

**ORDER SUMMARY – Case Number: C-18-2375**

<b>Respondents:</b>	Go Direct Lenders, Inc., d/b/a Veterans Direct (GDL)
	Gregory Vartan Haroutunian, a/k/a Gregory Hart
	Nishan Hrach Hagopian, a/k/a Mark Hagopian
<b>Order Number:</b>	C-18-2375-20-CO01
<b>Effective Date:</b>	December 3, 2020
<b>NMLS Numbers:</b>	Go Direct Lenders, Inc. – 1028986
	Gregory Vartan Haroutunian - 1006545
	Nishan Hrach Hagopian – 1174250
<b>License Effects (Stayed):</b>	Respondent GDL’s Consumer Loan Company license is revoked, with the revocation stayed for two (2) years subject to conditions.
	MLO licenses for both Respondent Haroutunian and Respondent Hagopian are revoked, with the revocations stayed for two (2) years subject to conditions.
<b>Removal (Stayed):</b>	Respondent Hagopian is removed from the position of Operations Manager, with the removal stayed for two (2) years subject to conditions.
<b>Prohibitions (Stayed):</b>	All three Respondents are prohibited from the consumer loan and mortgage broker industries for two (2) years, with the prohibitions stayed subject to conditions.

<b>Paid Fine:</b> \$50,000, with \$6,500 due up front.	\$ 6,500	Due: Upon entry.	Paid: <input checked="" type="checkbox"/> Y	Date: 11/24/2020
Fine balance of \$43,500 due in 24 equal monthly installments of \$1,812.50.				
<b>Stayed Fine:</b>	\$ 50,000	Stayed for 2 (two) years subject to conditions.		
<b>Investigation Fees:</b>	\$ 18,500	Due: Upon entry.	Paid: <input checked="" type="checkbox"/> Y	Date: 11/24/2020

**Comments:** Respondent GDL admits that its management structure and failure to maintain adequate advertising compliance procedures contributed to the violations of the Act alleged in the Statement of Charges. Respondents shall comply with three Conduct Provisions detailed in the attached CFPB Consent Order entered August 18, 2020. Respondent GDL shall develop, adopt, and implement an Internet Review Policy that shall include procedures for a quarterly review of external Internet review websites and internal network activity. Within 18 months of the entry of this Order, the Department will conduct a compliance examination of Respondent GDL at Respondents’ cost and the Department’s convenience.

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  
Consumer Loan Act of Washington by:

No. C-18-2375-20-CO01

CONSENT ORDER

5 GO DIRECT LENDERS, INC., d/b/a Veterans  
Direct, NMLS No. 1028986;  
6 GREGORY VARTAN HAROUTUNIAN,  
a/k/a Gregory Hart, NMLS No. 1006545; and  
7 NISHAN HRACH HAGOPIAN,  
a/k/a Mark Hagopian, NMLS No. 1174250,

8 Respondents.

9 COMES NOW the Director of the Department of Financial Institutions (Director), through his  
10 designee Lucinda Fazio, Division of Consumer Services Director, and Go Direct Lenders, Inc.  
11 (Respondent GDL); Gregory Vartan Haroutunian, President of Respondent GDL (Respondent  
12 Haroutunian); and Nishan Hrach Hagopian, Operations and Compliance Manager of Respondent GDL  
13 (Respondent Hagopian) (collectively, Respondents), and finding that the issues raised in the above-  
14 captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order  
15 pursuant to chapter 31.04 of the Revised Code of Washington (RCW), the Consumer Loan Act (Act),  
16 and RCW 34.05.060 of the Administrative Procedure Act (APA), based on the following:

17 **AGREEMENT AND ORDER**

18 The Department of Financial Institutions, Division of Consumer Services (Department) and  
19 Respondents have agreed upon a basis for resolution of the matters alleged in attached Statement of  
20 Charges No. C-18-2375-20-SC01 (Charges), entered January 29, 2020. Pursuant to RCW 31.04, the  
21 Consumer Loan Act (Act), and RCW 34.05.060 of the APA, Respondents hereby agree to the  
22 Department's entry of this Consent Order (Order). The parties intend this Order to fully resolve the  
23 Charges, and in consideration of the terms of this Order, Respondents are agreeing not to contest the  
24 Charges.

