

ORDER SUMMARY – Case Number: C-19-2641

Name(s): Peoples Freedom Solutions d/b/a Secure Legal Group,
Eduardo Tapia a/k/a Eddie Guzman

Order Number: C-19-2641-19-CO01

Effective Date: 1/13/2020
Tapia NMLS #1025192

License Number: Entity NMLS #1944705

Or NMLS Identifier:

License Effect: N/A Unlicensed Activity

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: 7 years from date of entry

Investigation Costs	\$ 1,747.20		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/6/2020
Fine	\$ 5,000		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/6/2020
Assessment(s)	\$N/A		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$3,927.00		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/6/2020
Financial Literacy and Education	\$N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$N/A	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:	2		

Comments:

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
7 by:

No.: C-19-2641-19-CO01

CONSENT ORDER

8 **PEOPLE’S FREEDOM SOLUTIONS, D/B/A**
9 **SECURE LEGAL GROUP,**

10 and

11 **EDUARDO TAPIA, A/K/A EDDIE GUZMAN,**
12 **Owner,**

13 **Respondents.**

14 COMES NOW the Director of the Department of Financial Institutions (Director), through
15 his designee, Lucinda Fazio, Director, Division of Consumer Services, and Peoples Freedom
16 Solutions, d/b/a Secure Legal Group, and Eduardo Tapia, a/k/a Eddie Guzman, Owner of People’s
17 Freedom Solutions (Respondents), and finding that the issues raised in the above-captioned matter
18 may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent
19 Order is entered pursuant to chapter 19.146 of the Revised Code of Washington (RCW), and RCW
20 34.05.060 of the Administrative Procedure Act, based on the following:

21 **AGREEMENT AND ORDER**

22 The Department of Financial Institutions, Division of Consumer Services (Department) and
23 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges
24 No. C-19-2641-19-SC01 (Statement of Charges), entered October 14, 2019, (copy attached hereto).
Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of
the Administrative Procedure Act, Respondents hereby agree to the Department’s entry of this
Consent Order and further agree that the issues raised in the above-captioned matter may be

1 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent
2 Order to fully resolve the Statement of Charges. Respondents agree not to contest the Statement of
3 Charges in consideration of the terms of this Consent Order.

4 Based upon the foregoing:

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

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

12 C. **Cease and Desist.** It is AGREED that Respondents shall cease and desist from
13 conducting the business of a mortgage broker and loan originator without first obtaining and
14 maintaining a mortgage broker and loan originator license.

15 D. **Prohibition from Industry.** It is AGREED that for a period of seven years from the date
16 of entry of this Consent Order, Respondents are prohibited from participation, in any manner, in the
17 conduct of the affairs of any mortgage broker or consumer loan company licensed by the Department
18 or subject to licensure or regulation by the Department.

19 E. **Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
20 \$5,000, in the form of Respondents' attorney's IOLTA Trust Account check made payable to the
21 "Washington State Treasurer," upon entry of this Consent Order.

22 F. **Restitution.** It is AGREED that Respondents shall pay restitution to Washington
23 consumer [REDACTED] in the amount of \$3,927.00 in the form of Respondents' attorney's IOLTA Trust

1 Account check made payable to [REDACTED]. Respondents shall provide the Department with a copy
2 of the check and proof of mailing to [REDACTED] prior to entry of the Consent Order.

3 **G. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
4 investigation fee of \$1,747.20, in the form of Respondents' attorney's IOLTA Trust Account check
5 made payable to the "Washington State Treasurer," upon entry of this Consent Order. The Fine and
6 Investigation Fee may be paid together in one \$6,747.20 check from Respondents' attorney's IOLTA
7 Trust Account made payable to the "Washington State Treasurer."

8 **H. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
9 consent of any person or entity not a party to this Consent Order to take any action concerning their
10 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent
11 Order, this Consent Order does not limit or create any private rights or remedies against Respondents,
12 limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

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

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

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

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

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

5 **RESPONDENTS:**

Peoples Freedom Solutions, d/b/a Secure Legal Group

6 By:

7 /s/

Eduardo Tapia
8 Owner

01/02/2020

Date

9 /s/

10 Eduardo Tapia, a/k/a Eddie Guzman
Individually

01/02/2020

Date

11
12 Approved for Entry:

13 /s/

14 Ronald Cordova, Attorney at Law
State Bar of California No. 53341
Attorney for Respondents

2 January 2020

Date

15 **DO NOT WRITE BELOW THIS LINE**

16 THIS ORDER ENTERED THIS 13th DAY OF January, 2020.

17
18 /s/

19 Lucinda Fazio, Director
20 Division of Consumer Services
Department of Financial Institutions

1 Presented by:

2

/s/

3 KENDALL H. FREED
4 Financial Legal Examiner

4

5 Approved by:

5

6 /s/

7 STEVEN C. SHERMAN
8 Enforcement Chief

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1
2
3
4
5
6
7
8
9

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

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

PEOPLE’S FREEDOM SOLUTIONS, D/B/A
SECURE LEGAL GROUP,

and

EDUARDO TAPIA, A/K/A EDDIE GUZMAN,
Owner,

Respondents.

