

**ORDER SUMMARY – Case Number: C-15-1839**

**Names:** Jeffrey Michael Halliday; Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan Modification Associates

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**Order Number:** C-15-1839-17-FO01

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**Effective Date:** 5/18/2017

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**License Number:**  
**Or NMLS Identifier**

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**License Effect:** n/a

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**Not Apply Until:** 5/18/2022

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**Not Eligible Until:** 5/18/2022

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**Prohibition/Ban Until:** 5/18/2022

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<b>Investigation Costs</b>	\$801.60	Due 6/18/2017	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$15,000.00	Due 6/18/2017	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Prosecution Costs</b>	\$107.66	Due 6/18/2017	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Refunds</b>	\$2,587.50	Due 6/18/2017	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N			
No. of Victims:	5			

**Comments:**

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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 by:

No.: C-15-1839-17-FO01

7 LEGAL LOAN REPAIR INC. f/k/a LEGAL  
8 LOAN REPAIR LLC d/b/a LOAN  
9 MODIFICATION ASSOCIATES; JEFFREY  
10 MICHAEL HALLIDAY, President and Owner,

FINAL ORDER

11 Respondents.

12 I. DIRECTOR'S CONSIDERATION

13 A. Default. This matter has come before the Director of the Department of Financial  
14 Institutions of the State of Washington (Director), through her designee, Consumer Services Division  
15 Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On January 31,  
16 2017, the Director, through the Director's designee, issued a Statement of Charges and Notice of  
17 Intent to Enter an Order to an Order to Cease and Desist Business, Prohibit from Industry, Order  
18 Refunds, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (Statement of  
19 Charges) against Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan Modification  
20 Associates and Jeffrey Michael Halliday (Respondents). A copy of the Statement of Charges is  
21 attached and incorporated into this order by this reference. The Statement of Charges was  
22 accompanied by a cover letter dated February 1, 2017, a Notice of Opportunity to Defend and  
23 Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents  
24 (collectively, accompanying documents).

On February 1, 2017, the Department served Respondents with the Statement of Charges and  
accompanying documents by First-Class mail and Federal Express overnight delivery. On February

1 2, 2017, the documents sent by Federal Express overnight delivery were delivered. The documents  
2 sent by First-Class mail were not returned to the Department by the United States Postal Service.

3 Respondents did not request an adjudicative hearing within twenty calendar days after the  
4 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for  
5 in WAC 208-08-050(2) and to date Respondents have not signed and returned the proposed consent  
6 order that accompanied the Statement of Charges.

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

- 9 1. Statement of Charges, cover letter dated February 1, 2017, Notices of Opportunity  
10 to Defend and Opportunity for Hearing, and blank Applications for Adjudicative  
Hearing for Respondents, with documentation for service.
- 11 2. Post Office Address Verification Request forms completed by Lehi, Utah Branch  
12 Office of the United States Post Office received by the Department on April 26,  
2017.
- 13 3. Utah.gov Utah Business Search Entity Details: Legal Loan Repair Inc. dated  
14 October 18, 2016.
- 15 4. FedEx proofs of delivery dated February 2, 2017.
- 16 5. Declaration of Amanda Herndon dated May 17, 2017.

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

## 19 II. FINAL ORDER

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

22 A. IT IS HEREBY ORDERED, That:

- 23 1. Respondents Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan  
24 Modification Associates and Jeffrey Michael Halliday cease and desist engaging in  
the business of a mortgage broker and loan originator.

2. Respondents Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan Modification Associates and Jeffrey Michael Halliday are prohibited from participation, in any manner, in the conduct of the affairs of any mortgage broker subject to licensure by the Director for a period of five years.
3. Respondents Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan Modification Associates and Jeffrey Michael Halliday jointly and severally pay refunds to the consumers identified in Appendix A to the Statement of Charges in the amount set forth therein, and to each Washington State consumer with whom Respondents entered into a contract for residential mortgage loan modification services related to real property in Washington State equal to the amount collected from those consumers for those services.
4. Respondents Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan Modification Associates and Jeffrey Michael Halliday jointly and severally pay a fine of \$15,000.00.
5. Respondents Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan Modification Associates and Jeffrey Michael Halliday jointly and severally pay an investigation fee of \$801.60.
6. Respondents Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan Modification Associates and Jeffrey Michael Halliday and their agents maintain records in compliance with chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and provide the Director with the location of the books, records and other information relating to their business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.
7. Respondents Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan Modification Associates and Jeffrey Michael Halliday jointly and severally pay the Department's costs and expenses for prosecuting violation of the Act in the amount of \$107.66.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten days of service of the Final Order upon Respondent. The

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
2 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

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

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

1 DATED this 18<sup>th</sup> day of May, 2017.

2 STATE OF WASHINGTON  
3 DEPARTMENT OF FINANCIAL INSTITUTIONS

4 /s/

CHARLES E. CLARK

5 Director

6 Division of Consumer Services

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1 STATE OF WASHINGTON  
2 DEPARTMENT OF FINANCIAL INSTITUTIONS  
3 DIVISION OF CONSUMER SERVICES

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

5 LEGAL LOAN REPAIR INC. f/k/a LEGAL LOAN  
REPAIR LLC d/b/a LOAN MODIFICATION  
6 ASSOCIATES; JEFFREY MICHAEL  
HALLIDAY, President and Owner,  
7

Respondents.

