

TERMS COMPLETE

CONSENT ORDER SUMMARY - Case Number: C-09-093

Name(s) Equity One Financial Corp.
Erik Bryan Meyers

Order Number C-09-093-10-CO01

Effective Date June 14, 2010

License Number DFI: 41021 NMLS ID: 7315 (Equity One Financial Corp)
DFI: 41022 NMLS ID: 15363 (Meyers)

License Effect Denied

Not Apply until June 14, 2015

Prohibition/Ban until June 14, 2015

Investigation Costs	\$ 1,440	Due Immediately	Paid Y	Date: 6/11/2010
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Assessment(s)	\$ 0	Due	Paid Y N	Date
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Monetary Penalty	\$ 5,500	Due Immediately	Paid Y	Date: 6/11/2010
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Other

Special Instructions

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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:

NO. C-09-093-10-CO01

EQUITY ONE FINANCIAL CORP, and
ERIK BRYAN MEYERS, Designated Broker,
President, and Owner,

CONSENT ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Equity One Financial Corp (hereinafter Respondent Equity One), Erik Bryan Meyers, Designated Broker, President, and Owner (hereinafter Respondent Meyers), 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 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-09-093-09-SC01 (Statement of Charges), entered October 1, 2009, (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, Respondents hereby agree to the Department's entry of this Consent Order and further agree 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.

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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 Respondents have been informed of the right to a hearing before an administrative law judge, and that they hereby waive their 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, Respondents, by the authorized signatures below, hereby withdraw their appeal.

C. License Application Denial of Entity. It is AGREED that Respondent Equity One's application for a license to conduct the business of a mortgage broker is denied.

D. License Application Denial of Individual. It is AGREED that Respondent Meyer's application for a license to conduct the business of a loan originator is denied.

E. Agreement not to Apply for License. It is AGREED that Respondents shall not apply for any license issued by the Department for a period of five years from the entry of this Consent Order.

F. Fine. It is AGREED that Respondents shall pay to the Department a fine of \$5,500 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

G. Investigation Fee. It is AGREED that Respondents shall pay to the Department an investigation fee of \$1,440 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order. Both the fine and investigation fee may be paid in a single cashier's check made payable to the "Washington State Treasurer."

H. Non-Compliance with Order. It is AGREED that Respondents understand 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, Respondents may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

1 I. **Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into
2 this Consent Order, which is effective when signed by the Director's designee.

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

5 **RESPONDENTS:**

6 **EQUITY ONE FINANCIAL CORP**

7 By:

8 [Redacted Signature]
9 Erik Bryan Meyers
Designated Broker, President, and Owner

6-8-10
Date

10 [Redacted Signature]
11 Erik Bryan Meyers
Individually

6-8-10
Date

12 **DO NOT WRITE BELOW THIS LINE**

13 THIS ORDER ENTERED THIS 14th DAY OF June, 2010.

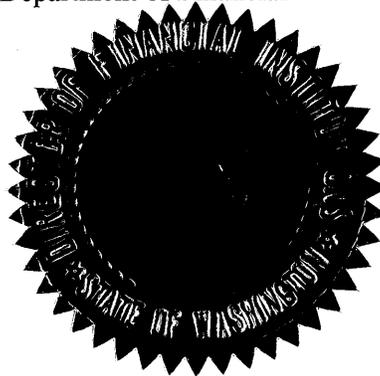
14 [Redacted Signature]
15 [Redacted Signature]
16 DEBORAH BORTNER
17 Director
18 Division of Consumer Services
19 Department of Financial Institutions

18 Presented by:

19 [Redacted Signature]
20 WILMA M. COLWELL
21 Financial Examiner

21 Approved by:

22 [Redacted Signature]
23 JAMES R. BRUSSELBACK
Enforcement Chief



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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:

NO. C-09-093-09-SC01

EQUITY ONE FINANCIAL CORP, and
ERIK BRYAN MEYERS, Designated Broker,
President, and Owner,

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

Respondents.

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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 19.146.210 and 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:

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I. FACTUAL ALLEGATIONS

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1.1 Respondents.

A. Equity One Financial Corp (Equity One) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about March 7, 2007. Respondent Equity One's license expired on December 31, 2008. Respondent Equity One was licensed to conduct the business of a mortgage broker from one location: 26707 Agoura Rd St 204, Calabasas, California, 91302. Respondent Equity One submitted a license renewal via Nationwide Mortgage Licensing System and Registry (NMLSR) on February 11, 2009, and that application is still pending.

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¹ RCW 19.146 (2006)

1 B. Erik Bryan Meyers (Meyers) is the Designated Broker, President, and Owner, for Respondent
2 Equity One. Respondent Meyers was named Designated Broker of Respondent Equity One on or about March
3 7, 2007, and Respondent Meyers was issued a loan originator license at that time. Respondent Meyers continued as
4 Designated Broker until his license expired on December 31, 2008. Respondent Meyers applied for renewal on
5 February 11, 2009, and the application for renewal of his loan originator license is still pending.

6 **1.2 Failure to Maintain Bond.** On September 26, 2008, the Department received notice from Platt River
7 Insurance Company that Respondent Equity One's surety bond would be cancelled, effective on or about
8 October 26, 2008. Respondents failed to notify the Department of the cancellation of the surety bond and did
9 not submit a replacement bond before the date of cancellation of the bond. Respondent Equity One had no
10 bond from October 26, 2008, to December 31, 2008.