1 **Based upon the foregoing:**

2 **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of  
3 the activities discussed herein.

4 **B. Waiver of Hearing and Withdrawal of Appeal.** It is AGREED that Respondents have  
5 been informed of the right to a hearing before an administrative law judge, and hereby waive their right  
6 to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of  
7 the resolution reached herein. Accordingly, Respondents, by their signatures below, withdraw their  
8 appeal of the Charges to the Office of Administrative Hearings.

9 **C. Admissions.** It is AGREED that Respondent GDL admits that its management structure and  
10 failure to maintain adequate advertising compliance procedures contributed to the violations of the Act  
11 alleged in the Charges. It is further AGREED that with the above exception, Respondents neither admit  
12 nor deny the allegations in the Charges; will not take any action, nor make or permit to be made any  
13 public statement creating the impression that this Order is without factual basis; and that nothing in this  
14 paragraph affects Respondents' rights to take legal or factual positions in defense of litigation.

15 **D. Cease and Desist.** It is AGREED and ORDERED that Respondents shall cease and desist  
16 all conduct alleged in the Charges to be in violation of the Act.

17 **E. Compliance with CFPB Consent Order.** It is AGREED and ORDERED that Respondents  
18 shall comply with three Conduct Provisions detailed in the attached CFPB Consent Order entered  
19 August 18, 2020, with Respondent GDL. The relevant Conduct Provisions include:

- 20 1. Section VI, Mortgage Advertising Prohibitions and Disclosure Requirements;  
21 2. Section VII, Advertising Review; and  
22 3. Section VIII, Compliance Plan.

23 **F. Internet Review Policy.** It is AGREED and ORDERED that Respondent GDL shall  
24 develop, adopt, and implement an Internet Review Policy (Policy). The Policy shall include procedures  
for a quarterly review of external Internet review websites, including but not limited to Google, Yelp,

1 and BirdEye, to identify reviews that are incongruous with actual customer experience or are otherwise  
2 suspicious. In addition, the Policy shall include procedures for a quarterly review of Respondent GDL's  
3 internal network activity to identify reviews posted on the Internet by officers, agents, or employees of  
4 Respondent GDL contrary to Respondent GDL's policies and procedures.

5 The Policy shall include procedures to correct suspicious Internet reviews, first by attempting to  
6 verify the authenticity of the review, and, if inauthentic, requesting the review be removed or flagged as  
7 such. In addition, the Policy shall include procedures to impose appropriate disciplinary measures  
8 against any officers, agents, or employees of Respondent GDL found to have posted Internet reviews  
9 contrary to Respondent GDL's policies and procedures.

10 **G. Revocation of Consumer Loan Company License (Stayed).** It is AGREED that  
11 Respondent GDL's Consumer Loan Company license is revoked. It is further AGREED and  
12 ORDERED that Respondent GDL's license revocation is stayed for two (2) years *provided*:

- 13 1. Within 18 months of entry of this Order, Respondent GDL will be subject to a  
14 compliance examination by the Department pursuant to Paragraph N, Compliance  
Examination; and
- 15 2. Respondents maintain their existing relationship with current compliance consultant for  
16 two years from entry of this Order, or retain another compliance consultant not  
17 objectionable to the Department, should the existing relationship terminate during the  
stay; or
- 18 3. Within three (3) months of entry of this Order, retain a Chief Compliance Officer (CCO)  
19 who is (a) a corporate officer, (b) licensed by the Department as a MLO, and (c)  
designated as a Control Person on NMLS; and
- 20 4. Beginning at the end of the first quarter after entry of this Order, Respondents provide the  
21 Department with quarterly reports containing the compliance consultant's (or CCO's)  
findings and recommendations, for the duration of the two year stay.

