

ORDER SUMMARY – Case Number: C-13-1296

Name(s): Financial Relief Solutions, Inc. d/b/a TMSC; Thomas E. Meadows

Order Number: C-13-1296-13-FO01

Effective Date: November 21, 2013

License Number: NMLS ID: 1146863 (TMSC) 1146857 (Meadows)
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: Unlicensed

Not Apply Until: November 21, 2018

Not Eligible Until: November 21, 2018

Prohibition/Ban Until: November 21, 2018

Investigation Costs	\$912	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$6,000	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	\$8,982.18	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: Respondents must cease and desist from providing loan modification services to WA consumers or for consumers with property located in WA. Respondents are banned from the industry for 5 years and owe \$6,000 in fines and \$912 in investigation costs. Respondents also owe restitution to 2 consumers.

**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-13-1296-13-FO01

FINANCIAL RELIEF SOLUTIONS, INC. d/b/a
TMSC, and
THOMAS E. MEADOWS, President,

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 October 15, 2013, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Order Restitution, Impose Fine, and Collect Investigative Fee (Statement of Charges) against Financial Relief Solutions, Inc. d/b/a TMSC and Thomas E. Meadows (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 October 17, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On October 17, 2013, the Department served Respondents with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On October 18, 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.

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 following:

- 6 1. Statement of Charges, cover letter dated October 17, 2013, Notice of Opportunity
7 to Defend and Opportunity for Hearing, and blank Applications for 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. Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas
15 E. Meadows cease and desist from engaging in the business of a mortgage broker
or loan originator.
- 16 2. Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas
17 E. Meadows are prohibited from participation, in any manner, in the conduct of the
18 affairs of any mortgage broker subject to licensure by the Director for a period of
19 five years.
- 20 3. Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas
21 E. Meadows jointly and severally pay restitution to the two consumers identified
22 by the Department in the appended list in the amount set forth therein.
- 23 4. Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas
24 E. Meadows jointly and severally pay a fine of \$6,000.
5. Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas
E. Meadows jointly and severally pay an investigation fee of \$912.

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

8 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
9 date 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
12 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
13 for 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
15 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
16 filing a 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
18 order, **including payment of any amounts owed within 30 days of receipt of this order**, the
19 Department may seek its enforcement by the Office of the Attorney General to include the collection
20 of the fines and fees imposed herein. The Department also may assign the amounts owed to a
21 collection agency for collection.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

DATED this 21st day of November, 2013



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS



DEBORAH BORTNER
Director, Division of Consumer Services

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:
7 FINANCIAL RELIEF SOLUTIONS, INC. d/b/a
8 TMSC, and
9 THOMAS E. MEADOWS, President,
10 Respondents.

No. C-13-1296-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST,
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. **Financial Relief Solutions, Inc. d/b/a TMSC (Respondent FRS)** has never been licensed
18 by the Department of Financial Institutions of the State of Washington (Department) to conduct
19 business as a mortgage broker.

20 B. **Thomas E. Meadows (Respondent Meadows)** is President of Respondent FRS. During
21 the relevant time period, Respondent Meadows was not licensed by the Department to conduct
22 business as a mortgage broker or loan originator.

23 1.2 **Unlicensed Activity.** Between at least April 2012 and October 2012, Respondents were
24 offering residential mortgage loan modification services to Washington consumers on property located

1 in Washington State. Respondents entered into a contractual relationship with at least two Washington
2 consumers to provide those services and collected an advance fee for the provision of those services.
3 The Department has received at least two complaints from Washington consumers alleging
4 Respondents provided or offered to provide residential mortgage loan modification services while not
5 licensed by the Department to provide those services. A list of Washington consumers with whom
6 Respondents conducted business as a mortgage broker or loan originator, and the amount paid by each,
7 is appended hereto and incorporated herein by reference.

8 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to
9 provide the residential mortgage loan modification services or omitted disclosing that they were not
10 licensed to provide those services.

11 **1.4 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 loan
17 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person
18 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a
19 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among
20 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan packages...."

21 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a
22 natural person who for direct or indirect compensation or gain, or in the expectation of direct or
23 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;
24

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 III. AUTHORITY TO IMPOSE SANCTIONS

14 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
15 Director may issue orders directing any person subject to the Act to cease and desist from conducting
16 business.

17 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
18 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
19 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or
20 (13), or RCW 19.146.200.

21 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
22 restitution against any person subject to the Act for any violation of the Act.

23 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
24 against any person subject to the Act for any violation of the Act.

1 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
2 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
3 to an investigation of any person subject to the Act.

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

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

- 8 **4.1** Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas E. Meadows
9 cease and desist from engaging in the business of a mortgage broker or loan originator.
- 10 **4.2** Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas E. Meadows
11 be prohibited from participation, in any manner, in the conduct of the affairs of any mortgage
12 broker subject to licensure by the Director for a period of five years.
- 13 **4.3** Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas E. Meadows
14 jointly and severally pay restitution to the two consumers identified by the Department in the
15 appended list in the amount set forth therein, and that Respondents jointly and severally pay
16 restitution to each Washington consumer with whom they entered into a contract for residential
17 mortgage loan modification services related to real property or consumers located in the state
18 of Washington equal to the amount collected from that Washington consumer for those
19 services in an amount to be determined at hearing.
- 20 **4.4** Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas E. Meadows
21 jointly and severally pay a fine, which as of the date of this Statement of Charges totals \$6,000.
- 22 **4.5** Respondent Financial Relief Solutions, Inc. d/b/a TMSC and Respondent Thomas E. Meadows
23 jointly and severally pay an investigation fee, which as of the date of this Statement of Charges
24 totals \$912.

V. AUTHORITY AND PROCEDURE

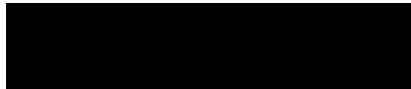
This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE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

Dated this 15th day of October, 2013.



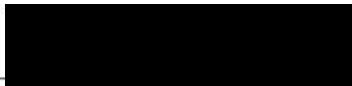
DEBORAH BORTNER
Director, Division of Consumer Services
Department of Financial Institutions

Presented by:



DEVON P. PHELPS
Financial Legal Examiner

Approved by:



CHARLES E. CLARK
Enforcement Chief

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

Restitution

Consumer

Amount

D.H.

\$6,000.00

L.H.

\$2,982.18