

Terms Completed

ORDER SUMMARY – Case Number: C-07-386

Name(s): Yuriy Zomir aka Yuriy Zhomiru

Order Number: C-07-386-09-CO01

Effective Date: August 3, 2009

License Number: DFI: 40460 [NMLS: 51659]

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
If applicable, you must specifically note the ending dates of terms.

License Effect: 25 week suspension; 23 weeks stayed for 2 years; 2 weeks served

Not Apply Until: n/a

Not Eligible Until: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$480	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$5,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
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
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments: One compliance examination per year of stay at Respondent's expense (up to \$1,000)

RECEIVED

JUN 15 2009

ENFORCEMENT UNIT
DIVISION OF CONSUMER SERVICES
DEPT OF FINANCIAL INSTITUTIONS

**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:

NO. C-07-386-09-CO01

YURIY ZOMIR,
aka YURIY ZHOMIRU,
Loan Originator,

CONSENT ORDER

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Yuriy Zomir (hereinafter Respondent), Loan Originator, 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 Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the following:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-07-386-08-SC01 (Statement of Charges), entered December 15, 2008, (copy attached hereto). Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter may be economically and efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve the Statement of Charges. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

CONSENT ORDER
C-07-386-09-CO01
Yuriy Zomir,
aka Yuriy Zhomiru

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Based upon the foregoing:

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

B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing before an administrative law judge, and hereby waives his right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondent, by his signature below, withdraws his appeal to the Office of Administrative Hearings (OAH).

C. **No Admission of Liability.** It is AGREED that Respondent does not admit to any wrongdoing by entry of this Consent Order.

D. **License Suspension.** It is AGREED that Respondent's license to conduct the business of a loan originator shall be suspended for a period of twenty-five weeks. It is further AGREED that twenty-three weeks of the license suspension shall be stayed for a period of two years from the date of entry of this Consent Order. Respondent represents that he has served the remaining two week period of license suspension from June 1, 2009, through June 14, 2009, and has completed a Declaration of Inactivity stating that he did not conduct any business as a loan originator for that period of time.

If upon expiration of said two year period the stay has not been previously lifted, and the twenty-three week license suspension has not been previously imposed, and if a notification to lift the stay or a proceeding to lift the stay is not then pending by the Director to impose the twenty-three week license suspension, this Consent Order shall be considered fully performed by Respondent and completed. If on the expiration of two years from the date of entry of this Consent Order a notification to lift the stay or a proceeding to lift the stay is pending by the Director to impose the twenty-three week license suspension, then those proceedings shall continue according to the terms of this Consent Order.

1 E. **Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$5,000 in the form of
2 a cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

3 F. **Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation
4 fee of \$480, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry
5 of this Consent Order. Respondent may pay both the fine and investigation fee in the form of one cashier's
6 check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

7 G. **Compliance Examinations.** It is AGREED that Respondent is subject to compliance
8 examinations during the two-year period of stayed license suspension to be conducted by the Department
9 at the Department's discretion (not to exceed one compliance examination per calendar year), at
10 Respondent's expense (not to exceed \$1,000 per compliance examination). Respondent further AGREES
11 to promptly respond and address any and all issues, if any, identified in the compliance examinations to the
12 satisfaction of the Department. If the issues identified by the Department in any compliance examination
13 result in the Department seeking to lift the stay and impose the twenty-three week license suspension,
14 Respondent AGREES to be responsible for the examination costs of the Department in excess of \$1,000.
15

16 H. **Lifting of Stay and Imposing Stayed License Suspension.** It is AGREED that:

17 1. If the Department determines that Respondent is in violation of the Act or any of
18 the terms and conditions of this Consent Order, and the Department accordingly seeks to lift the
19 stay and impose the twenty-three week license suspension, the Department first will notify
20 Respondent, in writing, of its determination.

21 2. The Department's notification will include:

- 22 a. A description of the alleged noncompliance;
- 23 b. A statement that because of the noncompliance, the Department seeks to
24 lift the stay and impose the twenty-three week license suspension;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

c. The opportunity for Respondent to contest the Department’s determination of noncompliance in an administrative hearing before an Administrative Law Judge (ALJ) of OAH; and

d. A copy of this Consent Order. The notification and hearing process provided in this Consent Order applies only to this Consent Order and is provided solely in the event Respondent chooses to contest the Department’s determination of noncompliance.