22 **H. Revocation of Mortgage Loan Originator Licenses (Stayed).** It is AGREED that the  
23 Mortgage Loan Originator (MLO) licenses of both Respondent Haroutunian and Respondent Hagopian  
24

1 are revoked. It is further AGREED and ORDERED that the revocations of the MLO licenses are stayed  
2 for two (2) years *provided*:

- 3 1. That within six (6) months of entry of this Order, both Respondent Haroutunian and  
4 Respondent Hagopian successfully complete comprehensive mortgage lender compliance  
5 training, addressing ethics, loan origination, and advertising best practices; and
- 6 2. Within seven (7) months of entry of this Order, Respondents provide the Department  
7 with evidence of successful completion of the training.

8 **I. Removal of Respondent Hagopian as Operations Manager (Stayed).** It is AGREED that  
9 Respondent Hagopian is removed from his position as the Operations Manager of Respondent GDL. It  
10 is further AGREED and ORDERED that the removal is stayed for two (2) years *provided*:

- 11 1. Within one (1) week of entry of this Order, Respondent Hagopian voluntarily steps down  
12 from his position as Operations Manager for Respondent GDL;
- 13 2. Within two (2) weeks of entry of this Order, Respondent Haroutunian provide the  
14 Department with evidence that Respondent Hagopian voluntarily stepped down; and
- 15 3. Respondent Hagopian does not return to his position of Operations Manager for  
16 Respondent GDL until such time he has successfully complete the compliance training  
17 referenced in Paragraph H, Revocations of Mortgage Loan Originator Licenses.

18 **J. Prohibition from Industries (Stayed).** It is AGREED that, for a period of two (2) years  
19 from the date of entry of this Order, Respondents are prohibited from participating, in any capacity, in  
20 the conduct of the affairs of any consumer loan company or mortgage broker licensed by the Department  
21 or subject to licensure or regulation by the Department. It is further AGREED and ORDERED that  
22 Respondents' prohibition from the consumer loan and mortgage broker industries is stayed contingent  
23 upon compliance with Paragraph N, Compliance Examination.

24 **K. Fine (Partially Stayed).** It is AGREED that Respondents are liable for a fine of more than  
\$500,000 for the violations of the Act alleged in the Charges, and that the Department's reduction of the  
fine to \$100,000 is expressly premised upon the truthfulness and accuracy of Respondents'  
representation that payment of the full fine would severely disrupt Respondents' ability to continue

1 operations. It is further AGREED and ORDERED that Respondents are jointly and severally liable for  
2 and shall pay a fine to the Department in the amount of \$100,000, with \$50,000 paid (the Paid Fine), and  
3 \$50,000 stayed (the Stayed Fine). The Paid Fine shall be paid pursuant to Paragraph M, Payments. The  
4 Stayed Fine shall be stayed for a period of two years from the date of entry of this Order contingent on  
5 Respondents' future compliance with the Act, this Consent Order, and a satisfactory compliance  
6 examination as detailed in Paragraph N. Absent an action by the Department to lift the stays pursuant to  
7 Paragraph O, Respondents' obligation to pay the Stayed Fine shall expire two years from the date of  
8 entry of this Order without further action or notice by the Department.

9 **L. Investigation Fee.** It is AGREED and ORDERED that Respondent are jointly and severally  
10 liable for and shall pay an Investigation Fee of \$18,500 pursuant to Paragraph L, Payments.

11 **M. Payments.** It is AGREED that \$6,500 of the Paid Fine, plus the entire \$18,500 of the  
12 Investigative Fee, shall be paid together in one \$25,000 cashier's check made payable to the  
13 "Washington State Treasurer," or by ACH to an account number to be specified by the Department, and  
14 shall reference Case No. C-18-2375. The payment shall be delivered to the Department with this Order  
15 fully executed by Respondents. The \$43,500 balance of the paid fine shall be paid in 24 equal monthly  
16 installments of \$1,812.50, beginning two (2) months after entry of this Order, and continuing until paid  
17 in full. Payments shall be by cashier's checks made payable to the "Washington State Treasurer," or by  
18 ACH to an account number to be specified by the Department, and shall reference Case No. C-18-2375.  
19 Failure to make any payment in full when due is a breach of this Order that may result in the Department  
20 lifting any or all of the stayed sanctions pursuant to Paragraph O, Lifting of Stay and Imposition of  
21 Stayed Sanctions, below.

