

# TERMS COMPLETE

## CONSENT ORDER SUMMARY - Case Number: C-09-350

**Name(s)** Charles Michael Czech d/b/a Czech Mortgage and  
www.checkthedifference.com

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**Order Number** C-09-350-10-CO01

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**Effective Date** March 3, 2010

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**License Number** DFI: 510-MB-43597 NMLS ID: 124727

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**License Effect** Surrendered

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**Not Apply until** March 3, 2015

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**Prohibition/Ban until** March 3, 2015

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<b>Investigation Costs</b>	\$206.40	Due	Paid Y	Date: 3/2/2010
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<b>Assessment(s)</b>	\$	Due	Paid Y N	Date
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<b>Monetary Penalty</b>	\$1,400	Due	Paid Y	Date: 3/2/2010
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**Other**

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**Special Instructions**

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MAR 02 2010

ENFORCEMENT UNIT  
DIVISION OF CONSUMER SERVICES  
DEPT OF FINANCIAL INSTITUTIONS

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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-09-350-10-CO01

CHARLES MICHAEL CZECH d/b/a CZECH  
MORTGAGE and www.checkthedifference.com,  
Owner and Designated Broker,  
Respondent.

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Charles Michael Czech d/b/a Czech Mortgage and www.checkthedifference.com, Owner and Designated Broker (hereinafter Respondent), 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-09-350-09-SC01 (Statement of Charges), entered September 23, 2009, (copy attached hereto) and Temporary Order to Cease and Desist No. C-09-350-09-TD01 (Temporary Order to Cease and Desist), entered September 23, 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, 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 and Temporary Order to Cease and Desist.

Based upon the foregoing:

CONSENT ORDER  
C-09-350-10-CO01  
Charles Michael Czech d/b/a Czech Mortgage and  
www.checkthedifference.com

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

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

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

7           C. **License Surrender.** It is AGREED that Respondent shall surrender his Mortgage Broker license and  
8 file a Mortgage Broker Closure Report upon entry of this Consent Order.

9           D. **Mortgage Broker Annual Report.** It is AGREED that Respondent shall file a Mortgage Broker  
10 Annual Report for the year 2008 upon entry of this Consent Order.

11           E. **Declaration of Activity.** It is AGREED that Respondent shall sign a Declaration of Activity  
12 covering the dates of September 9, 2009, through December 31, 2009, upon entry of this Consent Order.

13           F. **Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$1,400, in the form of a  
14 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

15           G. **Agreement Not to Apply.** It is AGREED that Respondent shall not apply for a license issued by the  
16 Department under the Mortgage Broker Practices Act (Chapter 19.146 RCW), Consumer Loan Act (Chapter 31.04  
17 RCW), Check Cashers and Sellers Act (Chapter 31.45 RCW), Escrow Agent Registration Act (Chapter 18.44  
18 RCW), or Uniform Money Services Act (Chapter 19.230 RCW) for a period of five (5) years from the date of  
19 entry of this Consent Order. This paragraph does not limit Respondent's ability to apply for a license as a Loan  
20 Originator or Mortgage Loan Originator under either the Mortgage Broker Practices Act (Chapter 19.146 RCW)  
21 or the Consumer Loan Act (Chapter 31.04 RCW). It is further AGREED that the Department shall not use the  
22 facts from this case to determine whether a loan originator license shall be issued. Respondent understands and  
23 AGREES that nothing in this Consent Order shall alter or affect the statutory requirements to obtain a loan  
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1 originator license, and that this Consent Order specifically does not guarantee that a loan originator license shall  
2 be issued.

3 **H. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation fee  
4 of \$206.40, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this  
5 Consent Order.

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

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

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

14 **RESPONDENT:**

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16 CHARLES MICHAEL CZECH

17 2 March 2010  
Date

18 DO NOT WRITE BELOW THIS LINE

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THIS ORDER ENTERED THIS 3<sup>rd</sup> DAY OF March, 2010.



[Redacted signature]

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

[Redacted signature]

ROBERT E. JONES  
Financial Legal Examiner

Approved by:

[Redacted signature]

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:

CHARLES MICHAEL CZECH d/b/a CZECH  
MORTGAGE and www.checkthedifference.com,  
Owner and Designated Broker,

Respondent.