3. Respondent will be afforded ten business days from the date of receipt of the Department’s notification to request, in writing, an administrative hearing to be held before an ALJ from the OAH.

4. Respondent’s request for hearing must be sent to the Department and received by the Department within ten business days of the date of the receipt of the Department’s notice.

5. Respondent, in addition to his request for hearing, may provide a written response to include any information pertaining to the alleged noncompliance.

6. The administrative hearing shall be expedited and follow the timing and processes described in this Consent Order.

7. If Respondent does not request the hearing within the stated time, the Department immediately will impose the stayed twenty-three week license suspension and pursue whatever action it deems necessary to address the new violations of the Act.

8. If requested, the hearing will be held within fifteen business days (or as soon as the schedule of the ALJ permits) from the due date for Respondent’s request for hearing or from the date of receipt of Respondent’s timely request for hearing, whichever is sooner. The parties will accommodate the prompt scheduling of the hearing.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

9. The scope and issues of the hearing are limited solely to whether or not Respondent is in violation of the Act or any of the terms and conditions of this Consent Order.

10. At the conclusion of the hearing, the ALJ will issue an initial decision. Either party may file a Petition for Review with the Director of the Department.

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

J. **Voluntarily Entered.** It is AGREED that the undersigned Respondent has voluntarily entered into this Consent Order, which is effective when signed by the Director's designee.

K. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this Consent Order in its entirety and fully understands and agrees to all of the same.

RESPONDENT:



Yuriy Zomir
Loan Originator

6/9/9
Date

Approved for Entry:



Douglas C. Elcock, WSBA #21306
Attorney at Law
Attorney for Respondent

6/9/09
Date

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 3rd DAY OF August, 2009.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



STEVEN C. SHERMAN
Financial Legal Examiner



Approved by:



JAMES R. BRUSSELBACK
Enforcement Chief

1
2
3
4
5
6
7
8
9

**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:

YURIY ZOMIR,
aka YURIY ZHOMIRU,
Loan Originator,

Respondent.

NO. C-07-386-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO SUSPEND LICENSE, IMPOSE
FINE, AND COLLECT INVESTIGATION FEE

10
11
12
13
14
15
16

INTRODUCTION

Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 19.146 RCW, the Mortgage Broker Practices Act (Act)¹. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

17
18
19
20
21
22
23
24
25

I. FACTUAL ALLEGATIONS

1.1 Respondent. Yuriy Zomir, aka Yuriy Zhomiru, (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a loan originator on July 3, 2007, and has continued to be licensed to date. Respondent is licensed to conduct the business of a loan originator for Morgan Financial, Inc., a licensed mortgage broker, and was so employed at all times relevant to this Statement of Charges.

1.2 Operating Under Unlicensed Trade Name. From at least March 2006 through December 2006, Respondent used the trade name "World Family Lending" in association with his branch of Morgan Financial,

¹ RCW 19.146 (1994) OR (2006) OR both

1 Inc. At no time was Respondent licensed by the Department to use that trade name to conduct business as a
2 loan originator.

3 **1.3 Prohibited Acts.**

4 A. On October 10, 2006, Respondent took telephonic applications from borrower D.S. for a first
5 lien and second lien mortgage to purchase a primary residence in Washougal, Washington. The borrower
6 signed the applications, two Good Faith Estimates (GFE), and several additional disclosures that same day. The
7 GFE signed on October 10th for the first lien mortgage specified only one fee which would be paid by the
8 borrower to the Respondent and Morgan Financial – a mortgage broker fee of \$415. The GFE signed on
9 October 10th for the second lien mortgage specified no fees which would be paid by the borrower to the
10 Respondent and Morgan Financial. The Final HUD-1 Settlement Statements (HUD-1), however, show that
11 Respondent and Morgan Financial received \$4,827 in fees from the borrower for the first lien and second lien
12 mortgages. Additionally, the initial GFE improperly disclosed a Yield Spread Premium of “0-3%” in an
13 unnumbered section entitled “Compensation to Broker.”

