

ORDER SUMMARY – Case Number: C-12-1045

Name(s): First Choice Financial Inc. and Aria Maleki

Order Number: C-12-1045

Effective Date: August 19, 2013

License Number: U/L
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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:

Not Apply Until: August 19, 2018

Not Eligible Until: August 19, 2018

Prohibition/Ban Until: August 19, 2018

Investigation Costs	\$2,600.00	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$3,000.00	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$3,595.00	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:		2		

Comments: Rs are banned for 5 years, must maintain records, and must pay restitution, fine and investigative fees.

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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:

No. C-12-1045-13-FO01

NATIONAL FREEDOM GROUP A/K/A
HARDSHIP CENTER;
PHILLIP WOODS, Unlicensed Loan Originator;
FIRST CHOICE FINANCIAL INC.; and
ARIA MALEKI; Principal of First Choice
Financial Inc.

FINAL ORDER AS TO:
FIRST CHOICE FINANCIAL INC. and
ARIA MALEKI

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 June 28, 2013, the Director, through the Director's designee, issued an Amended Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist Business, Prohibit from the Industry, Order Restitution, Impose Fine, and Collect Investigation Fee (Amended Statement of Charges) against First Choice Financial Inc. and Aria Maleki. A copy of the Amended Statement of Charges is attached to and incorporated into this order by this reference. The Amended Statement of Charges was accompanied by a cover letter dated July 2, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for each Respondent (collectively, accompanying documents).

1 On July 2, 2013, the Department served Respondents First Choice Financial Inc. and Aria
2 Maleki with the Amended Statement of Charges and accompanying documents by First-Class mail to
3 the following address: 2 Melrose Drive, Mission Viejo, CA 92692 (Melrose).

4 On July 15, 2013, the Department received a Post Office Verification that Respondents First
5 Choice Financial Inc. and Aria Maleki receive mail at the Melrose address.

6 Respondents First Choice Financial Inc. and Aria Maleki have not requested an adjudicative
7 hearing within twenty calendar days after the Department served the Notice of Opportunity to Defend
8 and Opportunity for Hearing, as provided for 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. Amended Statement of Charges, cover letter dated July 2, 2013, Notice of
12 Opportunity to Defend and Opportunity for Hearing, and blank Application for
13 Adjudicative Hearing for Respondents First Choice Financial Inc. and Aria Maleki
14 with documentation for service.
- 15 2. Post Office Address Verification Request form completed by Rancho Santa
16 Margarita Branch Office of the United States Post Office received by the
17 Department on July 15, 2013.

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

20 II. FINAL ORDER

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

23 A. IT IS HEREBY ORDERED, That:

- 24 1. Respondent First Choice Financial Inc. and Respondent Aria Maleki cease and
desist engaging in the business of a mortgage broker or loan originator.

2. Respondent First Choice Financial Inc. and Respondent Aria Maleki are prohibited from participation, in any manner, in the conduct of the affairs of any mortgage broker subject to licensure by the Director for five years.
3. Respondent First Choice Financial Inc. and Respondent Aria Maleki jointly and severally pay \$3,595 in restitution to the consumers identified by the Department in paragraph 1.2 of the Statement of Charges.
4. Respondent First Choice Financial Inc. and Respondent Aria Maleki jointly and severally pay a fine of \$3,000.
5. Respondent First Choice Financial Inc. and Respondent Aria Maleki jointly and severally pay an investigation fee of \$2,600.
6. Respondent First Choice Financial Inc. and Respondent Aria Maleki maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating 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.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondents First Choice Financial Inc. and Aria Maleki 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 First Choice Financial Inc. and Aria Maleki. 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.

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

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

4 D. Judicial Review. Respondents First Choice Financial Inc. and Aria Maleki have the
5 right to petition the superior court for judicial review of this agency action under the provisions of
6 chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW
7 34.05.510 and sections following.

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

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

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17 DATED this 19th day of August, 2013



18
19 STATE OF WASHINGTON
20 DEPARTMENT OF FINANCIAL INSTITUTIONS

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

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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:

NATIONAL FREEDOM GROUP A/K/A
HARDSHIP CENTER;
PHILLIP WOODS, Unlicensed Loan Originator;
FIRST CHOICE FINANCIAL INC.; and
ARIA MALEKI, Principal of First Choice
Financial Inc.

No. C-12-1045-13-SC02

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

Respondents.

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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). On or about March 27, 2013, after having conducted an investigation pursuant to RCW 19.146.235, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, issued Statement of Charges C-12-1045-13-SC01. Thereafter, additional evidence was obtained necessitating the addition of Respondents First Choice Financial, Inc. and Aria Maleki as parties. Now, therefore, the Director, through his designee, issues this Amended Statement of Charges and finds as follows:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. National Freedom Group a/k/a Hardship Center (Respondent National Freedom Group) 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 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
2 “Mortgage Broker” means any person who, for compensation or gain, or in the expectation of
3 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan
4 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person
5 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a
6 person “‘assists a person in obtaining or applying to obtain a residential mortgage loan’ by, among
7 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan packages....”
8 Additionally, pursuant to WAC 208-660-006, Mortgage Broker also includes any person who for
9 direct or indirect compensation or gain or in the expectation of direct or indirect compensation or gain
10 performs residential mortgage loan modification services or holds himself or herself out as being able
11 to perform residential mortgage loan modification services.

12 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), “loan originator” means a
13 natural person who for direct or indirect compensation or gain, or in the expectation of direct or
14 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;
15 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform
16 any of these activities.