NO. C-09-350-09-SC01

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

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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)<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:

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**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Charles Michael Czech d/b/a Czech Mortgage, www.checkthedifference.com (Czech)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on May 16, 2007, and continues to be licensed to date. Respondent Czech was named Designated Broker on May 16, 2007, and has continued as Designated Broker to date. Respondent Czech is licensed to conduct the business of a mortgage broker at the following location:

8434 SE 39<sup>th</sup> St.  
Mercer Island, WA 98040

**1.2 Failure to File Annual Report.** Respondent did not file his 2008 Mortgage Broker Annual Report by the due date of March 31, 2009.

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<sup>1</sup> RCW 19.146 (2008)

1 **1.3 Failure to Maintain Bond.** On August 4, 2009, the Department received notice from the Hartford Fire  
2 Insurance Company that Respondent Czech's surety bond would be cancelled, effective September 9, 2009. On  
3 September 9, 2009, Respondent Czech's surety bond was cancelled. To date, Respondent has failed to provide  
4 the required surety bond.

5 **1.4 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 208-660-006,  
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 Requirement to File Annual Report.** Based on the Factual Allegations set forth in Section I above,  
13 Respondent is in apparent violation of RCW 19.146.290 and WAC 208-660-400(1) and (2) for failing to timely  
14 file an annual report of mortgage broker activity.

15 **2.3 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I  
16 above, Respondent is in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to  
17 file and maintain a surety bond with the Department.

## 18 **III. AUTHORITY TO IMPOSE SANCTIONS**

19 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the Director may  
20 issue orders directing a licensee, its employee, loan originator, independent contractor, agent, or other person  
21 subject to this chapter to cease and desist from conducting business.

22 **3.2 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(c) and (e) the Director may revoke a  
23 license for failure to pay a fee required by the Director or maintain the required bond, or any violation of the  
24 Act.

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1 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and (3)(a) and WAC 208-660-530(6), the  
2 Director may impose fines on a licensee, employee, loan originator, independent contractor, or agent of the  
3 licensee, or other person subject to the Act for any violation of RCW 19.146.205(4) or any violation of the Act.

4 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520(9) and  
5 WAC 208-660-550(4) upon completion of any investigation of the books and records of a licensee or other person  
6 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover  
7 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per  
8 hour that each staff person devoted to the investigation.

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

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

14 **4.1** Respondent Charles Michael Czech d/b/a Czech Mortgage and www.checkthedifference.com cease and  
15 desist from conducting the business of a mortgage broker;

16 **4.2** Respondent Charles Michael Czech d/b/a Czech Mortgage and www.checkthedifference.com's license to  
17 conduct the business of a mortgage broker be revoked;

18 **4.3** Respondent Charles Michael Czech d/b/a Czech Mortgage and www.checkthedifference.com pay a fine  
19 which as of the date of this Statement of Charges totals \$2,900; and

20 **4.4** Respondent Charles Michael Czech d/b/a Czech Mortgage and www.checkthedifference.com pay an  
21 investigation fee which as of the date of this Statement of Charges totals \$206.40 calculated at \$48 per hour  
22 for the three and one tenths (3.1) 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 Cease and Desist, Revoke License, 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). Respondent 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 23<sup>rd</sup> day of September, 2009.

[Redacted signature]

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

[Redacted signature]

ROBERT E. JONES  
Financial Legal Examiner



Approved by:

[Redacted signature]

JAMES R. BRUSSELBACK  
Enforcement Chief

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

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

C-09-350-09-TD01

CHARLES MICHAEL CZECH d/b/a CZECH  
MORTGAGE and www.checkthedifference.com,  
Owner and Designated Broker,

TEMPORARY ORDER TO  
CEASE AND DESIST

Respondent.

8 THE STATE OF WASHINGTON TO:

CHARLES MICHAEL CZECH d/b/a CZECH  
MORTGAGE and www.checkthedifference.com

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10 COMES NOW the Director of the Washington State Department of Financial Institutions (Director), by  
11 and through his designee Deborah Bortner, Division Director, Division of Consumer Services (designee), and  
12 finding that the public is likely to be substantially injured by delay in issuing a cease and desist order, the Director,  
13 through his designee, Division of Consumer Services Director Deborah Bortner, enters this Temporary Order to  
14 Cease and Desist pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), based on the  
15 following findings:

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**I. FACTUAL FINDINGS**

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**1.1 Respondent Charles Michael Czech d/b/a Czech Mortgage and www.checkthedifference.com**

(Czech) was licensed by the Department of Financial Institutions of the State of Washington (Department) to  
conduct business as a mortgage broker on May 16, 2007, and continues to be licensed to date. Respondent  
Czech was named Designated Broker on May 16, 2007, and has continued as Designated Broker to date.  
Respondent Czech is licensed to conduct the business of a mortgage broker at the following location:

8434 SE 39<sup>th</sup> St.  
Mercer Island, WA 98040

**1.2 Surety Bond Cancellation.** On August 4, 2009, the Department received notice from the Hartford Fire  
Insurance Company that Respondent Czech's surety bond would be cancelled, effective September 9, 2009. On  
September 9, 2009, Respondent Czech's surety bond was cancelled. To date, Respondent has failed to provide  
the required surety bond.