22 **N. Compliance Examination.** It is AGREED and ORDERED that within 18 months of the  
23 entry of this Order, the Department will conduct a compliance examination of Respondent GDL at  
24

1 Respondents' cost and the Department's convenience. The scope of the examination will be limited to  
2 compliance with:

- 3 1. The Act and related rules;
- 4 2. Applicable Federal advertising laws and regulations;
- 5 3. This Order;
- 6 4. The Conduct Provision referenced in Paragraph E, CFPB Consent Order; and
- 7 5. The Internet Review Policy referenced in Paragraph F.

8 It is further AGREED and ORDERED that an examination rating of three (3) *may* result in the lifting of  
9 the any or all of the Stayed Sanctions pursuant to Paragraph O, including:

- 10 1. The revocation of Respondent GDL's Consumer Loan license;
- 11 2. The revocation of Respondent Haroutunian's and Respondent Hagopian's MLO licenses;
- 12 3. The removal of Respondent Hagopian as the Operations Manager of Respondent GDL;
- 13 4. The prohibition of Respondent Haroutunian and Respondent Hagopian from the  
14 consumer loan and mortgage brokerage business for 2 (two) years from the date of entry  
15 of this Order; and
- 16 5. The imposition of the \$50,000 Stayed Fine.

17 It is further AGREED and ORDERED that an examination rating of four (4) *will* result in the lifting of  
18 all of the Stayed Sanctions pursuant to Paragraph O.

19 **O. Lifting of Stays and Imposition of Stayed Sanctions.** It is AGREED and ORDERED that:

- 20 1. If during the two-year stay the Department determines Respondents materially  
21 misrepresented their financial ability to continue operations in Washington, have not  
22 complied with the Act and related rules, have not complied with the terms of this Order,  
23 have not complied with the referenced Conduct Provisions of the CFPB's Consent  
24 Order, or if Respondent GDL receives an examination risk rating of three (3) or four  
(4), and the Department seeks to lift the stays and impose any or all of the Stayed  
Sanctions, the Department will first serve Respondents with a written notice of alleged  
noncompliance.
2. The notice will include:
  - a. A description of the alleged noncompliance;
  - b. A statement that the Department seeks to lift any or all of the Stayed Sanctions;
  - c. Notice that Respondents can contest the notice of alleged noncompliance by either  
requesting an adjudicative hearing before an Administrative Law Judge (ALJ) from  
the Office of Administrative Hearings (OAH), or by submitting a written response  
to the Department contesting the alleged noncompliance; and
  - d. Notice that the process for lifting the stays applies only to this Order.

- 1           3. Respondents have twenty (20) days from the date of service of the notice of alleged  
2           noncompliance to submit a written request to the Department for an adjudicative hearing  
            or, in lieu thereof, to submit a written response contesting the alleged noncompliance.
- 3           4. The scope and issues of the adjudicative hearing are limited solely to whether or not  
4           Respondents are in violation of the Act, this Consent Order, the referenced CFPB  
            Conduct Provisions, or that Respondent GDL received an examination risk rating of  
5           three (3) or four (4).
- 6           5. At the conclusion of the adjudicative hearing the ALJ will issue an initial decision.  
7           Either party may file a Petition for Review of that initial decision with the Director of  
            the Department.
- 8           6. In lieu of requesting an adjudicative hearing, within twenty (20) days from the date of  
9           service of the notice of alleged noncompliance, Respondents may submit a written  
10          response for consideration by the Department contesting the alleged noncompliance.  
            The response must include each Respondent's waiver of the right to an adjudicative  
            hearing, may address the alleged noncompliance, and may seek an alternative resolution  
            to lifting the Stayed Sanctions.
- 11          7. **Default.** If Respondents do not timely request an adjudicative hearing, or timely submit  
12          a written response contesting the notice of alleged noncompliance, the Department may  
            lift the stays and impose the Stayed Sanctions without further notice.

