

ORDER SUMMARY – Case Number: C-18-2564

Name(s): Seattle Global Mortgage Group LLC
Chee Kit Foo

Order Number: C-18-2564-19-CO01

Effective Date: 8/26/2019

License Number: Seattle Global Mortgage Group LLC: 1651746
Chee Kit Foo: 1467076

Or NMLS Identifier [U/L]
License Effect: Seattle Global Mortgage LLC License Surrender

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$ 1,500		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	8/22/19
Fine	\$ 10,000 Stayed	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Financial Literacy and Education	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments:

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:

No.: C-18-2564-19-CO01

CONSENT ORDER

5 SEATTLE GLOBAL MORTGAGE GROUP LLC,
NMLS # 1651746, and
6 CHEE KIT FOO, NMLS # 1467076,
Director,

7 Respondents.

8 COMES NOW the Director of the Department of Financial Institutions (Director), through his
9 designee Richard St. Onge, Acting Division Director, Division of Consumer Services, Seattle Global
10 Mortgage Group LLC (Respondent Seattle Global Mortgage), and Chee Kit Foo (Respondent Foo),
11 Director of Seattle Global Mortgage Group LLC (collectively, "Respondents"), and finding that the
12 issues raised in the above-captioned matter may be economically and efficiently settled, agree to the
13 entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised
14 Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the
15 following:

16 **FINDINGS OF FACT**

17 **1.1 Respondents.**

18 A. **Respondent Seattle Global Mortgage** was licensed by the Department of Financial
19 Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or
20 about August 14, 2017, and continues to be licensed to date.

21 B. **Respondent Foo** was the Director for Respondent Seattle Global Mortgage at all
22 times relevant to this Consent Order. Respondent Foo was also licensed by the Department to
23 conduct business as a Mortgage Loan Originator (MLO) for Respondent Seattle Global Mortgage at

1 all times relevant to this Consent Order. Respondent Foo became the Designated Broker for
2 Respondent Seattle Global Mortgage on or around February 13, 2019.

3 **1.2 2018 Examination.** On September 10, 2018, and September 11, 2018, the Department
4 conducted a compliance examination of Respondents pursuant to the Act. The Department’s
5 examiners reviewed 10 loan files originated between August 14, 2017, to August 31, 2018, and noted
6 violations of the Act.

7 **1.3 Failed to Submit Accurate and Timely Mortgage Call Reports and Financial Condition**
8 **Reports.** Respondent Seattle Global Mortgage’s Mortgage Call Report (MCR) for the third quarter
9 of 2017 was submitted late. Additionally, Respondent Seattle Global Mortgage’s annual Financial
10 Condition Report for 2017 did not match the revenue figures reported in the 2017 MCRs.

11 **1.4 Conducted Business Using an Unregistered Trade Name.** Respondent Seattle Global
12 Mortgage’s prior designated broker used the unregistered trade name “My Green Finance” on
13 LinkedIn.

14 **1.5 Advertised Using Misleading and Disallowed Phrases.** Respondent Seattle Global
15 Mortgage advertised with the phrases, “Option of no-closing cost financing,” “[W]e will pick a
16 lender that can offer you best rates based on your profile,” and “Preferred Lender.”

17 **1.6 Failed to Disclose Required Information in Advertisements.** Respondent Seattle Global
18 Mortgage’s advertisement flyer failed to disclose that the rate may increase after consummation, the
19 terms of repayment, the fully indexed rate, payments for months 61 to 360, and an accurate annual
20 percentage rate.

21 **1.7 Originated Loans from Unlicensed Location.** From August 2017 through March 2018,
22 Respondent Seattle Global Mortgage’s prior designated broker worked from an unlicensed location.
23

1 During that time, Respondent Seattle Global Mortgage's prior designated broker accepted 18
2 residential mortgage loan applications and closed 11 loans.

3 **1.8 Failed to Provide Borrowers with a Complete and Accurate Rate Lock Agreement.** In at
4 least three of the files reviewed, Respondents provided borrowers with disclosures that included an
5 inaccurate or incomplete rate lock date, an inaccurate or incomplete number of days in the rate lock
6 period, or an inaccurate or incomplete expiration date.

