

**ORDER SUMMARY – Case Number: C-20-2931**

**Name(s):** Chou Team Realty LLC

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**Order Number:** C-20-2931-20-FO01

**Effective Date:** 7/15/2020

**License Number:** 1049484  
**Or NMLS Identifier [U/L]**

**License Effect:** n/a

**Not Apply Until:** n/a

**Not Eligible Until:** n/a

**Prohibition/Ban Until:** n/a

<b>Investigation Costs</b>	\$ 2,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$ 50,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Financial Literacy and Education</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Cost of Prosecution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

**Comments:** \_\_\_\_\_

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

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IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

No.: C-20-2931-20-FO01

CHOU TEAM REALTY, LLC,  
NMLS # 1049484

FINAL ORDER RE:

Chou Team Realty, LLC

Respondent.

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I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Lucinda Fazio (Director's designee), pursuant to RCW 34.05.440(1). On June 17, 2020, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) against Chou Team Realty, LLC (Respondent). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated June 17, 2020, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

On June 17, 2020, the Department served Respondent with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On June 19, 2020, the documents sent by Federal Express overnight delivery were delivered. The documents sent by First-Class mail were not returned to the Department by the United States Postal Service.

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

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

6 Statement of Charges, cover letter dated June 17, 2020, Notice of Opportunity to  
7 Defend and Opportunity for Hearing, and blank Application for Adjudicative  
Hearing for Respondent, with documentation for service.

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

10 II. FINAL ORDER

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

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent Chou Team Realty, LLC pay a fine of \$50,000.  
15 2. Respondent Chou Team Realty, LLC pay an investigation fee of \$2,000.

16 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
17 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
18 must be filed in the Office of the Director of the Department of Financial Institutions by courier at  
19 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
20 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The  
21 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
22 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

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

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

18 DATED this 15th day of July, 2020.

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20 STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

21  
22 /s/  
Lucinda Fazio, Director  
23 Division of Consumer Services



1 **1.2 Advertising Violations.** In a subpoena to Respondent dated October 16, 2019, the  
2 Department directed Respondent to provide, among other things, copies of its print advertising and  
3 related information, sent by Respondent to consumers in the state of Washington between January 1,  
4 2017, and September 30, 2019. The Department reviewed Respondent’s print advertising for this  
5 period and determined that Respondent mailed thousands of advertisements to Washington  
6 consumers in violation of the Act as described below.

7 **1.3 Unfair or Deceptive Advertising.** Respondent’s advertising contained numerous features  
8 suggesting a false sense of urgency inducing consumers to respond to the advertisements when no  
9 response was required. Respondent’s advertisements included the following phrases, among others:  
10 “Urgent Notice,” “Notice Date,” “Notice Number,” “Important Document Enclosed,” “Keep a copy  
11 of this notice for your records,” “Waiting period complete,” “Waiting period marked as expired,”  
12 “Pre-selected for a new mortgage payment,” “Call upon receipt,” and phrases instructing consumers  
13 to call by a deadline.

14 **1.4 Implying Official or Government Business.** Respondent’s advertising contained numerous  
15 features suggesting that the advertisements related to official or government business, or were sent by  
16 an entity affiliated with the government, when no official or government relationship existed.  
17 Respondent’s advertisements included the following features, among others: QR codes, bar codes,  
18 red lettering, and black and white numbering often found in government documents.

19 **1.5 False or Misleading Terms.** Respondent advertisements offered “No Closing Cost”  
20 refinance loans when in fact, as explained in footnotes, the offered loans included closing costs that  
21 might potentially be offset to some extent by the benefits of obtaining a refinance loan.

22 **1.6 On-Going Investigation.** The Department’s investigation into the alleged violations of the  
23 Act by Respondent continues to date.

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1 **II. GROUNDS FOR ENTRY OF ORDER**

2 **2.1 Prohibited Practices.** Based on the Factual Allegations set forth in Section I above,  
3 Respondent is in apparent violation of RCW 31.04.027(1)(a), (b), (c), and (g), WAC 208-620-550(5),  
4 and WAC 208-620-630(1) for: directly or indirectly employing any scheme to defraud or mislead any  
5 person, directly or indirectly engaging in any unfair or deceptive practice toward any person, directly  
6 or indirectly obtaining property by fraud or misrepresentation, and making in any manner, any false  
7 or deceptive statement with regard to the financing terms for a residential mortgage loan.

8 **2.2 Prohibited Advertisement Practices.** Based on the Factual Allegations set forth in Section I  
9 above, Respondent is in apparent violation of RCW 31.04.135 and WAC 208-620-550(5) for  
10 advertising or permitting to be advertised, in any manner whatsoever, any statement or representation  
11 with regard to rates, terms, or conditions for the lending of money that is false, misleading, or  
12 deceptive.

13 **III. AUTHORITY TO IMPOSE SANCTIONS**

14 **3.1 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of  
15 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or  
16 any other person subject to the Act for any violation of the Act.

17 **3.2 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-  
18 590, WAC 208-620-610(7), every licensee examined or investigated by the Director or the Director’s  
19 designee shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour  
20 devoted to the investigation.

21 **3.3 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director  
22 may recover the state’s costs and expenses for prosecuting violations of the Act.

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

2 Respondent’s violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,  
3 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
4 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW  
5 34.04.202, and RCW 31.04.205. Therefore, it is the Director’s intent to ORDER that:

- 6 **4.1** Respondent Chou Team Realty LLC, pay a fine. As of the date of this Statement of  
7 Charges, the fine totals \$50,000.
- 8 **4.2** Respondent Chou Team Realty, LLC pay an investigation fee. As of the date of this  
9 Statement of Charges, the investigation fee totals \$2,000.
- 10 **4.3** Respondent Chou Team Realty, LLC pay the Department’s costs and expenses  
11 for prosecuting violations of the Act in an amount to be determined at hearing or by  
12 declaration with supporting documentation in event of default by Respondent Chou  
13 Team Realty, LLC.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW  
3 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05  
4 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as  
5 set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO  
6 DEFEND accompanying this Statement of Charges.

7 Dated this 17th day of June, 2020.

8 /s/ \_\_\_\_\_  
9 Lucinda Fazio, Director  
10 Division of Consumer Services  
11 Department of Financial Institutions

12 Presented by:

13 /s/ \_\_\_\_\_  
14 KENNETH J. SUGIMOTO  
15 Financial Legal Examiner Supervisor

16 Approved by:

17 /s/ \_\_\_\_\_  
18 STEVEN C. SHERMAN  
19 Enforcement Chief