

UNDER APPEAL

ORDER SUMMARY – Case Number: C-13-1185

Name(s): HRPROCESSING.ORG, Michael Brooks, Patrick Hart

Order Number: C-13-1185-13-FO01

Effective Date: May 8, 2013

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Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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

Not Eligible Until:

Prohibition/Ban Until: May 8, 2018

Investigation Costs	\$768	Due May 8, 2013	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$3,000	Due May 8, 2013	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	\$795	Due May 8, 2013	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:	1			

Comments: Respondents must also cease and desist from engaging in mortgage broker activity, are prohibited from participating in the conduct of the affairs of any mortgage broker subject to licensure for a period of five (5) years, and must maintain records in accordance with MBPA.

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

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

No.: C-13-1185-13-FO01

7 HRPROCESSING.ORG,
8 MICHAEL BROOKS, Unlicensed Loan
9 Originator,
10 and PATRICK HART, Unlicensed Loan
11 Originator,
12 Respondent(s).

FINAL ORDER

13 I. DIRECTOR'S CONSIDERATION

14 A. Default. This matter has come before the Director of the Department of Financial
15 Institutions of the State of Washington (Director), through his designee, Consumer Services Division
16 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On March 27, 2013,
17 the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention
18 to Enter an Order to Cease and Desist Business, Prohibit From Industry, Order Restitution, Impose
19 Fine, and Collect Investigation Fee (Statement of Charges) against HRPROCESSING.ORG, Michael
20 Brooks, and Patrick Hart (Respondents). A copy of the Statement of Charges is attached and
21 incorporated into this order by this reference. The Statement of Charges was accompanied by a cover
22 letter dated March 28, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and a
23 blank Application for Adjudicative Hearing for Respondents (collectively, accompanying
24 documents).

On March 28, 2013, the Department served Respondents with the Statement of Charges and
accompanying documents by First-Class mail and Federal Express overnight delivery. On April 1,
2013, the documents sent by Federal Express overnight delivery were delivered. The documents sent
by First-Class mail were not returned to the Department by the United States Postal Service.

FINAL ORDER
C-13-1185-13-SC01
HRPROCESSING.ORG, MICHAEL BROOKS,
PATRICK HART

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

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

4 B. Record Presented. The record presented to the Director's designee for her review and
5 for entry of a final decision included the Statement of Charges, cover letter dated March 28, 2013,
6 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for
7 Adjudicative Hearing for Respondents, with documentation for service.

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

10 II. FINAL ORDER

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

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondents cease and desist from engaging in the business of a mortgage broker
15 or loan originator.
- 16 2. Respondents be prohibited from participation, in any manner, in the conduct of the
17 affairs of any mortgage broker subject to licensure by the Director, in any manner,
18 for a period of five (5) years.
- 19 3. Respondents jointly and severally pay restitution totaling \$795 to the consumers
20 identified by the Department in Paragraph 1.2 of the Statement of Charges.
- 21 4. Respondents jointly and severally pay a fine of \$3,000.
- 22 5. Respondents jointly and severally pay an investigation fee of \$768. The combined
23 fine and investigation fee may be paid together in the form of a cashier's check in
24 the amount of \$3,768 made payable to "Washington State Treasurer".
6. Respondents, its officers, employees, and agents maintain records in compliance
with Chapter 19.146 RCW, the Mortgage Brokers Practices Act (Act) and provide
the Director with the location of the books, records and other information relating

1 to Respondents' business, and the name, address and telephone number of the
2 individual responsible for maintenance of such records in compliance with the Act.

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

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

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

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


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

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 order in the U.S. mail, declaration of service
3 attached hereto.

4 DATED this 8th day of May, 2013



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

8 
9 DEBORAH BORTNER
10 Director
11 Division of Consumer Services

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
Mortgage Broker Practices Act of Washington by:

5 HRPROCESSING.ORG,
6 MICHAEL BROOKS, Unlicensed Loan Originator,
and PATRICK HART, Unlicensed Loan Originator,

7 Respondents.

No. C-13-1185-13-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

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 pursuant
12 to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the
13 Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes
14 this proceeding and finds as follows:

15 I. FACTUAL ALLEGATIONS

16 1.1 Respondents.

17 A. Respondent HRPROCESSING.ORG (Respondent HRPROCESSING) has never been
18 licensed by the Department of Financial Institutions of the State of Washington (Department) to
19 conduct business as a mortgage broker or loan originator.

20 B. Respondent Michael Brooks (Respondent Brooks) is a loan originator with Respondent
21 HRPROCESSING. During the relevant time period, Respondent Brooks was not licensed by the
22 Department to conduct business as a mortgage broker or loan originator.

1 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), “loan originator” means a
2 natural person who for direct or indirect compensation or gain, or in the expectation of direct or
3 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;
4 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform
5 any of these activities.

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

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

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

16 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
17 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a
18 location that is on file with and readily available to the Department until at least twenty-five months
19 have elapsed following the effective period to which the books and records relate.

20 III. AUTHORITY TO IMPOSE SANCTIONS

21 **3.1 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 **3.2 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 **3.3 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 **3.4 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 **3.5 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 **IV. 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 **4.1** Respondents cease and desist engaging in the business of a mortgage broker or loan originator.

17 **4.2** Respondents be prohibited from participation, in any manner, in the conduct of the affairs of
18 any mortgage broker subject to licensure by the Director for a period of five (5) years.

19 **4.3** Respondents jointly and severally pay restitution to the one consumer identified by the
20 Department in paragraph 1.2 in the amount set forth therein, and that Respondents jointly and
21 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.

22 **4.4** Respondents jointly and severally pay a fine of \$3,000 for each residential loan modification
23 transaction entered into with Washington consumers. As of the date of this Statement of
Charges, the fine totals \$3,000.

24 **4.5** Respondents jointly and severally pay an investigation fee at the rate of \$48 per hour. As of
the date of this Statement of Charges, the investigative fee totals \$768.