14 On October 10, 2006, Respondent also took a telephonic application from borrower D.S. for a
15 construction loan to build a secondary residence in Long Beach, Washington. The application, GFE, and other
16 disclosures were not signed by the borrower until November 2, 2006, and Respondent’s file contains no
17 information that any of those disclosures were provided before that date. The GFE signed November 2nd
18 specified only one fee which would be paid by the borrower to the Respondent and Morgan Financial – a
19 mortgage broker fee of \$415. The HUD-1, however, show that Respondent and Morgan Financial received
20 \$4,778 in fees from the borrower. Additionally, the initial application for the construction loan stated the
21 borrower’s monthly income from employment to be \$8,950 per month, but the primary residential application
22 prepared by Respondent for the borrower the same day stated the borrower’s monthly income from employment
23 to be \$7,950 per month. Finally, borrower D.S.’s purchase of the primary residence set forth in section 1.3 A,
24 above, closed on December 1, 2006. On or about December 13, 2006, Respondent prepared an updated
25

1 application for the construction loan, but the application did not disclose that the borrower had purchased the
2 primary residence in Washougal.

3 B. Between June 5, 2006, and December 19, 2006, Respondent originated three residential
4 mortgage loan transactions for borrower A.T.; the first to build a primary residence at 120th Place, Long Beach
5 Washington, the second to purchase a primary residence in Washougal, Washington, and the third to purchase a
6 primary residence on 25th Street North, Long Beach, Washington. Each application required disclosure of other
7 property(s) owned by the borrower, but none of these properties were listed on any subsequent application, even
8 though the previous loan had closed.

9 The application Respondent prepared on or about June 5, 2006, for the 120th Place, Long Beach,
10 transaction stated that the borrower's employment income was \$5,950 per month as a software technician for a
11 company where the borrower had been employed for two years and one month. The October 30, 2006,
12 application for the Washougal transaction and the November 9, 2006, application for the 25th Street, Long
13 Beach, transaction, however, each stated that the borrower's employment income was \$9,750 per month as a
14 Sales Manager for K.W. Construction, Inc., where the borrower had been employed for three years. K.W.
15 Construction was the company contracted to build the residence at 120th Place, Long Beach, and was the seller
16 of the property located at 25th Street, Long Beach.

17 The initial GFE for the 120th Place, Long Beach, transaction was signed by the borrower on June 8,
18 2006. This GFE specified only one fee which would be paid to the Respondent and Morgan Financial – a
19 mortgage broker fee of \$415. The HUD-1, however, shows that the Respondent and Morgan Financial received
20 \$4,478 in fees from the borrower.

21 The initial GFEs for the Washougal first and second lien mortgage transactions were signed by the
22 borrower on October 30, 2006. The GFE for the first lien mortgage specified only one fee which would be paid
23 to the Respondent and Morgan Financial – a mortgage broker fee of \$415, and the GFE for the second lien
24 mortgage did not specify any fees which would be paid to Respondent or Morgan Financial. The HUD-1s,
25 however, show that the Respondent and Morgan Financial received \$4,627 in fees from the borrower for the

1 first lien mortgage and \$1,050 in fees from the borrower for the second lien mortgage. Additionally, the initial
2 GFE for the second lien mortgage improperly disclosed a Yield Spread Premium of "0-3%" in an unnumbered
3 section entitled "Compensation to Broker."

4 The initial GFE for the 25th Street, Long Beach, transaction was signed by the borrower on November
5 9, 2006. This GFE specified only one fee which would be paid to the Respondent and Morgan Financial -- a
6 mortgage broker fee of \$415. The HUD-1, however, shows that the Respondent and Morgan Financial received
7 \$2,854 in fees from the borrower. Additionally, the initial GFE for the second lien mortgage improperly
8 disclosed a Yield Spread Premium of "0-3%" in an unnumbered section entitled "Compensation to Broker."

9 C. On November 3, 2006, Respondent signed an application as the borrower for a construction loan to
10 build a secondary residence on 25th Lane in Long Beach, Washington. Respondent stated on the application
11 that his gross monthly income from employment as an Area Sales Manager for World Family Financial was
12 \$33,500. Respondent's income tax returns, however, show his annual gross income was only \$231,625; or an
13 average of \$19,302 per month. Additionally, Respondent's 2006 W-2 statement shows that his income came
14 directly from Morgan Financial, Inc., not from World Family Financial. Finally, Respondent's loan originator
15 application, filed with the Department on January 18, 2007, states that Respondent worked for Morgan
16 Financial, Inc., as a loan officer from November 2003 to "Present," but makes no mention of any employment
17 as an Area Sales Manager for World Family Financial.

