior court for judicial review  
15 of 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 Respondents do not comply with the terms of this Final  
18 Order, including payment of any amounts owed within 30 days of receipt of this Final Order, the  
19 Department may seek its enforcement by the Office of the Attorney General to include the collection  
20 of the restitution, fines, and investigation fees imposed herein. The Department also may assign the  
21 amounts owed to a 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.

6 STATE OF WASHINGTON  
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

8 /S/ \_\_\_\_\_  
9 DEBORAH BORTNER  
10 Director, Division of Consumer Services



1 contractual relationship with at least one Washington consumer to provide those services and  
2 collected an advance fee for the provision of those services. The Department has received at least  
3 one complaint from a Washington consumer alleging Respondents provided or offered to provide  
4 residential mortgage loan modification services while not licensed by the Department to provide  
5 those services. Consumer [REDACTED] paid Respondents a fee of \$2, 233.40.

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. During the relevant time period, Respondent Margolin  
9 represented that he was licensed to practice law in Washington or omitted disclosing that he was not  
10 licensed to practice law in the State of Washington.

11 **1.5 On-Going Investigation.** The Department’s investigation into the alleged violations of the  
12 Act by Respondents continues to date.

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

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

22 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), “loan originator” means a  
23 natural person who for direct or indirect compensation or gain, or in the expectation of direct or  
24 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;

1 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform  
2 any of these activities.

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

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

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

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

17 **III. AUTHORITY TO ORDER PRODUCTION OF RECORDS**

18 **3.1 Authority to Order Production of Records.** Pursuant to RCW 19.146.223, RCW 19.146.  
19 235(2), and WAC 208-660-520, the Director may issue orders directing any person to produce  
20 books, accounts, records, files, and any other documents the director or designated person deems  
21 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 consumer identified by the  
2     Department in paragraph 1.3 as having paid \$2,233 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 \$509.
- 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.

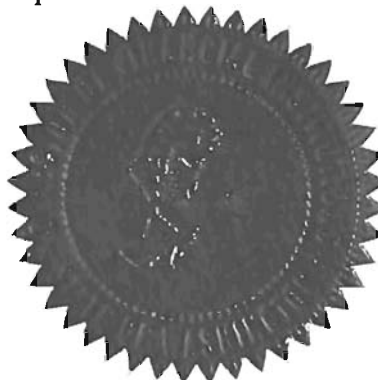
9 [Redacted Signature]

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

12 Presented by:

13 [Redacted Signature]

14 ANTHONY W. CARTER  
15 Financial Legal Examiner



16 Approved by:

17 [Redacted Signature]

18 CHARLES E. CLARK  
19 Enforcement Chief