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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-09-273-10-FO01

UNITED LAW GROUP, INC. and  
SEAN A. RUTLEDGE, President,  
Respondents.

FINAL ORDER

I. DIRECTOR'S CONSIDERATION

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 23, 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 Fee (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 November 23, 2009, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents United Law Group and Sean A. Rutledge. The Department served the Statement of Charges, cover letter dated November 23, 2009, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents United Law Group and Sean A. Rutledge on Respondents and on Respondents' attorney, Robert J. Bushco, on November 23, 2009, by Federal Express overnight delivery and First-Class mail. On November 24, 2009, and November 25, 2009, the documents sent via Federal Express overnight delivery were delivered. On

1 December 14, 2009, the documents sent via First-Class mail to Respondent Sean Rutledge at 2400  
2 Main Street, 2<sup>nd</sup> Floor, Irvine, California were returned to the Department by the U.S. Postal Service as  
3 "refused by addressee." The documents sent via First-Class mail to Respondent Sean Rutledge at 2525  
4 Campus Drive, Irvine, California were not returned to the Department by the U.S Postal Service. The  
5 documents sent via First-Class mail to Respondents' attorney, Robert J. Bushco, at 2525 Campus  
6 Drive, Irvine, California were not returned to the Department by the U.S. Postal Service.

7  
8 Respondents United Law Group, Inc. and Sean A. Rutledge did not request an adjudicative  
9 hearing within twenty calendar days after the Department served them with the Notice of Opportunity  
10 to Defend and Opportunity for Hearing, as provided for in WAC 208-08-050(2).

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

- 13 1. Statement of Charges;
- 14 2. Cover letter dated November 23, 2009;
- 15 3. Notice of Opportunity to Defend and Opportunity for Hearing; and
- 16 4. Blank Applications for Adjudicative Hearing for Respondents United Law Group and  
17 Sean A. Rutledge, with documentation of service.

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

## 20 II. FINAL ORDER

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

23 A. IT IS HEREBY ORDERED, That:

- 24 1. Respondents United Law Group, Inc. and Sean A. Rutledge cease and desist  
25 offering loan modification services or otherwise conducting the business of a  
mortgage broker or loan originator in the state of Washington;

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2. Respondent United Law Group, Inc. is prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years;
3. Respondent Sean A. Rutledge is prohibited from participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years;
4. Respondents United Law Group, Inc. and Sean A. Rutledge jointly and severally pay a fine in the amount of \$10,000;
5. Respondents United Law Group, Inc. and Sean A. Rutledge jointly and severally pay restitution in the amount of \$9,200 to those consumers more specifically set forth in the attached Restitution Schedule, incorporated herein by reference;
6. Respondents United Law Group, Inc. and Sean A. Rutledge jointly and severally pay an investigation fee which as of the date of these charges totals \$772.80 calculated at \$48.00 per hour for the sixteen and one tenth (16.1) staff hours devoted to the investigation; and
7. Respondents United Law Group, Inc. and Sean A. Rutledge maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent United Law Group, Inc.'s loan origination 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 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

10 E. Non-compliance with Order. If you do not comply with the terms of this order, the  
11 Department may seek its enforcement by the Office of Attorney General to include the collection of the  
12 fines, fees, and restitution imposed herein.

13 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for  
14 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
15 attached hereto.  
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17 DATED this 1<sup>st</sup> day of March, 2010.



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19 STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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22 DEBORAH BORTNER  
DIRECTOR  
DIVISION OF CONSUMER SERVICES  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

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

NO. C-09-273-09-SC01

UNITED LAW GROUP, INC. and  
SEAN A. RUTLEDGE, President,

Respondents.

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  
FEE

**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)<sup>1</sup>. 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:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

A. **United Law Group, Inc. (United Law Group)** is a California corporation located at 2525 Campus Drive, Irvine, California 92612. Respondent United Law Group has never been licensed to conduct the business of a Mortgage Broker by the Department of Financial Institutions.

B. **Sean A. Rutledge (Rutledge)** is the President of Respondent United Law Group. Respondent Rutledge has never been licensed to conduct the business of a Mortgage Broker or Loan Originator by the Department of Financial Institutions.

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<sup>1</sup> RCW 19.146 (2006)

1 **1.2 Unlicensed Activity.** Between at least January 2009 and the date of this Statement of Charges,  
2 Respondent United Law Group held out as able to assist at least four consumers in applying to obtain a loan  
3 modification on property located in the state of Washington. The consumers involved in this loan modification  
4 paid fees to Respondent United Law Group totaling \$9,200.

5 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by  
6 Respondents continues to date.

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

8 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-010,  
9 "Mortgage Broker" means any person who for compensation or gain, or in the expectation of compensation or  
10 gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or  
11 herself out as being able to assist a person in obtaining or applying to obtain a residential mortgage loan.