18 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
19 Respondent continues to date.

20 II. GROUNDS FOR ENTRY OF ORDER

21 **2.1 Operating Under Unlicensed Trade Name.** Based on the Factual Allegations set forth in Section I
22 above, Respondent is in apparent violation of RCW 19.146.250 (1991) and WAC 208-660-125(3) for operating
23 under a name other than the one under which the license is issued without obtaining the written consent of the
24 Director.

25

1 **2.2 Requirement to Disclose Residential Mortgage Loan Fees.** Based on the Factual Allegations set
2 forth in Section I above, Respondent is in apparent violation of RCW 19.146.030 for failing to provide
3 borrowers with full written disclosures, containing an itemization and explanation of all fees and costs that the
4 borrowers were required to pay in connection with obtaining a residential mortgage loan, within three days
5 following receipt of a loan application or any moneys from the borrowers.

6 **2.3 Prohibited Fees.** Based on the Factual Allegations set forth in Section I above, Respondent is in
7 apparent violation of RCW 19.146.030(4) for charging fees inuring to the benefit of a mortgage broker in
8 excess of the fees disclosed on the initial written disclosures where the fees were reasonably foreseeable by the
9 mortgage broker at the time the initial written disclosures were provided to borrowers, and/or where the
10 mortgage broker failed to provide the borrowers, no less than three business days prior to the signing of the loan
11 closing documents, a clear written explanation of the fees and the reason for charging fees exceeding those
12 which were previously disclosed.

13 **2.4 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is in
14 apparent violation of RCW 19.146.0201(2), (3), (6), (10), (12), and (14) (1994) for engaging in an unfair or
15 deceptive practice toward any person, obtaining property by misrepresentation, failing to make disclosures to
16 loan applicants required by RCW 19.146.030 and any other applicable state or federal law, and collecting a fee
17 prohibited by RCW 19.146.030.

18 **2.5 Requirement to Provide Information on License Application.** Based on the Factual Allegations set
19 forth in Section I above, Respondent is in apparent violation of RCW 19.146.205(1)(f) for failing to provide an
20 accurate and complete written license application in the form prescribed by the Director.

21 **III. AUTHORITY TO IMPOSE SANCTIONS**

22 **3.1 Authority to Suspend License.** Pursuant to RCW 19.146.220(2)(b) and (e), the Director may suspend
23 a license for false statements or omission of material information on the application that, if known, would have
24 allowed the director to deny the application for the original license and for any other violation of the Act.

25

1 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(3)(a), the Director may impose fines on a loan
2 originator for any violations of RCW 19.146.0201(1) through (9), (13)², or RCW 19.146.030.

3 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-550(5), the
4 Department is entitled to collect the costs of an investigation. The investigation charge will be calculated at the rate
5 of \$48 per hour that each staff person devoted to the investigation.

6 **IV. NOTICE OF INTENTION TO ENTER ORDER**

7 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
8 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
9 for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and RCW 19.146.223. Therefore, it is the
10 Director's intention to ORDER that:

- 11 **4.1** Respondent Yuriy Zomir, aka Yuriy Zhomiru's license to conduct the business of a loan originator be
12 suspended for a period of six months; and
- 13 **4.2** Respondent Yuriy Zomir, aka Yuriy Zhomiru pay a fine of \$10,000;
- 14 **4.3** Respondent Yuriy Zomir, aka Yuriy Zhomiru pay an investigation fee which as of the date of these charges
15 totals \$480, calculated at \$48 per hour for ten staff hours devoted to the investigation.

15 //
16 //
17 //
18 //
19 //
20 //
21 //
22 //
23 //
24 //
25

² Formerly RCW 19.146.0201(12)(1994).

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Suspend License, Impose Fine,
3 and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220,
4 RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05
5 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in
6 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
7 Statement of Charges.

8
9 Dated this 15th day of December, 2008.

10 

11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 

17 STEVEN C. SHERMAN
18 Financial Legal Examiner



19 Approved by:

20 
21 JAMES R. BRUSSELBACK
22 Enforcement Chief