13           **P. Authority to Execute Order.** It is AGREED that Respondent Haroutunian has represented  
14          and warranted that he has the full power and right to execute this Order on behalf of Respondent GDL.

15           **Q. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to  
16          abide by the terms and conditions of this Order may result in further legal action by the Director. In the  
17          event of such legal action, Respondents may be responsible to reimburse the Director for the cost  
18          incurred in pursuing such action, including but not limited to, attorney fees.

19           **R. Voluntarily Entered.** It is AGREED that Respondent Haroutunian, individually and on  
20          behalf of Respondent GDL, and Respondent Hagopian, have voluntarily entered into this Order, which  
21          is effective when signed by the Director's designee.

22           **S. Completely Read, Understood, and Agreed.** It is AGREED that Respondent Haroutunian,  
23          individually and on behalf of Respondent GDL, and Respondent Hagopian, have read this Order in its  
24          entirety and fully understand and agree to all of the same.



1           **T. Counterparts.** This Order may be executed by the Respondents in any number of  
2 counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed to  
3 be an original, but all of which, taken together, shall constitute one and the same Order.

4 **RESPONDENTS:**

Go Direct Lenders, Inc., by:

5 \_\_\_\_\_ /s/ \_\_\_\_\_ 11/20/2020 \_\_\_\_\_  
6 Gregory Vartan Haroutunian Date  
7 President

8 \_\_\_\_\_ /s/ \_\_\_\_\_ 11/20/2020 \_\_\_\_\_  
9 Gregory Vartan Haroutunian Date  
10 Individually

11 \_\_\_\_\_ /s/ \_\_\_\_\_ 11/20/2020 \_\_\_\_\_  
12 Nishan Hrach Hagopian Date  
13 Individually

Approved for Entry:

14 \_\_\_\_\_ /s/ \_\_\_\_\_ 11/20/2020 \_\_\_\_\_  
15 Scott M. Pearson, CALBAR No. 173880 Date  
16 Manatt, Phelps & Phillips, LLP  
Attorneys for Respondents

17 **DO NOT WRITE BELOW THIS LINE**

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1 THIS ORDER ENTERED THIS 3rd DAY OF DECEMBER 2020.

2  
3 /s/  
4 Lucinda Fazio, Director  
5 Division of Consumer Services  
6 Department of Financial Institutions

7  
8 Presented by:

Approved by:

9 /s/  
10 ANTHONY W. CARTER  
11 Senior Legal Examiner  
12 Enforcement Unit  
13 Division of Consumer Services

/s/  
STEVEN C. SHERMAN  
Enforcement Chief  
Enforcement Unit  
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  
5 Consumer Loan Act of Washington by:

6 GO DIRECT LENDERS, INC., d/b/a Veterans  
Direct, NMLS No. 1028986;  
7 GREGORY VARTAN HAROUTUNIAN,  
a/k/a Gregory Hart, NMLS No. 1006545; and  
8 NISHAN HRACH HAGOPIAN,  
a/k/a Mark Hagopian, NMLS No. 1174250,

Respondents.

No. C-18-2375-20-SC01

STATEMENT OF CHARGES and NOTICE OF  
INTENT TO ENTER AN ORDER TO CEASE AND  
DESIST, REVOKE OR SUSPEND LICENSES,  
REMOVE FROM OFFICE, PROHIBIT FROM  
INDUSTRY, IMPOSE FINES, COLLECT  
INVESTIGATION FEE, and RECOVER COSTS AND  
EXPENSES OF PROSECUTION

9  
10 **INTRODUCTION**

11 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Washington State Department of  
12 Financial Institutions (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan  
13 Act (Act).<sup>1</sup> Having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as  
14 of the date of this Statement of Charges (Charges), the Director, through his designee, Division of Consumer  
15 Services Director Lucinda Fazio, institutes this proceeding and finds as follows:

16 **I. FACTUAL ALLEGATIONS**

17 **1.1 Respondents and Licensure.**

18 **A. Respondent Go Direct Lenders, Inc. (Respondent GDL).** The Washington State Department of  
19 Financial Institutions (Department) licensed Respondent GDL to conduct business in Washington under the  
20 Consumer Loan Act (Act) on or about May 29, 2015. Respondent GDL is registered to use the trade name  
21 Veterans Direct in Washington. Respondent GDL has timely renewed its consumer loan license with the  
22 Department and remains licensed to date.

