

ORDER SUMMARY
Consumer Services Division Case Number C-21-3178

Final Decision & Orders resolve investigations where companies or individuals have been charged and then the Department has imposed sanctions.

Once DFI serves the Final Decision & Order on the individual or company, the company or individual has 10 days to petition (formally ask) the Director of DFI to reconsider. The company or individual can appeal in superior court.

Names	Gagan Deep Mohabat Pal Singh
Order Number	C-21-3178-23-FO01
Date issued	December 5, 2023

What does this Final Decision & Order require?

- Respondents must each pay fines of \$10,000.
- Respondents must each pay investigation fees of \$1,000 (Investigation fees cover the cost of DFI staff time working on the investigation).
- Respondents must pay \$55,196.75 for DFI's costs and expenses in prosecuting this case.
- Respondents must cease and desist from violating the Mortgage Broker Practices Act and the Mortgage Lending and Homeownership Act.
- Respondents aren't allowed to participate in the mortgage broker industry in Washington until December 5, 2030.

Need more information?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or cseforcecomplaints@dfi.wa.gov. Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.

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Enforcement Unit
Division of Consumer Services
Dept. of Financial Institutions

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING) DFI No. C-21-3178-23-FO01
 Whether there has been a violation of the) OAH No.: 06-2022-DFI-00141
 Mortgage Broker Practices Act of Washington and)
 the Mortgage Lending and Homeownership Act of) FINAL DECISION & ORDER DENYING PETITION FOR
 Washington by:) REVIEW AND AFFIRMING INITIAL ORDER OF
) ADMINISTRATIVE LAW JUDGE
 Gagan Deep and Mohabat Pal Singh,)
 Respondents.

THIS MATTER has come before the Director (“Director”) of the Washington State Department of Financial Institutions (“Department”) for entry of the Director’s Final Decision & Order pursuant to RCW 34.05.464.

1.0 PROCEDURAL HISTORY

On April 6, 2022, the Director, through former Director of Consumer Services, Lucinda Fazio, entered a Statement of Charges and Notice of Intent to Issue Order to Cease and Desist, Prohibit from Industry, Impose Fine, Collect Investigative Fee, and Recover Costs and Expenses, C-21-3178-21-SC01, (“Statement of Charges”) against Gagan Deep and Mohabat Pal Singh. Respondents requested an adjudicative hearing, and the matter was sent to the Office of Administrative Hearing (“OAH”) to schedule and conduct a hearing.

Both parties filed Motions for Summary Judgement and Responses.

On June 7, 2023, Administrative Law Judge (“ALJ”) Travis Dupree issued an Initial Order on Summary Judgment Motion (“Initial Order”). On June 7, 2023, OAH served the Initial Order on Respondents by first class mail.

Pursuant to RCW 34.05.464 and WAC 10-08-211, the Respondents had twenty (20) days from the date of service of the Initial Order to file a Petition for Review of the Initial Order (“Petition for Review”) with the Director.

The Respondents’ Petition for Review was received by the Director on October 26, 2023, which was four months after the date from which filing a petition for review was required.

1 2.0 RECORD ON REVIEW

2 The record presented to the Director for his review and for entry of a Final Decision & Order was the entire
3 record on review from OAH, including, but not limited to, the following:

- 4 2.1 Statement of Charges;
- 5 2.2 Initial Order;
- 6 2.3 Department's Motion for Summary Judgment;
- 7 2.4 Respondents' Representative's Response to Department's Motion for Summary Judgment;
- 8 2.5 Respondents' Motion for Summary Judgment; and
- 9 2.6 Department's Response to Respondents' Motion for Summary Judgment.

10 Additional records reviewed by the Director include, but are not limited to, the following:

- 11 2.7 Respondents' Petition for Review;
- 12 2.8 Respondents' Representative's letter to Ali Higgs (Director's former Designee) received by the

13 Director on September 26, 2023; and

- 14 2.9 Email to the Director from Assistant Attorney's General ("AAG") Eisentrout dated October 26, 2023,
- 15 with attachments.

16 3.0 DIRECTOR'S CONSIDERATIONS

17 The Initial Order was issued and served by OAH by U.S. mail on June 7, 2023. On June 27, 2023,
18 Respondents' representative contacted the Division of Consumer Services ("Division") inquiring whether a Petition
19 for Review could be served via email. The Division provided this request via email to the Director's Designee that
20 same day. Also on June 27, 2023, the Director's Designee replied via email¹ to Respondents' representative stating
21 that the "petition for review of an initial order in case C-21-3178 may be served by email." The Director's Designee
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23
24

¹ AAG Eisentrout, a representative from the Division, and Respondents' representative were also included on this email.