17 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
18 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice
19 toward any person and obtaining property by fraud or misrepresentation.

20 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
21 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)
22 for engaging in the business of a mortgage broker for Washington residents or property without first
23 obtaining a license to do so.

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

4 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
5 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a
6 location that is on file with and readily available to the Department until at least twenty-five months
7 have elapsed following the effective period to which the books and records relate.

8 III. AUTHORITY TO IMPOSE SANCTIONS

9 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
10 Director may issue orders directing any person subject to the Act to cease and desist from conducting
11 business.

12 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
13 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
14 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or
15 (13), or RCW 19.146.200.

16 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
17 restitution against any person subject to the Act for any violation of the Act.

18 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
19 against any person subject to the Act for any violation of the Act.

20 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
21 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
22 to an investigation of any person subject to the Act.

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1 **IV. NOTICE OF INTENT TO ENTER ORDER**

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

5 **4.1** Respondents cease and desist engaging in the business of a mortgage broker or loan originator.

6 **4.2** Respondents be prohibited from participation, in any manner, in the conduct of the affairs of
7 any mortgage broker subject to licensure by the Director for a period of five years.

8 **4.3** Respondents jointly and severally pay restitution to the consumers identified by the
9 Department in paragraph 1.2 in the amount set forth therein, and that Respondents jointly and
10 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.

11 **4.4** Respondents jointly and severally pay a fine, which as of the date of this Amended Statement
12 of Charges totals \$3,000.00.

13 **4.5** Respondents jointly and severally pay an investigation fee, which as of the date of this
14 Amended Statement of Charges totals \$1,667.20.

15 **4.6** Respondents maintain records in compliance with the Act and provide the Department with the
16 location of the books, records and other information relating 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.

17 **V. AUTHORITY AND PROCEDURE**

18 This Amended Statement of Charges is entered pursuant to the provisions of RCW 19.146.220,
19 RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
20 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
21 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
22 HEARING accompanying this Amended Statement of Charges.

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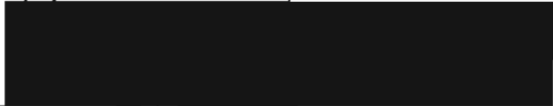
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Dated this 28th day of June, 2013.



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

Presented by:



GREGORY H. SANDOZ
Financial Legal Examiner

Approved by:



CHARLES E. CLARK
Enforcement Chief

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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:

NATIONAL FREEDOM GROUP A/K/A
HARDSHIP CENTER; and
PHILLIP WOODS, Loan Originator,

Respondents.

No. C-12-1045-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO 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 Respondents.

A. National Freedom Group a/k/a Hardship Center (Respondent National Freedom Group) 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.

B. Phillip Woods (Respondent Woods) is a loan originator of National Freedom Group. During the relevant time period, Respondent Woods was not licensed by the Department to conduct business as a mortgage broker or loan originator.

1 **1.2 Unlicensed Activity.** Between at least January 11, 2012 and the date of this Statement of
2 Charges, Respondents were offering residential mortgage loan modification services to Washington
3 consumers on property located in Washington State. Respondents entered into a contractual
4 relationship with at least one (1) Washington consumer to provide those services and collected an
5 advance fee for the provision of those services. The Department has received at least one (1)
6 complaint from Washington consumers alleging Respondents provided or offered to provide
7 residential mortgage loan modification services while not licensed by the Department to provide those
8 services. Consumers [REDACTED] and [REDACTED] paid Respondents a fee of \$3,595.00.

9 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to
10 provide the residential mortgage loan modification services or omitted disclosing that they were not
11 licensed to provide those services.

12 **1.4 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 loan
18 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person
19 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a
20 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among
21 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan 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 practice
5 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 IMPOSE SANCTIONS

18 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
19 Director may issue orders directing any person subject to the Act to cease and desist from conducting
20 business.

21 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
22 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
23 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or
24 (13), or RCW 19.146.200.

1 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
2 restitution against any person subject to the Act for any violation of the Act.

3 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
4 against any person subject to the Act for any violation of the Act.

5 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
6 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
7 to an investigation of any person subject to the Act.

8 **IV. NOTICE OF INTENT TO ENTER ORDER**

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

12 **4.1** Respondents cease and desist engaging in the business of a mortgage broker or loan originator.

13 **4.2** Respondents be prohibited from participation, in any manner, in the conduct of the affairs of
14 any mortgage broker subject to licensure by the Director for a period of five years.

15 **4.3** Respondents jointly and severally pay restitution to the consumers identified by the
16 Department in paragraph 1.2 in the amount set forth therein, and that Respondents jointly and
17 severally pay restitution to each Washington consumer with whom they entered into a contract
18 for residential mortgage loan modification services related to real property or consumers
19 located in the state of Washington equal to the amount collected from that Washington
20 consumer for those services in an amount to be determined at hearing.

21 **4.4** Respondents jointly and severally pay a fine, which as of the date of this Statement of Charges
22 totals \$3,000.00.

23 **4.5** Respondents jointly and severally pay an investigation fee, which as of the date of this
24 Statement of Charges totals \$604.80.

4.6 Respondents maintain records in compliance with the Act and provide the Department with the
location of the books, records and other information relating 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.

1 **V. 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 34.05
4 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as
5 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6 accompanying this Statement of Charges.

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8 Dated this 27th day of March, 2013.



[Redacted Signature]

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

14 Presented by:

15 [Redacted Signature]

16 GREGORY H. SANDOZ
Financial Legal Examiner

17
18 Approved by:

19 [Redacted Signature]

20 CHARLES E. CLARK
Enforcement Chief