

ORDER SUMMARY – Case Number: C-19-2647

Name: Shabber Rahman d/b/a Town & Country Mortgage Marketing Group,
Town & Country Mortgage, The State Street Home Loans and
Advisory, and State Street Home Loans

Order Number: C-19-2647-19-FO01

Effective Date: 12/12/19

License Number: UL

License Effect: Permanent prohibition

Not Apply Until: Permanent prohibition

Not Eligible Until: Permanent prohibition

Prohibition/Ban Until: Permanent prohibition

Investigation Costs	\$ 2,617.32		Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$ 20,000.00	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Restitution	\$ 6,000.00	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
	No. of Victims:	4		

1 On November 1, 2019, the Department served Respondent with the Statement of Charges and
2 accompanying documents, sent by First-Class mail and Federal Express overnight delivery to 12400
3 Ventura Boulevard Suite #210, Studio City, California 91604, and 3950 Laurel Canyon Boulevard
4 #50165, Studio City, California 91616 (50165 Address).

5 On November 4, 2019, the documents sent via Federal Express overnight delivery were
6 delivered. The documents sent via First-Class mail to all addresses were not returned to the
7 Department by the United States Postal Service. On November 18, 2019, the Department received
8 confirmation from Studio City Station Branch Office of the United State Post Office that mail
9 addressed to Respondent was being delivered to the 50165 Address.

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

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

- 15 1. Statement of Charges, cover letter dated November 1, 2019, Notice of
16 Opportunity to Defend and Opportunity for Hearing, blank Application for
Adjudicative Hearing for Respondent, with documentation of service, and
- 17 2. Post Office Address Information Request form completed by Studio City
18 Station Branch Office of the United States Post Office received by the
Department on November 18, 2019.

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

21 II. FINAL ORDER

22 Based upon the foregoing, and the Director's designee having considered the record and
23 being otherwise fully advised, NOW, THEREFORE:

1 A. IT IS HEREBY ORDERED, that:

- 2 1. Respondent Shabber Rahman cease and desist engaging in the business of a
3 mortgage broker and/or loan originator.
- 4 2. Respondent Shabber Rahman be permanently prohibited from participation, in
5 any manner, in the conduct of the affairs of any mortgage broker subject to
6 licensure by the Director.
- 7 3. Respondent Shabber Rahman pay restitution to the four consumers identified
8 in Appendix A to the Statement of Charges.
- 9 4. Respondent Shabber Rahman pay a fine of \$20,000.00.
- 10 5. Respondent Shabber Rahman pay an investigation fee of \$2,617.32.
- 11 6. Respondent Shabber Rahman maintain records in compliance with the Act and
12 provide the Department with the location of the books, records and other
13 information relating to Respondent's provision of residential mortgage loan
14 modification services in Washington, and the name, address and telephone
15 number of the individual responsible for maintenance of such records in
16 compliance with the Act.

17 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has 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 Southwest, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200,
21 Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon
22 Respondent. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a
23 Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

24 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
 written notice specifying the date by which it will act on a petition.

1 C. Stay of Order. The Director's designee has determined not to consider a Petition to
2 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
3 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

4 D. Judicial Review. Respondent has the right to petition the superior court for judicial
5 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for
6 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

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

9 E. Non-compliance with Order. If Respondent does not comply with the terms of this
10 order, including payment of any amounts owed within 30 days of receipt of this order, the
11 Department may seek its enforcement by the Office of the Attorney General to include the collection
12 of the fines, costs, late penalties, and fees imposed herein. The Department may also assign the
13 amounts owed to a collection agency for collection.

14 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial
15 review, service is effective upon deposit of this order in the U.S. mail, declaration of service attached
16 hereto.

17 DATED this 12th day of December, 2019.

18 STATE OF WASHINGTON
19 DEPARTMENT OF FINANCIAL INSTITUTIONS

20 /s/ _____
21 RICHARD ST. ONGE
22 Acting Director
23 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 SHABBER RAHMAN,
9 Sole Proprietor,

10 D/B/A TOWN & COUNTRY MORTGAGE
11 MARKETING GROUP, TOWN & COUNTRY
12 MORTGAGE, THE STATE STREET HOME
13 LOANS AND ADVISORY, and STATE STREET
14 HOME LOANS,

15 Respondent.

No. C-19-2647-19-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

16 INTRODUCTION

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

23 I. FACTUAL ALLEGATIONS

24 **1.1 Respondent Shabber Rahman** is a sole proprietor doing business as Town & Country
Mortgage Marketing, Town & Country Mortgage, The State Street Home Loans and Advisory, and
State Street Home Loans. Respondent has never been licensed by the Department to conduct business
as a mortgage broker or loan originator. Respondent was previously subject to the Department's Final
Order, C-10-406-12-FO01, through which he was prohibited from participating in the conduct of the
affairs of any mortgage broker subject to licensure by the Director.

1 **1.2 Unlicensed Activity.** Between at least December 2018 to June 2019, Respondent offered to
2 originate residential mortgage loans and/or offered to provide residential mortgage loan modification
3 services to at least four Washington consumers for a residential mortgage loan secured by real
4 property located in Washington State while not licensed by the Department to provide those services.
5 A list of Washington consumers with whom Respondent conducted business as a mortgage broker or
6 loan originator and the amount paid by each is appended hereto as Appendix A and incorporated
7 herein by reference.