1 provided Respondents' representative with an email address where the petition should be sent. Neither the Director
2 nor the Director's Designee received a Petition for Review from Respondents via email or by any other means².

3 On September 26, 2023, the Director received a letter from Respondents' representative inquiring into the
4 status of a letter sent "several weeks ago" concerning a "request from the matter of filing a petition."

5 Upon inquiry by the Director's Designee to AAG Eisentrout, on October 26, 2023, the Director received from
6 AAG Eisentrout a copy of Respondents' Petition for Review that was delivered to the Washington State Attorney
7 General's Office General Services mail on June 29, 2023. The associated Certificate of Service states that the
8 document was served on AAG Eisentrout via email on June 22, 2023. However, the Certificate of Service was signed
9 dated June 27, 2023. Also of note, while the Certificate of Service states that the Petition for Review was served via
10 email, it only includes a physical and mailing address for the Attorney General's Office³.

11 The Initial Order included the following language with citation to the relevant statutes and rules:

12 Either party may appeal this Initial Order to the Director of Financial
13 Institutions by filing a Petition for Review. You must **file** your petition within
14 **twenty (20) days** of the day OAH mails you the Initial Order. Your Petition
15 for Review must be sent to the:

16 Director of Financial Institutions
17 PO Box 41200
18 Olympia, WA 98504-1200

19 The petition is filed the day it is received by the Director of Financial
20 Institutions. A Petition for Review must specify those conclusions of law and
21 findings of fact that you disagree with, and must refer to the evidence in the
22 record that supports the petition. The petitioner must serve a copy of the
23 petition on all either parties or their representatives at the time the petition is
24 filed. Any party may **file** a reply to a Petition for Review within **ten (10) days**
25 of the date of service of the petition. The reply must be filed with the Director
of Financial Institutions with a copy served on all other parties or their
representatives.

22 ² On November 1, 2023, the Director received a Notice of Appearance for new counsel for Respondents.

23 ³ The Petition for Review sent to the AGO included a cover letter with the date of June 22, 2023, (computer) printed in the upper
24 corner. In subsequent email correspondence, Respondents' new counsel speculated that this date might be proof that the Petition
25 for Review was timely filed. This is incorrect. The June 22, 2023, date is most likely the date when the form was created as a
PDF and/or printed from the dfi.wa.gov website and has no bearing on the date of service or filing of the Petition for Review with
the Director's Office.

1 The Department has adopted the Model Rules of Procedure, Chapter 10-08 of the Washington Administrative Code
2 (WAC 10-08), which inform the parties as to the deadline for filing any petition for review to the Director. *See WAC*
3 208-08-020. Pursuant to WAC 10-08-211(2), a petition for review of an Initial Order must be filed with the Director
4 within twenty (20) days of service of the Initial Order. The deadline for filing a petition for review in this matter was
5 June 27, 2023, twenty days from the date of service of the Initial Order by OAH, which was June 7, 2023. The
6 Department received the Petition for Review on October 26, 2023, four months after the deadline for filing a petition
7 for review.

8 Even assuming *arguendo* that the Petition for Review had been served on the Attorney General's Office
9 within the proper timeframe, service of a Petition for Review on the Attorney General's Office general mail is not a
10 substitute for filing the Petition for Review with the Director.

11 4.0 FINDINGS OF FACT AND CONCLUSIONS OF LAW

12 4.1 Findings of Fact. The Director affirms Paragraphs 4.1 through 4.50, inclusive, of the Initial Order.

13 4.2 Conclusions of Law. The Director affirms Paragraphs 5.1 through 5.37, inclusive, of the Initial Order.

14 4.3 Affirmation of Initial Order. The Director affirms Paragraphs 6.1 through 6.16, inclusive, of the
15 Initial Order.

16 5.0 FINAL DECISION & ORDER

17 Based upon the foregoing, and the Director having considered the record and being otherwise fully advised,
18 NOW, THEREFORE, IT IS HEREBY ORDERED:

19 5.1 The Petition for Review is denied, and the Initial Order is affirmed.

20 5.2 Respondents Gagan Deep and Mohabat Pal Singh shall cease and desist from conducting business in
21 a manner that violates the Mortgage Broker Practices Act and the Mortgage Lending and Homeownership Act.

