

ORDER SUMMARY – Case Number: C-17-2133

Names: Select Legal Network and Jennifer McCool

Order Number: C-17-2133-19-FO01

Effective Date: 3/13/2020

License Number: UL NMLS ID: Select 1998630, McCool 1998624

License Effect: N/A - Unlicensed Activity

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: 3/13/2025 - 5 years from Effective Date

Investigation Costs	\$ 2,006.40		Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$ 10,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Restitution	\$ 3,124.81	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:	2		

Comments: _____

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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-17-2133-19-FO01

FINAL ORDER

SELECT LEGAL NETWORK,

and

JENNIFER MCCOOL,
Owner,

Respondents.

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I. DIRECTOR'S CONSIDERATION

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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 Lucinda Fazio (Director's designee), pursuant to RCW 34.05.440(1). On September 5, 2019, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist Business, Prohibit from Industry, Order Restitution, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) against Select Legal Network and Jennifer McCool (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 September 6, 2019, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for each Respondent.

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On February 6, 2020, after prior failed service attempts on Respondents, the Department served Respondents with the Statement of Charges. The Statement of Charges was accompanied by a cover letter dated February 5, 2020, a Notice of Opportunity to Defend and Opportunity for Hearing,

1 and a blank Application for Adjudicative Hearing for each Respondent (collectively, accompanying
2 documents). The Statement of Charges and accompanying documents were served to an address on
3 Faye Avenue in Garden Grove, California (Faye Address) by First-Class mail and Federal Express
4 overnight delivery. The documents were delivered by Federal Express overnight delivery on
5 February 10, 2020.¹ The documents sent via First-Class mail were not returned to the Department by
6 the United States Postal Service. On, February 13, 2020, the Department received confirmation from
7 the Garden Grove Branch Office of the United States Postal Service that mail addressed to
8 Respondent Jennifer McCool was being delivered to the Faye Address.

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

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

- 14 1. Statement of Charges, cover letters dated September 6, 2019 and February 6, 2020,
15 Notice of Opportunity to Defend and Opportunity for Brief Adjudicative
16 Proceeding, and blank Request for Brief Adjudicative Proceeding for Respondent,
17 with documentation of service.
- 18 2. Post Office Address Verification Request form completed by the Garden Grove
19 Branch Office of the United States Postal Service received by the Department on
20 February 13, 2020.

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

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24 ¹ On February 18, 2020, the Federal Express packets were returned by mail with a handwritten note stating, “Does not
live here! Please forward.” However, the First-Class mail was not returned.

1 II. FINAL ORDER

2 Based upon the foregoing, and the Director’s designee having considered the record and being
3 otherwise fully advised, NOW, THEREFORE:

4 A. IT IS HEREBY ORDERED, That:

- 5 1. Respondents Select Legal Network and Jennifer McCool cease and desist
6 engaging in the business of a mortgage broker or loan originator.
- 7 2. Respondents Select Legal Network and Jennifer McCool be prohibited from
8 participation, in any manner, in the conduct of the affairs of any mortgage broker
9 subject to licensure by the Director for a period of five years.
- 10 3. Respondents Select Legal Network and Jennifer McCool jointly and severally pay
11 restitution to the two consumers identified in Appendix A of the Statement of
12 Charges.
- 13 4. Respondents Select Legal Network and Jennifer McCool jointly and severally pay
14 a fine of \$10,000.
- 15 5. Respondents Select Legal Network and Jennifer McCool jointly and severally pay
16 an investigation fee of \$2,006.40.
- 17 6. Respondents Select Legal Network and Jennifer McCool maintain records in
18 compliance with the Consumer Loan Act and provide the Department with the
19 location of the books, records and other information relating to Respondents’
20 provision of residential mortgage loan modification service in Washington, and the
21 name, address and telephone number of the individual responsible for maintenance
22 of such records in compliance with the Consumer Loan Act.

