

ORDER SUMMARY – Case Number: C-09-482

Names: Richman and Associates, Inc.
Jim Richman

Order Number: C-09-482-14-CO01

Effective Date: March 17, 2014

License Number: U/L
Or NMLS Identifier [U/L]

License Effect: N/A

Not Apply Until: 3/17/2024

Not Eligible Until: 3/17/2024

Prohibition/Ban Until: 3/17/2024

Investigation Costs	\$500	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 3/17/14
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$2,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 3/17/14
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:	1			

Comments: Cease and desist engaging in the business of a mortgage broker or loan originator

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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:

RICHMAN AND ASSOCIATES, INC., and
JIM RICHMAN;

Respondents.

No.: C-09-482-14-CO01

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 Richman and Associates, Inc. (Respondent Richman and Associates), and Jim Richman (Respondent Richman), 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 the 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-09-482-13-SC01 (Statement of Charges), entered March 28, 2013, (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.

Based upon the foregoing:

CONSENT ORDER
C-09-482-14-CO01
RICHMAN AND ASSOCIATES, INC.
JIM RICHMAN

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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
2 of the activities discussed herein.

3 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
4 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached
6 herein. Accordingly, Respondents, by the signatures below, withdraw their appeal to the Office of
7 Administrative Hearings.

8 C. **Cease and Desist.** It is AGREED that Respondents shall cease and desist from engaging
9 in the business of a mortgage broker or loan originator.

10 D. **Prohibition from Industry.** It is AGREED that, for a period of ten years from the date of
11 entry of this Consent Order, Respondents are prohibited from participating, in any capacity, in the
12 conduct of the affairs of any mortgage broker licensed by the Department or subject to licensure or
13 regulation by the Department.

14 E. **Restitution.** It is AGREED that Respondents shall pay restitution in the amount of
15 \$2,000 to the consumer identified in Exhibit A, attached hereto and incorporated into this Consent
16 Order by this reference.

17 F. **Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
18 consent of any person or entity not a party to this Consent Order to take any action concerning their
19 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent
20 Order, this Consent Order does not limit or create any private rights or remedies against Respondents,
21 limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

1 **G. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
2 investigation fee of \$500 in the form of a cashier's check made payable to the "Washington State
3 Treasurer" upon entry of this Consent Order.

4 **H. Authority to Execute Order.** It is AGREED that the undersigned have represented and
5 warranted that they have the full power and right to execute this Consent Order on behalf of the
6 parties represented.

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

11 **J. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this
12 Consent Order, which is effective when signed by the Director's designee.

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

15 **RESPONDENTS:**

16 **Richman and Associates, Inc.**

17 By:

18 
19 Jim Richman

20 2-28-14
Date

21 
22 Jim Richman
23 Individually

24 2-28-14
Date

DO NOT WRITE BELOW THIS LINE

1 THIS ORDER ENTERED THIS 17th DAY OF March, 2014.



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

7 Presented by:



9 Robert E. Jones
Financial Legal Examiner

10 Approved by:



13 Charles E. Clark
Enforcement Chief

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RESTITUTION

Borrower

Amount



\$2,000.00

TOTAL \$2,000.00

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 DIVISION OF CONSUMER SERVICES

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

5 RICHMAN AND ASSOCIATES, INC. and
6 JIM RICHMAN;

7 Respondents.

No. C-09-482-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST
BUSINESS, PROHIBIT FROM
INDUSTRY, ORDER RESTITUTION,
IMPOSE FINE, AND COLLECT
INVESTIGATION FEE

8 INTRODUCTION

9 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial
10 Institutions of the State of Washington (Director) is responsible for the administration of chapter
11 19.146 RCW, the Mortgage Broker Practices (Act). After having conducted an investigation pursuant
12 to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the
13 Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes
14 this proceeding and finds as follows:

15 I. FACTUAL ALLEGATIONS

16 1.1 Respondents.

17 A. **Richman and Associates, Inc. (Respondent Richman and Associates)** has never been
18 licensed by the Department of Financial Institutions of the State of Washington (Department) to
19 conduct business as a mortgage broker or loan originator.