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, Respondent is in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to  
4 file and maintain a surety bond with the Department.

5 **III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST**

6 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW 19.146.227, the  
7 Director is authorized to issue a temporary order to cease and desist whenever the Director determines that the  
8 public is likely to be substantially injured by delay in issuing a cease and desist order. Based on the Factual  
9 Findings and Grounds for Entry of Order set forth above, Respondent Czech does not maintain the required  
10 surety bond, and the public is likely to be substantially injured by the lack of said surety bond coverage.

11 **IV. ORDER**

12 Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue Temporary  
13 Order to Cease and Desist, and pursuant to RCW 19.146.227, the Director determines that the public is likely to  
14 be substantially harmed by a delay in entering a cease and desist order. Therefore, the Director ORDERS that:

15 **4.1** Respondent shall immediately cease and desist from participating in the conduct of the affairs of any  
16 mortgage broker subject to licensure by the Director, in any manner, specifically including, but not limited to  
17 originating any residential mortgage loan, assisting with the origination of any residential mortgage loan, and  
18 holding out as able to assist any person with applying for or obtaining any residential mortgage loan.

19 **4.2** This order shall take effect immediately and shall remain in effect unless set aside, limited, or  
20 suspended in writing by an authorized court.

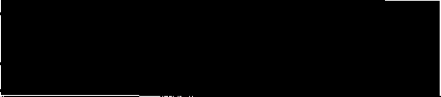
21 **NOTICE**

22 PURSUANT TO CHAPTER 19.146 RCW, YOU ARE ENTITLED TO A HEARING WITHIN 14 DAYS  
23 OF REQUEST TO DETERMINE WHETHER THIS ORDER SHALL BECOME PERMANENT. IF YOU  
24 DESIRE A HEARING, THEN YOU MUST RETURN THE ATTACHED APPLICATION FOR  
25 ADJUDICATIVE HEARING INCORPORATED HEREIN BY THIS REFERENCE. FAILURE TO  
COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE HEARING FORM SO THAT IT IS

1 RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF  
2 THE DATE THAT THIS ORDER WAS SERVED ON YOU WILL CONSTITUTE A DEFAULT AND WILL  
3 RESULT IN THE LOSS OF YOUR RIGHT TO A HEARING. SERVICE ON YOU IS DEFINED AS POSTING  
4 IN THE U.S. MAIL, POSTAGE PREPAID, TO YOUR LAST KNOWN ADDRESS. BE ADVISED THAT  
5 DEFAULT WILL RESULT IN THIS ORDER TO CEASE AND DESIST BECOMING PERMANENT ON THE  
6 TWENTY-FIRST (21ST) DAY FOLLOWING SERVICE OF THIS ORDER UPON YOU.

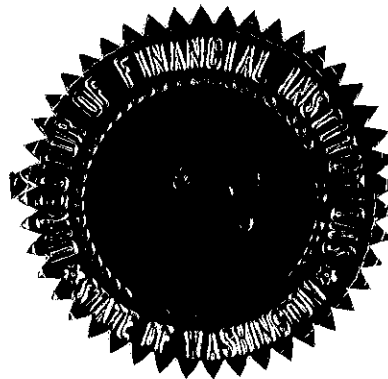
7           WITHIN TEN DAYS AFTER YOU HAVE BEEN SERVED WITH THIS TEMPORARY ORDER  
8 TO CEASE AND DESIST, YOU MAY APPLY TO THE SUPERIOR COURT IN THE COUNTY OF  
9 YOUR PRINCIPAL PLACE OF BUSINESS FOR AN INJUNCTION SETTING ASIDE, LIMITING, OR  
10 SUSPENDING THIS ORDER PENDING THE COMPLETION OF THE ADMINISTRATIVE  
11 PROCEEDINGS PURSUANT TO THIS NOTICE.

12           DATED this 23<sup>rd</sup> day of September, 2009.


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

17 Presented by:

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20 ROBERT E. JONES  
21 Financial Legal Examiner



22 Approved by:

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25 JAMES R. BRUSSELBACK  
Enforcement Chief