17 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
18 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
19 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
20 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
21 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
22 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
23 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 may
12 seek its enforcement by the Office of the Attorney General to include the collection of the fines,
13 assessments, late penalties, fees, and restitution imposed herein. The Department also may assign the
14 amounts owed to a 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 13th day of March, 2020.

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20 STATE OF WASHINGTON
21 DEPARTMENT OF FINANCIAL INSTITUTIONS

22 /s/
23 LUCINDA FAZIO
24 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
6 OF THE MORTGAGE BROKER PRACTICES
7 ACT OF WASHINGTON BY:

8 SELECT LEGAL NETWORK,

9 and

10 JENNIFER MCCOOL,
11 Owner,

12 Respondents.

No. C-17-2133-19-SC01

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

13 INTRODUCTION

14 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of
15 Financial Institutions of the State of Washington (Director) is responsible for the administration of
16 chapter 19.146 RCW, the Mortgage Broker Practices Act (Act). After having conducted an
17 investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this
18 Statement of Charges, the Director, through his designee, Division of Consumer Services Acting
19 Director Richard St. Onge, institutes this proceeding and finds as follows:

20 I. FACTUAL ALLEGATIONS

21 1.1 Respondents.

22 A. Respondent Select Legal Network has never been licensed by the Department of
23 Financial Institutions of the State of Washington (Department) to conduct business as a mortgage
24 broker.

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1 **B. Respondent Jennifer McCool (Respondent McCool)** is the owner of Respondent Select
2 Legal Network. Respondent McCool has never been licensed by the Department to conduct business
3 as a mortgage broker or loan originator.

4 **1.2 Unlicensed Activity.** Between approximately June 19, 2016 to January 25, 2017, Respondent
5 Select Legal Network provided or offered to provide residential mortgage loan modification services
6 to at least two Washington consumers for a residential mortgage loan secured by real property located
7 in Washington State while not licensed by the Department to provide those services. A list of
8 Washington consumers with whom Respondents conducted business as a mortgage broker or loan
9 originator and the amount paid by each is appended hereto as Appendix A and incorporated herein by
10 reference.

11 **1.3 Misrepresentations and Omissions.** Respondent Select Legal Network represented that they
12 were licensed to provide the residential mortgage loan modification services or omitted disclosing
13 that they were not licensed to provide those services.

14 **1.4 Advanced Fees Violations.** Respondent Select Legal Network collected advance fees for
15 providing residential mortgage loan modification services. The consumers with whom Respondents
16 conducted business with, and the amounts paid, are identified in Appendix A.

17 **1.5 Failure to Comply with Department's Investigative Authority.** On or about July 17, 2019,
18 the Department issued a Subpoena to Provide Explanations and Documents (Subpoena) to
19 Respondents. The Subpoena stated the time, place, and manner of production by which Respondents
20 were required to submit a response. The deadline to respond was August 1, 2019. Respondents have
21 not submitted a complete response to the Department's Subpoena to date.

22 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the
23 Act by Respondents continues to date.

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1 **II. GROUNDS FOR ENTRY OF ORDER**

2 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14), "Mortgage broker" means any
3 person who for direct or indirect compensation or gain, or in the expectation of direct or indirect
4 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage
5 loan or performs residential mortgage loan modification services or (b) holds himself or herself out as
6 being able to assist a person in obtaining or applying to obtain a residential mortgage loan or provide
7 residential mortgage loan modification services.

8 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11)(b), "Loan originator" means a
9 natural person who for direct or indirect compensation or gain or in the expectation of direct or
10 indirect compensation or gain performs residential mortgage loan modification services or holds
11 himself or herself out as being able to perform residential mortgage loan modification services.

12 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I, Respondents are in
13 apparent violation of RCW 19.146.0201(2) and (3) for engaging in an unfair or deceptive practice
14 toward any person and obtaining property by fraud or misrepresentation.