11 On February 9, 2009, Respondent Equity One submitted a "Surety Bond to Operate Mortgage Broker
12 Business" with an effective date of January 30, 2009, for Bond No. 8935335, issued by Fidelity & Deposit
13 Company of Maryland. The bond was insufficient; however, because the address did not match the
14 Respondent's address in the Department's licensing records.

15 **1.3 Failure to Provide Complete and Accurate Information on License Application.**

16 A. Respondent Equity One submitted an update to its license on the NMLSR system on or about
17 December 10, 2008. Respondent Equity One answered "no" to the following questions in the Regulatory
18 Action Disclosure section of the MU1 Form:

19 (C) In the past 10 years, has any State or federal regulatory agency or foreign financial
20 regulatory authority:

21 (3) found the entity or a control affiliate to have been a cause of a financial services related
22 business having its authorization to do business denied, suspended, revoked or restricted?

23 (4) entered an order against the entity or a control affiliate in connection with a financial
24 services-related activity?
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1 (5) denied, suspended, or revoked the entity's or a control affiliate's registration or license or
2 otherwise by order, prevented it from associating with a financial services-related business or
3 restricted its activities?

4 Respondents' mortgage broker license in Rhode Island was revoked on November 26, 2008.

5 **1.4 Failure to Notify Department of Significant Developments.** Respondents failed to notify the Director
6 in writing within 10 days regarding administrative enforcement action issued on or about November 26, 2008,
7 regarding the license revocation by Rhode Island Department of Business Regulation Division of Banking.
8 Respondents failed to update NMLSR regarding the administrative enforcement action issued on or about
9 November 26, 2008, within 30 days, regarding the license revocation by Rhode Island Department of Business
10 Regulation Division of Banking.

11 **1.5 Failure to Respond Timely to Directives.** On October 2, 2008, the Department issued a directive to
12 Respondents requiring that a replacement bond be submitted. A response to this directive was due on or before
13 October 16, 2008. The Department issued the directive to Respondents by certified mail #7008 0150 0000 5176
14 0781. Service of the directive was confirmed on October 10, 2008, by the United States Postal Service. The
15 Department did not receive a response to this directive from Respondents.

16 On January 9, 2009, the Department sent a directive to Respondents' last known address via Federal
17 Express Overnight Mail. The directive required Respondents to submit a replacement bond before January 18,
18 2009. On January 13, 2009, delivery of the directive was confirmed by Federal Express. The Department did
19 not receive a bond from Respondent until February 9, 2009.

20 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
21 Respondents continues to date.

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

2 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
3 above, Respondents are in apparent violation of WAC 208-660-175(1)(a) and WAC 208-660-175(5)&(6), RCW
4 19.146.205(4)(a) for failing to file and maintain a surety bond with the Department from the dates of October
5 26, 2008, to December 31, 2008.

6 **2.2 Requirement to Provide Complete and Accurate Information on License Application.** Based on
7 the Factual Allegations set forth in Section I above, Respondents have failed to meet the requirements of
8 WAC 208-660-500(3)(i) by failing to provide an accurate and complete written license application in the form
9 prescribed by the Director.

10 **2.3 Requirement to Notify Department of Significant Developments.** Based on the Factual Allegations
11 set forth in Section I above, Respondents are in apparent violation of WAC 208-660-400(26)(a)and(b) for
12 failing to notify the Director in writing within 10 days in writing of administrative enforcement action and
13 subsequent revocation of the Respondents' license by Rhode Island Department of Business Regulation
14 Division of Banking. Respondents also failed to submit a change of information via NMLSR regarding the
15 administrative enforcement action and subsequent revocation of the company's license by Rhode Island
16 Department of Business Regulation Division of Banking, in violation of WAC 208-660-400(5).

17 **2.4 Requirement to Respond Timely to Directives.** Based on the Factual Allegations set forth in Section
18 I above, Respondents are in apparent violation of RCW 19.146.235, for failing to respond timely and
19 completely and/or failing to comply with a Directive issued by the Director.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Deny Application for License.** Pursuant to RCW 19.146.210(2), the Director shall not
3 issue a license to an applicant if the conditions of RCW 19.146.210(1) have not been met by applicant.

4 Pursuant to RCW 19.146.220(1) and RCW 19.146.220(2)(c)(d)&(e), the Director may deny applications for
5 licenses for violations of the Act.

6 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220, the Director may impose fines on a licensee,
7 employee or loan originator of the licensee, or other person subject to the Act for any violations of this chapter.

8 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520(9) and
9 WAC 208-660-520(11), upon completion of any investigation of the books and records of a licensee or other
10 person subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing
11 to cover the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight
12 dollars per hour that each staff person devoted to the investigation.

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

14 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
15 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
16 for the entry of an Order under RCW 19.146.210, RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223.

17 Therefore, it is the Director's intention to ORDER that:

18 **4.1** Respondent Equity One Financial Corporation's application for a license to conduct the business of a
19 mortgage broker be denied; and

20 **4.2** Respondent Erik Bryan Meyers' loan originator license application be denied; and

21 **4.3** Respondents Equity One Financial Corporation and Erik Bryan Meyers, jointly and severally pay a fine
22 which as of the date of this Statement of Charges totals \$21,700.

23 **4.4** Respondents Equity One Financial Corporation and Erik Bryan Meyers, jointly and severally pay an
24 investigation fee, which as of the date of these charges totals \$1,440 calculated at \$48 per hour for the thirty
25 staff hours devoted to the investigation.

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V. AUTHORITY AND PROCEDURE

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

Dated this 30th day of September, 2009.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



WILMA M. NEPSUND
Financial Examiner



Approved by:



JAMES R. BRUSSELBACK
Enforcement Chief