23 //

24 //

25 <sup>1</sup> The Act was amended effective June 7, 2018. All citations to the Act in these Charges are to the version effective prior to that date.

1           **B. Respondent Gregory Vartan Haroutunian (Respondent Haroutunian).** The Department licensed  
2 Respondent Haroutunian, the President of Respondent GDL, to conduct business in Washington as a mortgage  
3 loan originator sponsored by Respondent GDL on or about May 29, 2015, and he remains licensed to date. At  
4 times, Respondent Haroutunian conducts business using the name Gregory or Greg Hart.

5           **C. Respondent Nishan Hrach Hagopian (Respondent Hagopian).** The Department licensed  
6 Respondent Hagopian, the Operations and Compliance Manager of Respondent GDL, to conduct business in  
7 Washington as a mortgage loan originator sponsored by Respondent GDL on or about May 4, 2016, and he  
8 remains licensed to date. At times, Respondent Hagopian conducts business using the name Mark Hagopian.

9           **1.2 Unfair, Deceptive, and Misleading Direct Mail Advertising.** Respondent GDL, Respondent  
10 Haroutunian, and Respondent Hagopian (Respondents) caused direct mail solicitations to be delivered to more  
11 than 140,000 Washington consumers from 2015 through 2018. The solicitations:

- 12           **a.** Contained contradictory loan terms, including as to the advertised interest rates;
- 13           **b.** Advertised interest rates that were not available to recipients at the advertised credit score;
- 14           **c.** Failed to disclose the advertised interest rate was a bought down, or discounted, interest rate;
- 15           **d.** Failed to disclose the dollar cost to borrowers of buying down the advertised discounted interest rate;
- 16           **e.** Included credit disclosure triggering terms without the required disclosure of the terms of repayment;
- 17           **f.** Failed to make the required monthly payment disclosure with respect to advertised monthly payments;
- 18           **g.** Advised recipients that they could “skip” mortgage payments; and
- 19           **h.** Failed to disclose the name of the source of the recipients’ current loan information.

20 In addition, Respondents sent those direct mail solicitations in envelopes:

- 21           **a.** Marked “OPEN IMMEDIATELY. TIME SENSITIVE INFORMATION”;
- 22           **b.** With the word “URGENT” printed some 20 times on the perimeter;
- 23           **c.** That included a U.S. Postal service warning and citation to the United States Code; and
- 24           **d.** That contained the name of the recipients’ current lender in the return address line.

25           **1.3 Unfair, Deceptive, and Misleading Internet Advertising.** Respondents advertised residential mortgage  
loan products, both forward and reverse mortgages, in Washington on numerous Internet websites. On or about  
October 13, 2017, and again between March 2 and March 8, 2018, the Department reviewed Respondents’  
Internet advertising and found numerous violations of the Act. The advertising:

- a.** Failed to include links to the NMLS Consumer Access webpage;
- b.** Claimed that Respondents delivered the best interest rates and mortgage loan terms;

- c. Claimed that Respondents' interest rates were among the lowest in the country;
- d. Claimed that Respondents could provide borrowers with up to two months with no mortgage payment;
- e. Claimed that Respondents offered unique mortgage loan programs not offered by most lenders; and
- f. Claimed, with respect to Respondents' Home Equity Conversion Mortgage (HECM) loans, that there were no monthly payments with a reverse mortgage, and that repayment of a reverse mortgage was not necessary until the borrower sold the property, moved into a retirement community, or passed away.

**1.4 Unfair, Deceptive, and Misleading On-Line Review.** On or about April 4, 2016, Respondent Hagopian, using the pseudonym Nishan H., posted a 5-star review of Respondent GDL on Yelp.com. An excerpt of that review follows:

AWESOME experience. I just refied my condo in Glendale and not only did my rep, Mark Hagopian, get me an amazing rate and payment, but he also bumped up my credit score. I was right on the cusp and he was able to swing some credit magic and get it rescored at a higher spot, which ended up saving me a few thousand dollars in closing costs.