15 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
16 Allegations set forth in Section I, Respondents are in apparent violation of RCW 19.146.200(1) for
17 engaging in the business of a mortgage broker for Washington residents or property without first
18 obtaining a license to do so.

19 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
20 Allegations set forth in Section I, Respondent McCool is in apparent violation of RCW 19.146.200(1)
21 for engaging in the business of a loan originator without first obtaining and maintaining a license.

22 **2.6 Prohibition against Taking Advance Fees.** Based on the Factual Allegations set forth in
23 Section I, Respondents are in apparent violation of RCW 19.146.0201(11) and 12 C.F.R. §1015.5 for
24 taking advance fees for loan modification services.

1 **2.7 Requirement to Comply with the Department’s Investigative Authority.** Based on the
2 Factual Allegations set forth in Section I, Respondents are in apparent violation of RCW
3 19.146.235(1) and (2) for failing to comply with the Department’s investigative authority.

4 **III. AUTHORITY TO IMPOSE SANCTIONS**

5 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(3), the
6 Director may issue orders directing any person subject to the Act to cease and desist from conducting
7 business.

8 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(4), the Director may
9 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
10 any person subject to licensing under the Act for any violation of the Act.

11 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
12 restitution against any person subject to the Act for any violation of the Act.

13 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
14 against any person subject to the Act for any violation of the Act.

15 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-
16 660-550(4)(a), the Department will charge \$48.00 per hour for an examiner’s time devoted to an
17 investigation of any person subject to the Act.

18 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director
19 may recover the state’s costs and expenses for prosecuting violations of 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,
3 as set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW
4 19.146.221, and RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

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- 6 **4.1** Respondents Select Legal Network and Jennifer McCool cease and desist engaging in
the business of a mortgage broker or loan originator.
- 7 **4.2** Respondents Select Legal Network and Jennifer McCool be prohibited from
8 participation, in any manner, in the conduct of the affairs of any mortgage broker
subject to licensure by the Director for a period of five years.
- 9 **4.3** Respondents Select Legal Network and Jennifer McCool jointly and severally pay
10 restitution to the two consumers identified in Appendix A to this Statement of
Charges, in the amount set forth therein, and that Respondents jointly and severally
11 pay restitution to each Washington consumer with whom they entered into a contract
for residential mortgage loan modification services related to real property or
12 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.
- 13 **4.4** Respondents Select Legal Network and Jennifer McCool jointly and severally pay a
14 fine, which as of the date of this Statement of Charges totals \$10,000.00.
- 15 **4.5** Respondents Select Legal Network and Jennifer McCool jointly and severally pay an
investigation fee, which as of the date of this Statement of Charges totals \$2,006.40.
- 16 **4.6** Respondents Select Legal Network and Jennifer McCool maintain records in
17 compliance with the Act and provide the Department with the location of the books,
records and other information relating to Respondents' provision of residential
18 mortgage loan modification services in Washington, and the name, address and
telephone number of the individual responsible for maintenance of such records in
19 compliance with the Act.
- 20 **4.7** Respondents Select Legal Network and Jennifer McCool pay the Department's costs
and expenses for prosecuting violations of the Act in an amount to be determined at
21 hearing or by declaration with supporting documentation in event of default by
Respondent.
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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
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 FOR ADJUDICATIVE HEARING AND
6 TO DEFEND accompanying this Statement of Charges.

7 Dated this 5th day of September, 2019.

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10 /s/
11 RICHARD ST. ONGE
12 Acting Director
13 Division of Consumer Services

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15 Presented by:

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17 /s/
18 JEANJU CHOI
19 Financial Legal Examiner

20 Approved by:

21 /s/
22 STEVEN C. SHERMAN
23 Enforcement Chief

APPENDIX A

Consumer	Amount Paid
E.H.	\$2,300.00
T.N.	\$824.81 ¹

¹ On or about January 24, 2017, T.N. received a refund check in the amount of \$1,735.01 from Respondent Select Legal Network.