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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:

FEDERAL LOAN MODIFICATION LAW CENTER,
LLP, d/b/a FLM LAW CENTER, FEDERAL LOAN
MODIFICATION, AND FEDERAL LOAN
MODIFICATION LAW CENTER, JEFFREY
BROUGHTON, Principal, NABILE ANZ, Principal,
BOAZ MINITZER, Principal, and STEVEN
OSCHEROWITZ, Principal,

Respondents.

NO. C-09-256-10-FO01

FINAL ORDER OF DEFAULT FOR
FEDERAL LOAN MODIFICATION LAW
CENTER, LLP, d/b/a FLM LAW CENTER,
FEDERAL LOAN MODIFICATION, AND
FEDERAL LOAN MODIFICATION LAW
CENTER, NABILE ANZ, AND BOAZ
MINITZER

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I. DIRECTOR'S CONSIDERATION

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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 Deborah Bortner, pursuant to RCW 34.05.440(1). On November 24, 2009, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Impose Fine, Order Restitution, and Collect Investigation Fees (Statement of Charges). 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 December 1, 2009, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan Modification, and Federal Loan Modification Law Center (Federal Loan Modification), Nabile Anz, and Boaz Minitzer¹.

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¹ Respondents Jeffrey Broughton and Steven Oscherowitz have settled their matters with the Department under separately entered Consent Orders.

1 **Service as it Relates to Respondent Federal Loan Modification and Boaz Minitzer.** The
2 Department served the Statement of Charges, cover letter dated December 1, 2009, Notice of Opportunity
3 to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Federal
4 Loan Modification and Boaz Minitzer on these Respondents on December 1, 2009 by First-Class mail
5 and Federal Express overnight delivery. The documents sent via First-Class mail were not returned to the
6 Department by the United States Postal Service. The documents sent via Federal Express were signed for
7 by “Laya” on December 2, 2009.
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9 **Service as it Relates to Respondent Federal Loan Modification and Nabile Anz.** The
10 Department served the Statement of Charges, cover letter dated December 1, 2009, Notice of Opportunity
11 to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Federal
12 Loan Modification and Nabile Anz on these Respondents on December 1, 2009, by First-Class mail and
13 Federal Express overnight delivery. The documents sent via First-Class mail were returned to the
14 Department as undeliverable. The documents sent via Federal Express were unable to be delivered. The
15 Department served the Statement of Charges, cover letter dated December 1, 2009, Notice of Opportunity
16 to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Federal
17 Loan Modification and Nabile Anz on these Respondents on February 22, 2011, by First-Class mail and
18 Federal Express overnight delivery. The documents sent via First-Class mail were not returned to the
19 Department by the United States Postal Service. The documents sent via Federal Express were signed for
20 by “Mrs. Anz” on February 23, 2011.
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22 Respondents Federal Loan Modification, Nabile Anz, and Boaz Minitzer did not request an
23 adjudicative hearing within twenty calendar days after the Department served them with the Notice of
24 Opportunity to Defend and Opportunity for Hearing, as provided for in WAC 208-08-050(2).
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1 B. Record Presented. The record presented to the Director's designee for her review and for
2 entry of a final decision included the following:

- 3 1. Statement of Charges, cover letter dated December 1, 2009;
- 4 2. Notice of Opportunity to Defend and Opportunity for Hearing; and
- 5 3. Blank Applications for Adjudicative Hearing for Respondents Respondents Federal
6 Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan
7 Modification, and Federal Loan Modification Law Center, Nabile Anz, and Boaz
Minitzer, with documentation of service.

8 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the Director's
9 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
12 being otherwise fully advised, NOW, THEREFORE:

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law
15 Center, Federal Loan Modification, and Federal Loan Modification Law Center,
16 Nabile Anz, and Boaz Minitzer cease and desist offering loan modification
17 services or otherwise conducting the business of a consumer loan company,
mortgage broker or loan originator in the state of Washington;
- 18 2. Respondent Federal Loan Modification Law Center, LLP, d/b/a FLM Law
19 Center, Federal Loan Modification, and Federal Loan Modification Law
20 Center be prohibited from participation in the conduct of the affairs of any
consumer loan company or mortgage broker subject to licensure by the
21 Director, in any manner, for a period of five (5) years;
- 22 3. Respondent Nabile Anz be prohibited from participation in the conduct of the
23 affairs of any consumer loan company or mortgage broker subject to licensure by
24 the Director, in any manner, for a period of five (5) years;
- 25 4. Respondent Boaz Minitzer be prohibited from participation in the conduct of the
affairs of any consumer loan company or mortgage broker subject to licensure by
the Director, in any manner, for a period of five (5) years;