In the excerpt printed above, Respondent Hagopian:

- a. Did not identify himself as an employee of Respondent GDL;
- b. Did not disclose that he was posting a review of himself;
- c. Falsely identified himself as his "rep," when Respondent Haroutunian was his loan originator; and
- d. Misrepresented that the increase in his credit score saved him "a few thousand dollars in closing costs."

**1.5 Aiding and Abetting Fake Internet Reviews.** On or about January 1, 2016, Respondent GDL received an e-mail from Yext.com (Yext) offering to correct information about Respondent GDL on Internet search engines and review pages. Respondent GDL used Yext to test their then-current information and discovered there was inaccurate information about Respondent GDL on the Internet. On or about February 16, 2016, Respondent GDL executed an on-line subscription agreement with Yext for an annual "Yext PowerListings Premium Package" that provided access to more than 70 Internet search engines and review websites. Other than relying on Yext's representation that its services complied with state and federal consumer protection laws, Respondents did no due diligence review of Yext prior to entering into the subscription agreement.

At the time, Respondent GDL had a very small presence on the Internet, with reviews posted by customers at the request of Respondent GDL on Yelp.com and Google.com. During the one-year period after subscribing with Yext, more than 150 positive reviews of Respondent GDL appeared on more than a dozen of websites

1 identified as part of the “Yext PowerListings Premium Package.” Beginning on or about February 28, 2016, and  
2 continuing through on or about February 27, 2017, Yext sent Respondents screen shots of the reviews of  
3 Respondent GDL posted on Internet review websites. Respondents became aware that some of the reviews were  
4 fake, that some were made by people who were not customers of Respondent GDL, and that some actual reviews  
5 were being re-posted on other websites with different consumer names and transaction dates. Except for some  
6 reviews posted on Yelp.com, Respondents took no action to remove the apparently fake reviews from any other  
7 websites.

8 **1.6 Failure to Comply with Investigative Authority.** On or about February 7, 2018, the Department issued a  
9 subpoena to Respondent GDL requiring production of explanations and documents related to its advertising and  
10 Internet reviews. Beginning on or about April 19, 2019, Respondent GDL timely filed its responses to the  
11 subpoena with the Department. However, Respondents failed to fully comply with the Subpoena, including by  
12 failing to substantiate some of the express and implied advertising claims described above, and by failing to  
13 produce all responsive documents to the Department.

14 **1.7 On-Going Investigation.** The Department’s investigation into the alleged violations of the Act by  
15 Respondents continues to date.

## 16 II. GROUNDS FOR ENTRY OF ORDER

17 **2.1 Unfair, Deceptive, or Misleading Advertising.** Based on the Factual Allegations set forth above,  
18 Respondents are in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging in any unfair or  
19 deceptive practice toward any person; RCW 31.04.027(5) for advertising specific interest rates, points, or other  
20 financing terms unless the terms were actually available at the time of advertising; RCW 31.04.027(7) for making,  
21 in any manner, any false or deceptive statement or representation with regard to the rates, points, or other  
22 financing terms or conditions for a residential mortgage loan; RCW 31.04.135 for advertising, in any manner  
23 whatsoever, any statement or representation with regard to the rates, terms, or conditions for the lending of money

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25 //

1 that is false, misleading, or deceptive; and are in apparent violation of the rules related to the above referenced  
2 statutes, including WAC 208-620-550(5), WAC 208-620-622, and WAC 208-620-630(1), (3), (5), (7), and (9).