8 **1.3 Misrepresentations and Omissions.** Respondent represented that he was licensed to originate
9 residential mortgage loans and/or to provide the residential mortgage loan modification services or
10 omitted disclosing that he was not licensed to provide those services.

11 **1.4 Advance Fees Violations.** Respondent collected advance fees for providing residential
12 mortgage loan origination and/or residential loan modification services. The consumers with whom
13 Respondent conducted business and the amounts paid are identified in Appendix A.

14 **1.5 Failed to Comply with the Director's Authority to Conduct Investigations and Omission**
15 **of Material of Fact.** The Department issued a subpoena to Respondent on or about July 17, 2019.
16 Respondent was obligated to respond to the Department by August 1, 2019 as identified in the
17 Department's subpoena. On July 26, 2019, the Department received a written response wherein
18 Respondent failed to identify himself as the sole-proprietor of Town & Country Mortgage. To date,
19 Respondent has not submitted a complete response to the Department's subpoena.

20 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the
21 Act by Respondents continues to date.

22 II. GROUNDS FOR ENTRY OF ORDER

23 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14), "Mortgage broker" means any
24 person who for direct or indirect compensation or gain, or in the expectation of direct or indirect

1 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan
2 or performs residential mortgage loan modification services or (b) holds himself or herself out as being
3 able to assist a person in obtaining or applying to obtain a residential mortgage loan or provide
4 residential mortgage loan modification services.

5 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11)(a) "Loan originator" means an
6 individual who for direct or indirect compensation or gain, or in the expectation of direct or indirect
7 compensation or gain (i) takes a residential mortgage loan application, (ii) offers or negotiates terms of
8 a residential mortgage loan. "Loan originator" also includes a person who holds themselves out to the
9 public as able to perform any of these activities. Pursuant to RCW 19.146.010(11)(b) "Loan
10 originator" also means a natural person who for direct or indirect compensation or gain or in the
11 expectation of direct or indirect compensation or gain performs residential mortgage loan modification
12 services or holds himself or herself out as being able to perform residential mortgage loan
13 modification services.

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

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

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

1 **2.6 Prohibition against Taking Advance Fees.** Based on the Factual Allegations set forth in
2 Section I, Respondent is in apparent violation of RCW 19.146.0201(11) and 12 C.F.R. §1015.5
3 (Regulation O) for taking advance fees for loan modification services.

4 **2.7 Requirement to Comply with the Department's Investigative Authority.** Based on the
5 Factual Allegations set forth in Section I, Respondent is in apparent violation of RCW 19.146.235(1)
6 and (2) for failing to comply with the Department's investigative authority.

7 **2.8 Prohibition Omission of Material Fact.** Based on the Factual Allegations set forth in Section
8 I, Respondent is in apparent violation of RCW 19.146.0201(8) by negligently making any false
9 statement or knowingly and willfully making any omission of material fact in connection with any
10 investigation by the Department.

11 III. AUTHORITY TO IMPOSE SANCTIONS

12 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(3), the
13 Director may issue orders directing any person subject to the Act to cease and desist from conducting
14 business.

15 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(4), the Director may
16 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
17 any person subject to licensing under the Act for any violation of the Act.

18 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
19 restitution against any person subject to the Act for any violation of the Act.

20 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
21 against any person subject to the Act for any violation of the Act.

22 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-
23 550(4)(a), the Department will charge \$48 per hour for an examiner's time devoted to an investigation
24 of any person subject to the Act.

1 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director
2 may recover the state's costs and expenses for prosecuting violations of the Act.

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

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

- 7 **4.1** Respondent Shabber Rahman cease and desist engaging in the business of a mortgage
8 broker and/or loan originator.
- 9 **4.2** Respondent Shabber Rahman be permanently prohibited from participation, in any
10 manner, in the conduct of the affairs of any mortgage broker subject to licensure by the
11 Director.
- 12 **4.3** Respondent Shabber Rahman pay restitution to the four consumers identified in
13 Appendix A to this Statement of Charges in the amount set forth therein, and that
14 Respondent Shabber Rahman pay restitution to each Washington consumer with whom
15 they entered into a contract for residential mortgage loan modification services related
16 to real property or consumers located in the state of Washington equal to the amount
17 collected from that Washington consumer for those services in an amount to be
18 determined at hearing.
- 19 **4.4** Respondent Shabber Rahman pay a fine, which as of the date of this Statement of
20 Charges totals \$20,000.00.
- 21 **4.5** Respondent Shabber Rahman pay an investigation fee, which as of the date of this
22 Statement of Charges totals \$2,617.32.
- 23 **4.6** Respondent Shabber Rahman maintain records in compliance with the Act and provide
24 the Department with the location of the books, records and other information relating to
Respondent's 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.
- 4.7** Respondent Shabber Rahman pay the Department's costs and expenses for prosecuting
violations of the Act in an amount to be determined at 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). Respondent 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.

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8 Dated this 30th day of October, 2019.

9
10 /s/ _____
11 RICHARD ST. ONGE
12 Acting Director
13 Division of Consumer Services

14 Presented by:

15 /s/ _____
16 JEANJU CHOI
17 Financial Legal Examiner

18 Approved by:

19 /s/ _____
20 STEVEN C. SHERMAN
21 Enforcement Chief