No. C-19-2641-19-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

INTRODUCTION

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

I. FACTUAL ALLEGATIONS

1.1 Respondents.

**A. Respondent People’s Freedom Solutions, also doing business as Secure Legal Group
(Respondent People’s Freedom),** has never been licensed by the Department of Financial
Institutions of the State of Washington (Department) to conduct business as a mortgage broker.

//

1 **B. Respondent Eduardo Tapia, also known as Eddie Guzman (Respondent Tapia),** is the
2 owner of Respondent People’s Freedom. Respondent Tapia has never been licensed by the
3 Department to conduct business as a mortgage broker or loan originator.

4 **1.2 Unlicensed Activity.** Between at least March 16, 2018, and August 28, 2018, Respondents
5 were offering residential mortgage loan modification services to Washington consumers on property
6 located in Washington State. Respondents entered into a contractual relationship with at least one
7 Washington consumer to provide these services.

8 **1.3 Misrepresentations and Omissions.** Respondent People’s Freedom represented that they
9 were licensed to provide the residential mortgage loan modification services or omitted disclosing
10 that they were not licensed to provide those services. Respondents represented in a contract with at
11 least one Washington consumer that the residential mortgage loan modification services would be
12 provided by Secure Legal Group and by a licensed attorney. This representation was false, as the
13 attorney identified had a suspended license, but also did not provide the residential mortgage loan
14 modification services.

15 **1.4 Advanced Fees Violations.** Respondent People’s Freedom collected \$3,844.00 in advance
16 fees from at least one Washington consumer for providing residential mortgage loan modification
17 services.

18 **1.5 Failure to Comply with the Department’s Investigative Authority.** On or about February
19 28, 2019, the Department issued a Subpoena to Provide Explanations and Documents (Subpoena) to
20 Respondents. The Subpoena stated the time, place, and manner of production by which Respondents
21 were required to submit a response. The deadline to respond was March 15, 2019. Respondents have
22 not submitted a complete response to the Department’s Subpoena to date.

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

II. GROUNDS FOR ENTRY OF ORDER

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

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

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

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

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

2.6 Prohibition against Taking Advance Fees. Based on the Factual Allegations set forth in Section I, Respondents are in apparent violation of RCW 19.146.0201(11) and 12 C.F.R. §1015.5 for 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.

20 //

21 //

22 //

23 //

24 //

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:

5 **4.1** Respondents People’s Freedom Solutions and Eduardo Tapia cease and desist
6 engaging in the business of a mortgage broker or loan originator.

7 **4.2** Respondents People’s Freedom Solutions and Eduardo Tapia 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 seven years.

9 **4.3** Respondents People’s Freedom Solutions and Eduardo Tapia jointly and severally pay
10 restitution to each Washington consumer with whom they entered into a contract for
11 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.

12 **4.4** Respondents People’s Freedom Solutions and Eduardo Tapia jointly and severally pay
13 a fine, which as of the date of this Statement of Charges totals \$10,000.00.

14 **4.5** Respondents People’s Freedom Solutions and Eduardo Tapia jointly and severally pay
15 an investigation fee, which as of the date of this Statement of Charges totals
\$1,747.20.

16 **4.6** Respondents People’s Freedom Solutions and Eduardo Tapia maintain records in
17 compliance with the Act and provide the Department with the location of the books,
18 records and other information relating to Respondents’ provision of residential
mortgage loan modification services in Washington, and the name, address and
telephone number of the individual responsible for maintenance of such records in
compliance with the Act.

19 **4.7** Respondents People’s Freedom Solutions and Eduardo Tapia pay the Department’s
20 costs and expenses for prosecuting violations of the Act in an amount to be determined
21 at hearing or by declaration with supporting documentation in event of default by
Respondent.

22 //

23 //

24 //

1
2 **V. AUTHORITY AND PROCEDURE**

3 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
4 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
5 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
6 hearing as set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND
7 TO DEFEND accompanying this Statement of Charges.

8 Dated this 14th day of October, 2019.
9

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

15 Presented by:

16
17 /s/
18 KENDALL H. FREED
19 Financial Legal Examiner

20 Approved by:

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