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5. Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan Modification, and Federal Loan Modification Law Center, Nabile Anz, and Boaz Minitzer jointly and severally pay a fine of \$30,400;

6. Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan Modification, and Federal Loan Modification Law Center, Nabile Anz, and Boaz Minitzer jointly and severally pay restitution totaling \$11,235, in the amounts listed below, to the following borrowers:

Borrower C.M.H	\$ 3,000
Borrower B.K.	\$ 1,500
Borrower T.C.	\$ 3,495
Borrower R.R.B.	\$ 995
Borrower J. R.	\$ 995
Borrower K.J.	\$ 500
<u>Borrower C.E.</u>	<u>\$ 750</u>
Total Restitution	\$11,235;

7. Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan Modification, and Federal Loan Modification Law Center, Nabile Anz, and Boaz Minitzer jointly and severally pay an investigation fee of \$720; and

8. Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan Modification, and Federal Loan Modification Law Center, Nabile Anz, and Boaz Minitzer maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan Modification, and Federal Loan Modification Law Center's mortgage broker (loan modification) business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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 (10) days of service of the Final Order upon Respondents. 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 (20) 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 written
5 notice specifying the date by which it will act on a petition.

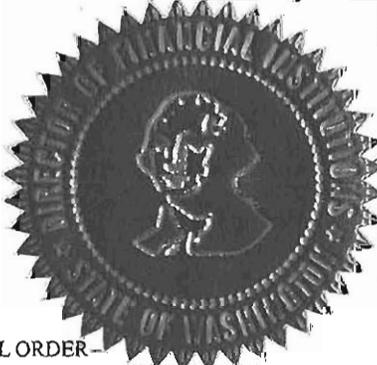
6 C. Stay of Order. The Director's designee has determined not to consider a Petition
7 to Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
8 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

9 D. Judicial Review. Respondents have the right to petition the superior court for
10 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements
11 for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.
12

13 E. Non-compliance with Order. If you do not comply with the terms 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, restitution, and investigation fees imposed herein. The Department also may assign the
16 amounts owed to a collection agency for collection.

17 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
18 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
19 attached hereto.
20

21 DATED this 13 day of April, 2011.



22 STATE OF WASHINGTON
23 DEPARTMENT OF FINANCIAL INSTITUTIONS

24 
25 DEBORAH BORTNER
DIRECTOR
DIVISION OF CONSUMER SERVICES

1 B. **Nabile Anz (Anz)** is a Principal of FLM. Respondent Anz has never been licensed to conduct
2 the business of a Consumer Loan Company (RCW 31.04), Mortgage Broker, or Loan Originator by the
3 Department of Financial Institutions.

4 C. **Jeffrey Broughton (Broughton)** is a Principal of FLM. Respondent Broughton has never been
5 licensed to conduct the business of a Consumer Loan Company (RCW 31.04), Mortgage Broker, or Loan
6 Originator by the Department of Financial Institutions.

7 D. **Boaz Minitzer (Minitzer)** is a Principal of FLM. Respondent Minitzer has never been
8 licensed to conduct the business of a Consumer Loan Company (RCW 31.04), Mortgage Broker, or Loan
9 Originator by the Department of Financial Institutions.

10 E. **Steven Oscherowitz (Oscherowitz)** is a Principal of FLM. Respondent Minitzer has never
11 been licensed to conduct the business of a Consumer Loan Company (RCW 31.04), Mortgage Broker, or Loan
12 Originator by the Department of Financial Institutions.

13 **1.2 Unlicensed Activity.** Between at least December 2008 and June 2009, Respondent FLM assisted at
14 least 7 borrowers in applying to obtain a loan modification on property located in the State of Washington. The
15 borrowers involved in these loan modifications paid fees to Respondent FLM totaling at least \$9,985 as follows:

Borrower C.M.H	\$ 3,000
Borrower B.K.	\$ 1,500
Borrower T.D.	\$ 3,495
Borrower R.R.B.	\$ 995
Borrower J.R.	\$ 995
Borrower C.E.	\$ 750
Total	\$10,735

20 Borrower K.J. paid Respondent FLM fees totaling \$2,995, but was refunded the fees when she hired an
21 attorney only to accrue attorney's fees totaling \$500. Borrower K.J. did not receive a loan modification as
22 guaranteed by Respondent FLM. Additionally, other borrowers may have paid fees to Respondent FLM.