22 5.3 Respondents Gagan Deep and Mohabat Pal Singh shall be prohibited from participation in the
23 conduct of affairs of a licensed mortgage broker or any other person subject to licensing under the Act subject to
24 licensure by the Director, in any manner, for a period of seven years.

1 5.4 Respondent Gagan Deep shall be liable for and shall pay a fine of \$10,000.

2 5.5 Respondent Mohabat Pal Singh shall be liable for and shall pay a fine of \$10,000.

3 5.6 Respondent Gagan Deep shall be liable for and shall pay costs of \$1,000 for the investigation of their
4 violations of the Acts.

5 5.7 Respondent Mohabat Pal Singh shall be liable for and shall pay costs of \$1,000 for the investigation
6 of their violations of the Acts.

7 5.8 Respondents Gagan Deep and Mohabat Pal Singh shall be liable for and shall pay the Department's
8 costs and expenses for prosecuting violations of the Acts in the amount of \$55,196.75.

9 6.0 RECONSIDERATION

10 Pursuant to RCW 34.05.470, Respondents have the right to file a Petition for Reconsideration stating the
11 specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the
12 Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S.
13 Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Decision &
14 Order upon Respondents. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a
15 Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

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

19 7.0 STAY OF ORDER

20 The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such
21 requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW
22 34.05.550.

1 8.0 JUDICIAL REVIEW

2 Respondents have the right to petition the superior court for judicial review of this agency action under the
3 provisions of chapter 34.05 RCW. For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510
4 and sections following.

5 9.0 NON-COMPLIANCE WITH ORDER


6 If Respondents do not comply with the terms of this order, the Department may seek its enforcement by the
7 Office of Attorney General to include the collection of fines and fees imposed herein. Failure to comply with this
8 Final Decision & Order may also prompt additional actions against Respondents by the Department as permitted by
9 the Mortgage Broker Practices Act of Washington, Chapter 19.46 RCW, for failure to comply with a lawful order of
10 the Department.

11 10.0 SERVICE

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

14 DATED this 5th day of December 2023.

15
16 STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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18 _____
Charles E. Clark, Director
19 Washington State Department of Financial Institutions

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 and the Mortgage Lending and Homeownership
8 Act of Washington by:

9 GAGAN DEEP and MOHABAT PAL SINGH,
10 Respondents.

No. C-21-3178-21-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST,
PROHIBIT FROM INDUSTRY, IMPOSE
FINE, COLLECT INVESTIGATION FEE,
and RECOVER COSTS AND EXPENSES

8 INTRODUCTION

9 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of
10 Financial Institutions of the State of Washington (Director) is responsible for the administration of
11 chapter 19.146 RCW, the Mortgage Broker Practices Act (Act). Pursuant to RCW 19.144.120 and
12 RCW 19.146.237, the Director may also investigate and take enforcement action under chapter
13 19.144 RCW, the Mortgage Lending and Homeownership Act. After having conducted an
14 investigation pursuant to RCW 19.146.235, RCW 19.146.237, and RCW 19.144.120, and based upon
15 the facts available as of the date of this Statement of Charges, the Director, through his designee,
16 Division of Consumer Services Director Lucinda Fazio, institutes this proceeding and finds as
17 follows:

18 I. FACTUAL ALLEGATIONS

19 1.1 Respondents.

20 A. Gagan Deep (Respondent Deep) has never been licensed by the Department of
21 Financial Institutions of the State of Washington (Department) to conduct business as a mortgage
22 broker or mortgage loan originator.

23 B. Mohabat Pal Singh (Respondent Singh) has never been licensed by the Department to
24 conduct business as a mortgage broker or mortgage loan originator.

1 **1.2 Unlicensed Activity and Prohibited Advertising.** From at least September 2019 through
2 October 2020, Respondents held themselves out as being able to assist people in obtaining residential
3 mortgage loans in Washington. Respondents did so through online advertisements, including
4 advertisements posted on Facebook. In one advertisement, posted on Facebook from at least
5 September 28, 2019, to December 23, 2021, Respondents represented that “Even if Your Income is
6 Low”:

- 7 • Respondents would “fulfill your dream of getting a home or a business.”
- 8 • Respondents would “help you at Home and at Loan.”
- 9 • Respondents offered a “100% Loan Approval Guarantee.”