7 **1.9 Failed to Deposit Third-Party Fees into a Trust Account.** In at least one of the files
8 reviewed, Respondents deposited third-party fees into a general account. Additionally, Respondents
9 did not use a trust account.

10 **1.10 Failed to Comply with Examination Authority.** Respondents failed to produce required
11 documentation during the 2018 Examination.

12 **1.11 Failed to Provide Required Disclosures and Estimates.** In at least two of the files
13 reviewed, Respondents failed to provide a dual capacity disclosure, a Loan Estimate within three
14 business days of accepting a residential mortgage loan application, a written list of homeownership
15 counseling organizations to borrowers within three business days of accepting a residential mortgage
16 loan application, and a special information booklet within three days of accepting a residential
17 mortgage loan application. In at least one of the files reviewed, Respondents failed to provide a
18 complete and accurate Loan Estimate and a complete and accurate adjustable rate mortgage
19 disclosure. In at least one of the files reviewed, Respondents failed to provide an accurate
20 homeownership counseling list and a complete and accurate anti-steering disclosure.

21 **1.12 Failed to Provide a Complete and Accurate Privacy Policy.** In at least six of the files
22 reviewed, Respondents failed to provide borrowers with a complete and accurate privacy policy
23 disclosure.

1 **1.13 Failed to Develop a Compliant Anti-Money Laundering Policy.** Respondents failed to
2 develop a compliant anti-money laundering policy. Respondents' policy in place during the 2018
3 Examination failed to name a compliance officer and failed to have policies and procedures for a
4 residential mortgage broker.

5 **CONCLUSIONS OF LAW**

6 **2.1** Based on the above Findings of Fact, Respondents violated RCW 19.146.390 and WAC 208-
7 660-400(1) for failing to submit accurate and complete call reports on the dates and in a form
8 prescribed by the NMLS.

9 **2.2** Based on the above Findings of Fact, Respondents violated RCW 19.146.250, WAC 208-660-
10 180(9), and WAC 208-660-446(4) for using a name other than the one under which the license was
11 issued.

12 **2.3** Based on the above Findings of Fact, Respondents violated RCW 19.146.0201(4),(7) and
13 WAC 208-660-440(3),(7) for advertising using misleading and prohibited phrases.

14 **2.4** Based on the above Findings of Fact, Respondents violated RCW 19.146.0201(2), (7), and
15 (10) for advertising with false or deceptive statements in regard to rates, points, or other financing
16 terms of conditions for a residential mortgage loan.

17 **2.5** Based on the above Findings of Fact, Respondents violated RCW 19.146.0201(16) and WAC
18 208-660-300(4) for originating loans from an unlicensed location.

19 **2.6** Based on the above Findings of Fact, Respondents violated RCW 19.146.030(2)(c) and WAC
20 208-660-430(3)(c) for failing to provide complete rate lock disclosures.

21 **2.7** Based on the above Findings of Fact, Respondents violated RCW 19.146.050 and WAC 208-
22 660-410(3),(6), and (16) for failing to use a trust account, and for depositing third-party fees in a
23 general account.

1 **2.8** Based on the above Findings of Fact, Respondents violated RCW 19.146.235(2)(a) for failing
2 to comply with the Department's examination authority.

3 **2.9** Based on the above Findings of Fact, Respondents violated RCW 19.146.0201(6),(14)(a) and
4 (b), and WAC 208-660-430 for failing to provide borrowers with the required disclosures and
5 estimates, and violated RCW 19.146.0201(11) for failing to comply with 12 C.F.R. §1024 and 12
6 C.F.R. §1026.

7 **2.10** Based on the above Findings of Fact, Respondents violated RCW 19.146.0201(11) for failing
8 to provide borrowers with a complete and accurate privacy policy disclosure as required by 12 C.F.R.
9 §1016.

10 **2.11** Based on the above Findings of Fact, Respondents violated RCW 19.146.0201(11) for failing
11 to develop a compliant anti-money laundering policy as required by 31 C.F.R. §1029.210.