23 **1.3 Prohibited Practices.** Respondents, through advertising and employee statements, represented to the 7
24 borrowers (see Paragraph 1.2) that they could obtain a loan modification from their lender if they hired
25 Respondent FLM. Respondent FLM obtained payment for services up-front from borrowers and collected the

1 borrowers' personal and financial information. Respondent FLM entered into contracts with borrowers that
2 promised it would use "best efforts" to change the borrowers' current loan situation. Respondent FLM did not
3 obtain loan modifications for the 7 borrowers. Respondent FLM ceased communications with the borrowers
4 and did not respond to the borrowers' requests for refunds of their up-front fees.

5 **1.4 Failing to Respond to Directives and Comply with Investigative Authority.** Between March 2009
6 and August 2009, the Department issued directives to Respondent FLM requesting information and documents
7 regarding the agreements with the borrowers in Paragraph 1.2. Respondent FLM did not provide the
8 information and documents requested in the directives.

9 **1.5 Federal Trade Commission Action.** On April 3, 2009, the Federal Trade Commission filed a
10 Complaint¹ against Respondents in the U.S. District Court for the Central District of California. On April 24,
11 2009, the U.S. District Court for the Central District of California entered a Preliminary Injunction against
12 Respondents enjoining Respondents' loan modification activities.

13 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
14 Respondents continues to date.

15 II. GROUNDS FOR ENTRY OF ORDER

16 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
17 "Mortgage Broker" any person who for compensation or gain, or in the expectation of compensation or gain (a)
18 assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out
19 as being able to assist a person in obtaining or applying to obtain a residential mortgage loan.

20 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10) and WAC 208-660-006, means a
21 natural person who (a) takes a residential mortgage loan application for a mortgage broker, or (b) offers or
22 negotiates terms of a mortgage loan, for direct or indirect compensation or gain, or in the expectation of direct
23 or indirect compensation or gain. "Loan originator" also includes a person who holds themselves out to the
24 public as able to perform any of these activities. "Loan originator" does not mean persons performing purely

25 ¹ On June 23, 2009, the Complaint was amended to add additional relief defendants.

1 administrative or clerical tasks for a mortgage broker. For the purposes of this subsection, "administrative or
2 clerical tasks" means the receipt, collection, and distribution of information common for the processing of a
3 loan in the mortgage industry and communication with a borrower to obtain information necessary for the
4 processing of a loan. A person who holds himself or herself out to the public as able to obtain a loan is not
5 performing administrative or clerical tasks.

6 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(3), "Borrower" means any person who consults
7 with or retains a mortgage broker or loan originator in an effort to obtain or seek advice or information on
8 obtaining or applying to obtain a residential mortgage loan for himself, herself, or persons including himself or
9 herself, regardless of whether the person actually obtains such a loan.

10 **2.4 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents are in
11 apparent violation of RCW 19.146.0201(1), (2), (3), and (4) for directly or indirectly employing a scheme,
12 device or artifice to defraud or mislead borrowers or lenders or any person, engaging in an unfair or deceptive
13 practice toward any person, obtaining property by fraud or misrepresentation, or soliciting or entering into a
14 contract with a borrower that provides in substance that the mortgage broker may earn a fee or commission
15 through the mortgage broker's "best efforts" to obtain a loan even though no loan is obtained for the borrower.

16 **2.5 Requirement to Comply with Investigation.** Based on the Factual Allegations set forth in Section I
17 above, Respondents are in apparent violation of RCW 19.146.235 and WAC 208-660-520 for failing to comply
18 with the Department's investigation authority.

19 **2.6 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in Section
20 I above, Respondents are in apparent violation of RCW 19.146.200 for engaging in the business of a mortgage
21 broker or loan originator without first obtaining and maintaining a license under the Act. Individuals
22 negotiating residential mortgage loan terms act as mortgage brokers or loan originators and must be licensed
23 under the Act unless specifically exempt from the Act.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the Director may
3 issue orders directing a licensee, its employee or loan originator, independent contractor, agent, or other person
4 subject to the Act to cease and desist from conducting business.

5 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
6 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
7 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
8 or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or RCW
9 19.146.200.