20 B. **Jim Richman (Respondent Richman)** is President of Richman and Associates. During
21 the relevant time period, Respondent Richman was not licensed by the Department to conduct business
22 as a mortgage broker or loan originator.

23 1.2 **Unlicensed Activity.** Between at least November 4, 2008 and the date of this Statement of
24 Charges, Respondents were offering residential mortgage loan modification services to Washington

1 consumers on property located in Washington State. Respondents entered into a contractual
2 relationship with at least 2 Washington consumers to provide those services and collected an advance
3 fee for the provision of those services. The Department has received at least 2 complaints from
4 Washington consumers alleging Respondents provided or offered to provide residential mortgage loan
5 modification services while not licensed by the Department to provide those services. A list of
6 Washington consumers with whom Respondents conducted business as a mortgage broker or loan
7 originator, and the amount paid by each is appended hereto and incorporated herein by reference.

8 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to
9 provide the residential mortgage loan modification services or omitted disclosing that they were not
10 licensed to provide those services.

11 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the
12 Act by Respondents continues to date.

13 II. GROUNDS FOR ENTRY OF ORDER

14 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
15 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of
16 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan
17 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person
18 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a
19 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among
20 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan packages...."

21 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a
22 natural person who for direct or indirect compensation or gain, or in the expectation of direct or
23 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;

1 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform
2 any of these activities.

3 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
4 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice
5 toward any person and obtaining property by fraud or misrepresentation.

6 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
7 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)
8 for engaging in the business of a mortgage broker for Washington residents or property without first
9 obtaining a license to do so.

10 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
11 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)
12 for engaging in the business of a loan originator without first obtaining and maintaining a license.

13 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
14 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a
15 location that is on file with and readily available to the Department until at least twenty-five months
16 have elapsed following the effective period to which the books and records relate.

17 III. AUTHORITY TO IMPOSE SANCTIONS

18 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
19 Director may issue orders directing any person subject to the Act to cease and desist from conducting
20 business.

21 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
22 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
23 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or
24 (13), or RCW 19.146.200.

1 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
2 restitution against any person subject to the Act for any violation of the Act.

3 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
4 against any person subject to the Act for any violation of the Act.

5 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
6 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
7 to an investigation of any person subject to the Act.

8 **IV. NOTICE OF INTENT TO ENTER ORDER**

9 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as
10 set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,
11 and RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

12 **4.1** Respondents cease and desist engaging in the business of a mortgage broker or loan originator.

13 **4.2** Respondents be prohibited from participation, in any manner, in the conduct of the affairs of
14 any mortgage broker subject to licensure by the Director for a period of five years.

15 **4.3** Respondents jointly and severally pay restitution to the 2 consumers identified by the
16 Department in paragraph 1.2 in the amount set forth in Appendix A, and that Respondents
17 jointly and severally pay restitution to each Washington consumer with whom they entered into
18 a contract for residential mortgage loan modification services related to real property or
19 consumers located in the state of Washington equal to the amount collected from that
20 Washington consumer for those services in an amount to be determined at hearing.

21 **4.4** Respondents jointly and severally pay a fine, which as of the date of this Statement of Charges
22 totals \$6,000.

23 **4.5** Respondents jointly and severally pay an investigation fee, which as of the date of this
24 Statement of Charges totals \$1,209.60.

4.6 Respondents maintain records in compliance with the Act and provide the Department with the
location of the books, records and other information relating to Respondents' provision of
residential mortgage loan modification services in Washington, and the name, address and
telephone number of the individual responsible for maintenance of such records in compliance
with the Act.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
3 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05
4 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as
5 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6 accompanying this Statement of Charges.

7 Dated this 28th day of March, 2013.



13 
14 _____
15 DEBORAH BORTNER
16 Director, Division of Consumer Services
17 Department of Financial Institutions

18 Presented by:

19 
20 _____
21 ROBERT E. JONES
22 Financial Legal Examiner

23 Approved by:

24 

CHARLES E. CLARK
Enforcement Chief

RESTITUTION

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Borrower

Amount

H.S.

\$2,300.00

H.C.

\$2,000.00

TOTAL \$4,300.00