No. C-15-1839-16-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO CEASE AND DESIST  
BUSINESS, PROHIBIT FROM  
INDUSTRY, ORDER REFUNDS, 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 Acting Director of the Department of  
10 Financial Institutions of the State of Washington (Acting Director) is responsible for the  
11 administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (Act). After having  
12 conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the  
13 date of this Statement of Charges, the Acting Director, through her designee, Division of Consumer  
14 Services Director Charles E. Clark, institutes this proceeding and finds as follows:

15 I. FACTUAL ALLEGATIONS

16 1.1 Respondents.

17 A. **Legal Loan Repair Inc. f/k/a Legal Loan Repair LLC d/b/a Loan Modification**  
18 **Associates (Legal Loan Repair)** has never been licensed by the Department of Financial Institutions  
19 of the State of Washington (Department) to conduct business as a mortgage broker.

20 B. **Jeffrey Michael Halliday** is president and owner of Legal Loan Repair. During the  
21 relevant time period, Jeffrey Michael Halliday was not licensed by the Department to conduct business  
22 as a mortgage broker or loan originator.

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1 **1.2 Unlicensed Activity.** Between at least June 20, 2014, and October 1, 2015, Respondents  
2 provided or offered to provide residential mortgage loan modification services to Washington State  
3 consumers while Respondents were not licensed by the Department to provide those services. A list  
4 of Washington State consumers with whom Respondents conducted business as a mortgage broker or  
5 loan originator, and the amount paid by each is appended hereto and incorporated herein by reference.

6 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to  
7 provide the residential mortgage loan modification services or omitted disclosing that they were not  
8 licensed to provide those services.

9 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the  
10 Act by Respondents continues to date.

## 11 **II. GROUNDS FOR ENTRY OF ORDER**

12 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14), "Mortgage broker" means any  
13 person who for direct or indirect compensation or gain, or in the expectation of direct or indirect  
14 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan  
15 or performs residential mortgage loan modification services or (b) holds himself or herself out as being  
16 able to assist a person in obtaining or applying to obtain a residential mortgage loan or provide  
17 residential mortgage loan modification services.

18 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11)(b), "Loan originator" means a  
19 natural person who for direct or indirect compensation or gain or in the expectation of direct or  
20 indirect compensation or gain performs residential mortgage loan modification services or holds  
21 himself or herself out as being able to perform residential mortgage loan modification services.

22 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
23 are in apparent violation of RCW 19.146.0201(2) and (3) for engaging in an unfair or deceptive  
24 practice toward any person and obtaining property by fraud or misrepresentation.



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

5 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
6 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
7 for engaging in the business of a loan originator without first obtaining and maintaining a license.

### 8 III. AUTHORITY TO IMPOSE SANCTIONS

9 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(3), the  
10 Director may issue orders directing any person subject to the Act to cease and desist from conducting  
11 business.

12 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(4), the Director may  
13 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker  
14 any person subject to licensing under the Act for any violation of the Act.

15 **3.3 Authority to Order Refunds.** Pursuant to RCW 19.146.220(2), the Director may order  
16 refunds against any person subject to the Act for any violation of the Act.

17 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
18 against any person subject to the Act for any violation of the Act.

19 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-  
20 550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted to  
21 an investigation of any person subject to the Act.

22 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director  
23 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 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as  
3 set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,  
4 and RCW 19.146.223. Therefore, it is the Acting Director's intent to ORDER that:

5 **4.1** Respondents Legal Loan Repair Inc. and Jeffrey Michael Halliday cease and desist engaging in  
6 the business of a mortgage broker and loan originator.

7 **4.2** Respondents Legal Loan Repair Inc. and Jeffrey Michael Halliday be prohibited from  
8 participation, in any manner, in the conduct of the affairs of any mortgage broker subject to  
9 licensure by the Director for a period of five years.

10 **4.3** Respondents Legal Loan Repair Inc. and Jeffrey Michael Halliday jointly and severally pay  
11 refunds to the consumers identified Appendix A to this Statement of Charges in the amount set  
12 forth therein, and to each Washington State consumer with whom Respondents entered into a  
13 contract for residential mortgage loan modification services and each consumer with whom  
14 they entered into a contract for residential mortgage loan modification services related to real  
15 property in State Washington equal to the amount collected from those consumer for those  
16 services in an amount to be determined at hearing.

17 **4.4** Respondents Legal Loan Repair Inc. and Jeffrey Michael Halliday jointly and severally pay a  
18 fine, which as of the date of this Statement of Charges totals \$15,000.00.

19 **4.5** Respondents Legal Loan Repair Inc. and Jeffrey Michael Halliday jointly and severally pay an  
20 investigation fee, which as of the date of this Statement of Charges totals \$801.60.

21 **4.6** Respondents Legal Loan Repair Inc. and Jeffrey Michael Halliday maintain records in  
22 compliance with the Act and provide the Department with the location of the books, records  
23 and other information relating to Respondents' provision of residential mortgage loan  
24 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** Respondents Legal Loan Repair Inc. and Jeffrey Michael Halliday 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 34.05  
4 RCW (the Administrative Procedure Act). Respondents may make a written request for a hearing as  
5 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
6 accompanying this Statement of Charges.

7  
8 Dated this 31<sup>st</sup> day of January, 2017.

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11 /s/  
12 **CHARLES E. CLARK**  
13 Director, Division of Consumer Services  
14 Department of Financial Institutions

15 Presented by:

16 /s/  
17 **AMANDA J. HERNDON**  
18 Financial Legal Examiner

19 Approved by:

20 /s/  
21 **STEVEN C. SHERMAN**  
22 Enforcement Chief