3 **2.2 Compliance with Applicable Federal Advertising Laws.** Based on the Factual Allegations set forth  
4 above, Respondents are in apparent violation of RCW 31.04.027(13), and WAC 208-620-640, for failing to  
5 comply with applicable Federal laws and regulations relating to mortgage loan advertising, including the Truth in  
6 Lending Act, 15 U.S.C. §1601 *et seq.*, as implemented by Regulation Z, 12 C.F.R. Part 1026 *et seq.*; the Federal  
7 Trade Commission Act, 15 U.S.C. §45(a) *et seq.*; the Dodd-Frank Wall Street Reform and Consumer Protection  
8 Act, 15 U.S.C. §5536 *et seq.*; and the Mortgage Acts and Practices Rule (MAP Rule), Section 626 of the Omnibus  
9 Appropriations Act, 2009 (P.L. 111-8), as implemented by Regulation N, 12 C.F.R. Part 1014 *et seq.*

10 **2.3 Failed to Comply with the Department's Investigation Authority.** Based on the Factual Allegations set  
11 forth above, Respondents are in apparent violation of RCW 31.04.145(1)(c) and WAC 208-620-550(14) for failing  
12 to fully comply with any subpoena issued by the Director.

### 13 **III. AUTHORITY TO IMPOSE SANCTIONS**

14 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the Director may  
15 issue an order directing a licensee to cease and desist from conducting business in a manner that is injurious to the  
16 public or violates any provision of the Act.

17 **3.2 Authority to Revoke or Suspend Licenses.** Pursuant to RCW 31.04.093(3), the Director may revoke or  
18 suspend a license when a licensee, either knowingly or without the exercise of due care, has violated any  
19 provision of this Act or any rule adopted under this Act, or has failed to comply with any subpoena issued by the  
20 Director under the Act.

21 **3.3 Authority to Remove from Office or Prohibit from Industry.** Pursuant to RCW 31.04.093(6), the  
22 Director may issue an order removing from office, or prohibiting from participation in the affairs of any licensee,  
23 or both, any officer or principal of a licensee for failure to comply with any subpoena issued under this Act or any  
24 violation of RCW 31.04.027.

25 //

1 **3.4 Authority to Impose Fines.** Pursuant to RCW 31.04.093(4) and WAC 208-620-610(1), the Director may  
2 impose fines of up to one hundred dollars per day, per violation, upon the licensee for any violation of the Act or  
3 failure to comply with any subpoena issued by the Director under the Act.

4 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-610(7), every  
5 licensee investigated by the Director or the Director's designee shall pay for the cost of the investigation,  
6 calculated at the rate of \$69.01 per staff hour devoted to the investigation.

7 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director may recover the  
8 state's costs and expenses for prosecuting violations of the Act.

#### 9 **IV. NOTICE OF INTENT TO ENTER ORDER**

10 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as set forth in  
11 the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis  
12 for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW 34.04.202, and RCW 31.04.205.

13 Therefore, it is the Director's intent to ORDER that:

- 14 **4.1** Respondents Go Direct Lenders, Inc., Gregory Vartan Haroutunian, and Nishan Hrach Hagopian  
15 cease and desist from engaging in all conduct in violation of the Act, including engaging in false,  
16 deceptive, or misleading advertising, posting false, deceptive, or misleading reviews, and aiding  
17 and abetting fake Internet reviews.
- 18 **4.2** The Consumer Loan license of Respondent Go Direct Lenders, Inc. be revoked.
- 19 **4.3** The Loan Originator licenses of Respondent Gregory Vartan Haroutunian and Respondent  
20 Nishan Hrach Hagopian be revoked.
- 21 **4.4** Respondent Nishan Hrach Hagopian be removed as the Operations Manager of Respondent Go  
22 Direct Lenders, Inc.
- 23 **4.5** Respondents Gregory Vartan Haroutunian and Nishan Hrach Hagopian be prohibited from  
24 participation in the affairs of any consumer loan company licensed, or subject to licensure, by the  
25 Department, in any manner or capacity, for a period of ten (10) years.
- 4.6** Respondents Go Direct Lenders, Inc., Gregory Vartan Haroutunian, and Nishan Hrach Hagopian  
jointly and severally pay a fine. As of the date of these Charges, the fine totals \$675,500.
- 4.7** Respondents Go Direct Lenders, Inc., Gregory Vartan Haroutunian, and Nishan Hrach Hagopian  
jointly and severally pay an investigative fee. As of the date of these of Charges, the  
investigation fee totals \$18,500.



