

ORDER SUMMARY – Case Number: C-19-2662

Name: Chi Gia Nguyen

Order Number: C-19-2662-19-CO01

Effective Date: 10/1/2019

License Number: 116247

License Effect: Stayed revocation (see comments below)

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$ 2,000		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/26/19
Fine	\$5,000.00 w/ \$3,000 stayed	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/26/19
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: License revocation is stayed for two years contingent on Respondent complying with the consent order. In the consent order, Respondent agrees not to employ any scheme, device, or artifice to mislead any person; engage in any unfair or deceptive practice; or engage in any similar conduct that violates chapter 31.04 RCW or chapter 19.146 RCW.

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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:

CHI GIA NGUYEN, Mortgage Loan Originator,
NMLS # 116247,
Respondent.

No.: C-19-2662-19-CO01

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Richard St. Onge, Acting Division Director, Division of Consumer Services, and Chi Gia Nguyen (Respondent), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

FINDINGS OF FACT

1.1 Chi Gia Nguyen (Respondent) was licensed by the Department as a mortgage loan originator (MLO) on or about March 28, 2007, and continues to be licensed to date. From at least October 13, 2008, through March 31, 2018, Respondent was employed by Security Pacific Mortgage, Inc. (Security Pacific), a Mortgage Broker licensee.

1.2 In April 2016, the Department conducted a compliance examination of Security Pacific. At the time of the examination, Security Pacific employed Respondent as an MLO and Robert Sherwood (Sherwood) was Security Pacific's president, owner, and designated broker.

1.3 During the April 2016 examination, the Department reviewed thirteen loans originated by Respondent. The Department determined that none of the thirteen loan files contained a copy of the

1 homeownership counseling organizations (Counselor List) given to the consumers who applied for
2 the thirteen loans originated by Respondent. Between approximately April 19, 2016, and April 22,
3 2016, the Department instructed Sherwood to produce copies of the Counselor Lists given to the
4 consumers who applied for the thirteen loans originated by Respondent. Sherwood in turn instructed
5 Respondent to produce the Counselor Lists at issue.

6 **1.4** Respondent created thirteen false Counselor Lists between approximately April 19, 2016, and
7 April 25, 2016,¹ and gave them to Sherwood. Sherwood then provided the false Counselor Lists to
8 the Department. Respondent knew or should have known that the false Counselor Lists would be
9 used to misrepresent to the Department that Security Pacific had retained copies of the Counselor
10 Lists actually given to the thirteen consumers.

11 **CONCLUSION OF LAW**

12 **2.1** Based on the above Findings of Fact, Respondent violated RCW 19.146.0201(1) and (2) by
13 creating false Counselor Lists when Respondent knew or should have known that the false Counselor
14 Lists would be used to misrepresent to the Department that Security Pacific had retained copies of the
15 Counselor lists actually given to consumers.

16 **AGREEMENT AND ORDER**

17 The Department and Respondent have agreed upon a basis for resolution of the Findings of
18 Fact and Conclusions of Law identified in this Consent Order. Pursuant to chapter 19.146 RCW, the
19 Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act,
20 Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the
21 issues raised in the above-captioned matter may be economically and efficiently settled by entry of
22

23 ¹ Loan originators and mortgage brokers may generate Counselor Lists using a search tool available at the Consumer
24 Financial Protection Bureau's website. The false Counselor Lists provided to the Department were generated using this
search tool and then backdated.

1 this Consent Order. Respondent hereby admits the Findings of Fact and Conclusions of Law
2 identified in this Consent Order.

3 Based on the foregoing:

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

6 **B. Waiver of Hearing.** It is AGREED that Respondent hereby waives any right he has to a
7 hearing and any and all administrative and judicial review of the issues raised in this matter or the
8 resolution reached herein.

9 **C. Future Conduct.** It is AGREED that Respondent shall not employ any scheme, device,
10 or artifice to defraud or mislead any person; engage in any unfair or deceptive practice toward any
11 person; or engage in any similar conduct that violates the Act or chapter 31.04 RCW, the Consumer
12 Loan Act.

13 **D. Mortgage Loan Originator License.** It is AGREED that Respondent's MLO license is
14 subject to revocation. It is further AGREED that the revocation of Respondent's mortgage loan
15 originator license is STAYED for a period of two years from the entry of this Consent Order
16 contingent on Respondent's compliance with the terms of this Consent Order.

17 **E. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
18 \$5,000.00 upon delivery of this Consent Order the Department, properly signed and dated. It is
19 further AGREED that the \$3,000.00 of the fine shall be STAYED for a period of two years from the
20 entry of this Consent Order contingent on Respondent's compliance with the terms of this Consent
21 Order.

22 **F. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
23 investigation fee of \$3,000.00 upon delivery of this Consent Order to the Department, properly

1 signed and dated. The Fine and Investigation Fee shall be paid together in one \$5,000.00 cashier's
2 check made payable to the "Washington State Treasurer."

3 **G. Lifting of Stay.** It is AGREED that:

- 4 1. If the Department determines Respondent has not complied with this Consent
5 Order, and seeks to lift the stay and revoke Respondent's license, impose the
6 \$3,000.00 stayed fine, or both, the Department will first serve Respondent with a
7 written notice of noncompliance. The notice of noncompliance will include:
- 8 a. A description of the alleged noncompliance;
 - 9 b. A statement that the Department seeks to lift the stay and revoke
10 Respondent's mortgage loan originator license, impose the suspended
11 \$3,000.00 fine, or both;
 - 12 c. Notice that Respondent can contest the allegations of noncompliance by
13 either requesting an adjudicative hearing in writing or by submitting a
14 written response to the allegations of noncompliance; and
 - 15 d. Notice that the process for lifting the stay and revoking the mortgage loan
16 originator license, imposing the suspended \$3,000.00 fine, or both, applies
17 only to this Consent Order.
- 18 2. Respondent will be afforded twenty business days from the date of service of the
19 notice of noncompliance to submit to the Department either a written request for an
20 adjudicative hearing or a written response to the allegations of noncompliance.
- 21 3. The scope and issues of the adjudicative hearing are limited solely to whether or not
22 Respondent has failed to comply with the terms of this Consent Order.
- 23 4. At the conclusion of the adjudicative hearing the Administrative Law Judge will
24 issue an initial decision. Either party may subsequently file a Petition for Review
with the Director of the Department.

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

1 **I. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this
2 Consent Order, which is effective when signed by the Director’s designee.

3 **J. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read
4 this Consent Order in its entirety and fully understand and agree to all of the same.

5 **RESPONDENT:**

6 /s/ _____
7 Chi Gia Nguyen
8 Individually

9-23-19 _____
Date

9 DO NOT WRITE BELOW THIS LINE

10
11 THIS ORDER ENTERED THIS 1st DAY OF October, 2019.

12
13 /s/ _____
14 RICHARD ST. ONGE
15 Acting Director
16 Division of Consumer Services
17 Department of Financial Institutions

18 Presented by:

19 /s/ _____
20 AMANDA J. HERNDON
21 Financial Legal Examiner

22 Approved by:

23 /s/ _____
24 STEVEN C. SHERMAN
Enforcement Chief