12 **AGREEMENT AND ORDER**

13 The Department and Respondents have agreed upon a basis for resolution of the Findings of
14 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 19.146.218 and
15 RCW 34.05.060, Respondents and the Department agree to entry of this Consent Order and further
16 agree that the matters alleged herein may be economically and efficiently settled by the entry of this
17 Consent Order. Respondents hereby admits the Findings of Fact and Conclusions of Law identified
18 in this Consent Order.

19 Based upon the foregoing:

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

22 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
23 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all

1 administrative and judicial review of the issues raised in this matter, or of the resolution reached
2 herein.

3 **C. Cease and Desist.** It is AGREED that Respondents shall cease and desist from engaging
4 in the conduct that gave rise to this Consent Order, including but not limited to failing to comply with
5 the Act.

6 **D. Affirmative Action.** It is AGREED that Respondents shall not permit any person who
7 has had a Department-issued license revoked to participate in the conduct of Respondent Foo's MLO
8 affairs.

9 **E. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
10 \$10,000.00. It is further AGREED that the fine shall be stayed contingent upon Respondents'
11 compliance with the Act and this Consent Order.

12 **F. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
13 investigation fee of \$1,500, in the form of a cashier's check made payable to the "Washington State
14 Treasurer," upon entry of this Consent Order.

15 **G. Surrender of Company License.** It is AGREED that Respondent Seattle Global
16 Mortgage's company license shall be surrendered upon entry of the Consent Order. This surrender
17 shall not be construed as a sanction, and Respondent Foo's individual license as a mortgage loan
18 originator shall not be affected.

19 **H. Lifting of Stayed and Imposing Fine.** It is AGREED that, if the Department determines
20 that Respondents have not complied with the terms of the Consent Order and seeks to lift the stayed
21 fine, paragraphs 1 through 6 below shall apply.

22 1. The Department shall notify Respondents of its determination in writing. The written
23 notice shall include:

24 i. A description of the alleged noncompliance;

- ii. A statement that, because of the noncompliance, the Department seeks to lift the stay and impose the stayed fine;
- iii. A statement that the Respondents may contend the Department's determination in an administrative hearing; and
- iv. A copy of this Consent Order.

- 2. Respondents will be afforded twenty (20) business days from the date of receipt of the Department's notification to submit a written request to the Department for an administrative hearing.
- 3. Respondents, in addition to its request for hearing, may provide a written response to include any information pertaining to the alleged noncompliance.
- 4. The scope and issues of the hearing are limited solely to whether or not Respondents are in violation of the Consent Order.
- 5. At the conclusion of the hearing, an Administrative Law Judge will issue an initial decision. Either party may file a Petition for Review of the initial decision with the Director of the Department.
- 6. If Respondents do not request the hearing within the stated time, the Department will immediately lift the stay, impose the \$10,000 fine, and pursue whatever action it deems necessary to enforce the revocation.

I. **Authority to Execute Order.** It is AGREED that the undersigned have represented and warranted that they have the full power and right to execute this Consent Order on behalf of the parties represented.

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

K. **Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

1 L. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
2 this Consent Order in its entirety and fully understand and agree to all of the same.

3
4 **RESPONDENTS:**

5 Seattle Global Mortgage Group LLC
6 Chee Kit Foo

7 By:

8
9 /s/
10 Chee Kit Foo
11 Director, Seattle Global Mortgage Group LLC

8/16/19
Date

12
13 /s/
14 Chee Kit Foo
15 Individually

8/16/19
Date

16 **DO NOT WRITE BELOW THIS LINE**

17
18 THIS ORDER ENTERED THIS 26th DAY OF August, 2019.

19
20
21 /s/
22 RICHARD ST. ONGE
23 Acting Director
24 Division of Consumer Services
Department of Financial Institutions

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Presented by:

/s/
KRISTINA M. SHENEFELT
Financial Legal Examiner

Approved by:

/s/
STEVEN C. SHERMAN
Enforcement Chief