10 In other advertisements, posted on Facebook between at least March 25, 2019, and October 28, 2020,
11 Respondents:

- 12 • Offered “Guaranteed Loan Approval.”
- 13 • Stated that “BAD CREDIT,” “BANKRUPTCY,” and “WORK PERMIT ONLY” were “NO
14 PROBLEM.”

15 **1.3 False Statements, Omissions, and Withholding Records.** In or about February 2021,
16 November 2021, and February 2022, as described in more detail below, Respondents provided the
17 Department with incomplete or false statements in response to subpoenas the Department issued to
18 Respondents, as well as knowingly withheld or secreted records and information.

19 **A. January 2021 Subpoenas.** On January 26, 2021, the Department mailed a subpoena
20 to each Respondent. The subpoenas were delivered to Respondents on January 27, 2021. The
21 subpoenas required Respondents to provide documents and information to the Department. On
22 February 2, 2021, the Department received Respondents’ responses to the subpoenas. At that time,
23 Respondents provided the Department with incomplete and false statements in response to the
24

1 subpoenas. For example, in the subpoenas the Department asked Respondents if they had “ever
2 advertised regarding loans or using the term ‘loan’,” to which they each falsely responded “No.”

3 **B. October 2021 Subpoenas.** On October 29, 2021, the Department mailed a subpoena
4 to each Respondent. The subpoenas were delivered to Respondents on November 1, 2021. The
5 subpoenas required Respondents to provide documents and information to the Department. On
6 November 16, 2021, the Department received Respondents’ responses to the subpoenas. At that time,
7 Respondents provided the Department with incomplete and false statements in response to the
8 subpoenas. For example, Respondents were asked to describe in detail the service provided or offered
9 and the time period provided or offered, but Respondents each responded “N/A” in lieu of providing
10 a complete and accurate response.

11 **C. January 2022 Subpoenas.** On January 4, 2022, the Department mailed a subpoena to
12 each Respondent. The subpoenas were delivered to Respondents on or about January 6, 2022. The
13 subpoenas required Respondents to provide documents and information to the Department. On
14 February 8, 2022, the Department received Respondents’ responses to the subpoenas. At that time,
15 Respondents provided the Department with incomplete and false statements in response to the
16 subpoenas. For example, in the subpoenas the Department asked Respondents if they had “ever
17 advertised regarding loans or using the term ‘loan’,” to which they each falsely responded “No.”
18 Further, Respondents were asked to provide a detailed explanation regarding any guarantee they’ve
19 advertised or that was advertised on their behalf, but Respondents each responded “N/A” in lieu of
20 providing a complete and accurate response.

21 **D. Withheld Advertising Materials.** The subpoenas the Department issued to
22 Respondents required Respondents to provide copies of advertising materials. The advertisements
23 identified in paragraph 1.2 fall within the scope of the advertising materials subpoenaed. Respondents
24 did not produce copies of all the relevant advertising materials, including the advertisements

1 identified in paragraph 1.2, as required by the subpoenas the Department issued to them.

2 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
3 Act by Respondents continues to date.

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

5 **2.1 Mortgage Broker Activity.** Based on the Factual Allegations set forth in Section I above,
6 Respondents have apparently engaged in the business of a mortgage broker, as defined in RCW
7 19.146.010(14), because they, for direct or indirect compensation or gain, or in the expectation of
8 direct or indirect compensation or gain, (a) assisted a person in obtaining or applying to obtain a
9 residential mortgage loan or (b) held themselves out as being able to assist a person in obtaining or
10 applying to obtain a residential mortgage loan.

11 **2.2 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
12 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
13 19.146.0201(2), RCW 19.146.0201(11), and RCW 19.146.200(1) for engaging in the business of a
14 mortgage broker without first obtaining and maintaining a license under the Act.

15 **2.3 Prohibited Advertising.** Based on the Factual Allegations set forth in Section I above,
16 Respondents are in apparent violation of RCW 19.146.0201(2), RCW 19.146.0201(11), WAC 208-
17 660-440(1), WAC 208-660-500(3)(n), and WAC 208-660-500(4)(g) for engaging in unfair,
18 deceptive, false, or misleading advertising practices.

19 **2.4 False Statements or Omissions.** Based on the Factual Allegations set forth in Section I
20 above, Respondents are in apparent violation of RCW 19.146.0201(2), RCW 19.146.0201(8), RCW
21 19.146.0201(11), and WAC 208-660-500(3)(h) for negligently making a false statement or
22 knowingly and willfully making an omission of material fact in connection with an investigation
23 conducted by the Department.