12 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10) and WAC 208-660-010, means a  
13 natural person who (a) takes a residential mortgage loan application for a mortgage broker, or (b) offers or  
14 negotiates terms of a mortgage loan, for direct or indirect compensation or gain, or in the expectation of direct  
15 or indirect compensation or gain. "Loan originator" also includes a person who holds themselves out to the  
16 public as able to perform any of these activities. "Loan originator" does not mean persons performing purely  
17 administrative or clerical tasks for a mortgage broker. For the purposes of this subsection, "administrative or  
18 clerical tasks" means the receipt, collection, and distribution of information common for the processing of a  
19 loan in the mortgage industry and communication with a borrower to obtain information necessary for the  
20 processing of a loan. A person who holds himself or herself out to the public as able to obtain a loan is not  
21 performing administrative or clerical tasks.

22 **2.3 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in Section  
23 I above, Respondents are in apparent violation of RCW 19.146.200 for engaging in the business of a mortgage  
24 broker without first obtaining and maintaining a license under the Act. Individuals negotiating residential  
25

1 mortgage loan terms act as mortgage brokers or loan originators and must be licensed under the Act unless  
2 specifically exempt from the Act.

### 3 III. AUTHORITY TO IMPOSE SANCTIONS

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

7 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a) and (d), the Director  
8 may issue orders removing from office or prohibiting from participation in the conduct of the affairs of a  
9 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage  
10 broker or any person subject to licensing under the Act for any violation of RCW 19.146.200 or failure to  
11 comply with a directive or order of the Director.

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

15 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may issue orders directing  
16 a licensee or other person subject to the Act to pay restitution.

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

### 22 IV. NOTICE OF INTENTION TO ENTER ORDER

23 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth  
24 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis  
25

1 for the entry of an Order under RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the  
2 Director's intention to ORDER that:

- 3 **4.1** Respondents United Law Group, Inc. and Sean A. Rutledge cease and desist offering loan modification  
4 services or otherwise conducting the business of a mortgage broker or loan originator in the state of  
5 Washington;
- 6 **4.2** Respondent United Law Group, Inc. be prohibited from participation in the conduct of the affairs of any  
7 mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years;
- 8 **4.3** Respondent Sean A. Rutledge be prohibited from participation in the conduct of the affairs of any mortgage  
9 broker subject to licensure by the Director, in any manner, for a period of five (5) years;
- 10 **4.4** Respondents United Law Group, Inc. and Sean A. Rutledge jointly and severally pay a fine which as of the  
11 date of these charges totals \$10,000;
- 12 **4.5** Respondents United Law Group, Inc. and Sean A. Rutledge jointly and severally pay restitution in the  
13 amount of \$9,200 to those consumers more specifically set forth in the attached Restitution Schedule,  
14 incorporated herein by reference;
- 15 **4.6** Respondents United Law Group, Inc. and Sean A. Rutledge jointly and severally pay an investigation fee  
16 which as of the date of these charges totals \$772.80 calculated at \$48.00 per hour for the sixteen and one  
17 tenth (16.1) staff hours devoted to the investigation; and
- 18 **4.7** Respondents United Law Group, Inc. and Sean A. Rutledge maintain records in compliance with the Act  
19 and provide the Department with the location of the books, records and other information relating to  
20 Respondent United Law Group, Inc.'s loan origination business, and the name, address and telephone  
21 number of the individual responsible for maintenance of such records in compliance with the Act.

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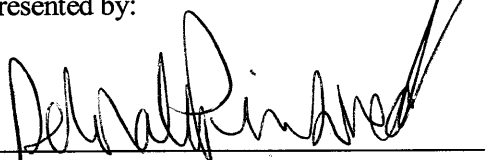
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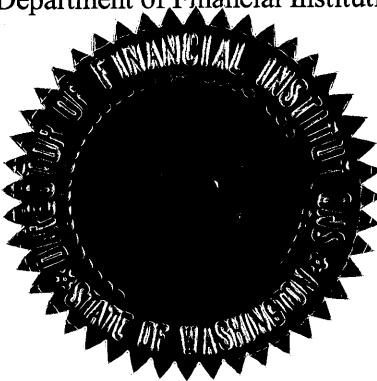
**V. AUTHORITY AND PROCEDURE**

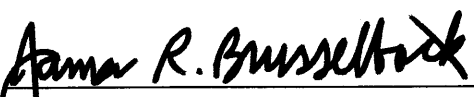
This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit From Industry, Impose Fine, Order Restitution, and Collect Investigation Fee is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to 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 23rd day of November, 2009.

  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:  
  
DEBORAH PINSONNEAULT  
Financial Legal Examiner



Approved by:  
  
JAMES R. BRUSSELBACK  
Enforcement Chief