10 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and WAC 208-660-530, the Director may
11 impose fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act for
12 any violations of RCW 19.146.200 or failure to comply with a directive or order of the Director.

13 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may issue orders directing
14 a licensee or other person subject to the Act, to pay restitution for any violation of the Act.

15 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-550(4) and
16 WAC 208-660-520(9), upon completion of any investigation of the books and records of a licensee or other person
17 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover
18 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per
19 hour that each staff person devoted to the investigation.

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

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

- 1 **4.1** Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan
 2 Modification, and Federal Loan Modification Law Center, and Jeffrey Broughton, Nabile Anz, Boaz
 3 Minitzer and Steven Oscherowitz, cease and desist offering loan modification services or otherwise
 4 conducting the business of a consumer loan company, mortgage broker or loan originator in the State of
 5 Washington;
- 6 **4.2** Respondent Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan
 7 Modification, and Federal Loan Modification Law Center be prohibited from participation in the
 8 conduct of the affairs of any consumer loan company or mortgage broker subject to licensure by the
 9 Director, in any manner, for a period of five (5) years;
- 10 **4.3** Respondent Jeffrey Broughton be prohibited from participation in the conduct of the affairs of any
 11 consumer loan company or mortgage broker subject to licensure by the Director, in any manner, for a
 12 period of five (5) years;
- 13 **4.4** Respondent Nabile Anz be prohibited from participation in the conduct of the affairs of any consumer loan
 14 company or mortgage broker subject to licensure by the Director, in any manner, for a period of five (5)
 15 years;
- 16 **4.5** Respondent Boaz Minitzer be prohibited from participation in the conduct of the affairs of any consumer
 17 loan company or mortgage broker subject to licensure by the Director, in any manner, for a period of five
 18 (5) years;
- 19 **4.6** Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan
 20 Modification, and Federal Loan Modification Law Center, and Jeffrey Broughton, Nabile Anz, Boaz
 21 Minitzer and Steven Oscherowitz jointly and severally pay a fine, which as of the date of these charges
 22 totals \$30,400;
- 23 **4.7** Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan
 24 Modification, and Federal Loan Modification Law Center, and Jeffrey Broughton, Nabile Anz, Boaz
 25 Minitzer and Steven Oscherowitz jointly and severally pay restitution totaling \$11,235, in the amounts
 listed below, to the following borrowers:
- | | |
|--------------------------|-----------------|
| Borrower C.M.H | \$ 3,000 |
| Borrower B.K. | \$ 1,500 |
| Borrower T.C. | \$ 3,495 |
| Borrower R.R.B. | \$ 995 |
| Borrower J. R. | \$ 995 |
| Borrower K.J. | \$ 500 |
| Borrower C.E. | \$ 750 |
| <u>Total Restitution</u> | <u>\$11,235</u> |
- 4.8** Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan
 Modification, and Federal Loan Modification Law Center, and Jeffrey Broughton, Nabile Anz, Boaz
 Minitzer and Steven Oscherowitz jointly and severally pay an investigation fee, which as of the date of
 these charges totals \$720, calculated at \$48 per hour for the 15 staff hours devoted to the investigation; and
- 4.9** Respondents Federal Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan
 Modification, and Federal Loan Modification Law Center, and Jeffrey Broughton, Nabile Anz, Boaz
 Minitzer and Steven Oscherowitz maintain records in compliance with the Act and provide the

1 Department with the location of the books, records and other information relating to Respondent Federal
2 Loan Modification Law Center, LLP, d/b/a FLM Law Center, Federal Loan Modification, and Federal
3 Loan Modification Law Center's mortgage broker (loan modification) business, and the name, address and
4 telephone number of the individual responsible for maintenance of such records in compliance with the
5 Act.

6 **V. AUTHORITY AND PROCEDURE**

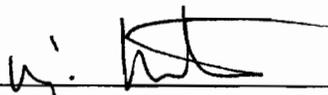
7 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit From
8 Industry, Impose Fine, Order Restitution, and Collect Investigation Fee is entered pursuant to the provisions of
9 RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of
10 chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
11 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
12 HEARING accompanying this Statement of Charges.

13 Dated this 24th day of November, 2009.

14 

15 DEBORAH BORTNER
16 Director
17 Division of Consumer Services
18 Department of Financial Institutions

19 Presented by:

20 
21 WILLIAM HALSTEAD
22 Financial Legal Examiner



23 Approved by:

24 
25 JAMES R. BRUSSELBACK
Enforcement Chief