1 **2.5 Withholding or Secreting Records or Information.** Based on the Factual Allegations set
2 forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(2), RCW
3 19.146.0201(8), RCW 19.146.0201(11), RCW 19.146.235(9)(a), WAC 208-660-500(3)(h), and WAC
4 208-660-530(11) for knowingly withholding, abstracting, removing, mutilating, destroying, or
5 secreting books, records, computer records, or other information while subject to an investigation
6 under the Act.

7 **2.6 Mortgage Fraud.** Based on the Factual Allegations set forth in Section I above, Respondents
8 are in apparent violation of RCW 19.144.080(1) for engaging in the following: (a) defrauding or
9 materially misleading any person, or engaging in any unfair or deceptive practice toward any person
10 related to the mortgage lending process; (b) knowingly making any misstatement, misrepresentation,
11 or omission related to the mortgage lending process knowing that it may be relied on by a mortgage
12 lender, borrower, or any other party related to the mortgage lending process; (c) using or facilitating
13 the use of any misstatement, misrepresentation, or omission, knowing the same to contain a
14 misstatement, misrepresentation, or omission, related to the mortgage lending process with the
15 intention that it be relied on by a mortgage lender, borrower, or any other party related to the
16 mortgage lending process; and (g) knowingly altering, destroying, shredding, mutilating, or
17 concealing a record, document, or other object, or attempting to do so, with the intent to impair the
18 investigation and prosecution of mortgage fraud.

19 III. AUTHORITY TO IMPOSE SANCTIONS

20 **3.1 Authority to Issue an Order to Cease and Desist/Affirmative Action.** Pursuant to RCW
21 19.144.120, RCW 19.146.237, and RCW 19.146.220(3), the Director may issue orders directing any
22 person subject to the Act to cease and desist from conducting business or take such other affirmative
23 action as is necessary to comply with the Act.

24 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.144.120, RCW 19.146.237, and

1 RCW 19.146.220(4), the Director may issue orders prohibiting from participation in the conduct of
2 the affairs of a licensed mortgage broker any person subject to licensing under the Act for any
3 violation of the Act.

4 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.144.120, RCW 19.146.237, RCW
5 19.146.220(2), and WAC206-660-530(6), the Director may impose fines against persons subject to
6 the Act for: failure to comply with any directive, order, or subpoena of the Director; or any violation
7 of the Act.

8 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
9 520(9), WAC 208-660-520(11), and WAC 208-660-550(4)(a) the Department will charge forty-eight
10 dollars per hour for an examiner's time devoted to an investigation.

11 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director
12 may recover the state's costs and expenses for prosecuting violations of the Act.

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

14 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,
15 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
16 Sanctions, constitute a basis for the entry of an Order under RCW 19.144.120, RCW 19.146.237,
17 RCW 19.146.220, RCW 19.146.221, and RCW 19.146.223. Therefore, it is the Director's intent to
18 ORDER that:

19 **4.1** Respondents Gagan Deep and Mohabat Pal Singh cease and desist from conducting
20 business in a manner that violates the Mortgage Broker Practices Act and the
Mortgage Lending and Homeownership Act.

21 **4.2** Respondents Gagan Deep and Mohabat Pal Singh be prohibited from participation in
22 the conduct of the affairs of any mortgage broker subject to licensure by the Director,
in any manner, for a period of 7 years.

23 **4.3** Respondent Gagan Deep pay a fine of \$10,000.

24 **4.4** Respondent Mohabat Pal Singh pay a fine of \$10,000.

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- 4.5 Respondent Gagan Deep pay an investigation fee of \$1,000.
- 4.6 Respondents Mohabat Pal Singh pay an investigation fee of \$1,000.
- 4.7 Respondents Gagan Deep and Mohabat Pal Singh 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 a Respondent.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 19.144.120, RCW
3 19.146.237, RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is
4 subject to the provisions of chapter 34.05 RCW (the Administrative Procedure Act). Respondents
5 may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
6 DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

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8 Dated this 6th day of April, 2022.



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LUCINDA FAZIO, Director
Division of Consumer Services
Department of Financial Institutions

17 Presented by:

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DREW STILLMAN
Financial Legal Examiner

21 Approved by:

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23
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JACK McCLELLAN
Enforcement Chief