

## ORDER SUMMARY – Case Number: C-10-348

**Name(s):** Manzana, Inc., d/b/a Tustin Law Center  
Thomas George Key

**Order Number:** C-10-348-13-CO01

**Effective Date:** June 5, 2013

**License Number:** UNLICENSED

**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  
 If applicable, you must specifically note the ending dates of terms.

**License Effect:** N/A

**Not Apply Until:** Shall never apply to the Department for any license

**Not Eligible Until:** N/A

**Prohibition/Ban Until:** Permanent prohibition from MB and CL industry

<b>Investigation Costs</b>	\$300	Due upon entry	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 06-04-13
<b>Fine</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$2,250	Due: per CA Bar Order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:		1		

**Comments:**  
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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:

No.: C-10-348-13-CO01

CONSENT ORDER

5 MANZANA, INC.,  
D/B/A TUSTIN LAW CENTER, and  
6 THOMAS GEORGE KEY, Director,

7 Respondents.

8 COMES NOW the Director of the Department of Financial Institutions (Director), through his  
9 designee Deborah Bortner, Division Director, Division of Consumer Services, and Manzana, Inc.,  
10 d/b/a Tustin Law Center (Respondent Manzana), and Thomas George Key (Respondent Key), and  
11 finding that the issues raised in the above-captioned matter may be economically and efficiently  
12 settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter  
13 19.146 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative  
14 Procedure Act, based on the following:

15 **AGREEMENT AND ORDER**

16  
17 The Department of Financial Institutions, Division of Consumer Services (Department) and  
18 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges  
19 No. C-10-348-12-SC01 (Statement of Charges), entered September 27, 2012, (copy attached hereto).  
20 Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and RCW 34.05.060 of  
21 the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this  
22 Consent Order and further agree that the issues raised in the above-captioned matter may be  
23 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent  
Order to fully resolve the Statement of Charges.

1 Based upon the foregoing:

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

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

9 C. **Admissions.** It is AGREED that Respondents admit to the following facts.

- 10 • Respondent Manzana has never been licensed by the Department to conduct the  
11 business of a mortgage broker.
- 12 • Respondent Key has never been licensed by the Department to conduct the business of  
13 a mortgage broker or loan originator.
- 14 • Respondent Key has never been licensed to practice law in the state of Washington.
- 15 • From at least in or around May 2009 through at least in or around September 2009,  
16 Respondents offered to provide Consumer [REDACTED], located in the state of Washington,  
with residential mortgage loan modification services related to a residential mortgage  
loan secured by real property located in the state of Washington, and collected \$2,250  
in advance fees from Consumer [REDACTED]

17 D. **Mortgage Broker Activity.** It is AGREED that Respondents shall cease and desist from  
18 conducting the business of a mortgage broker without obtaining and maintaining a mortgage broker  
19 license or qualifying for an exemption from licensure under the Act.

20 E. **Loan Originator Activity.** It is AGREED that Respondent Key shall cease and desist  
21 from conducting the business of a loan originator without obtaining and maintaining a loan originator  
22 license or qualifying for an exemption from licensure under the Act.

1           **F. Prohibition from Industry.** It is AGREED that Respondents are permanently prohibited  
2 from participating, in any manner, in the conduct of the affairs of any mortgage broker or consumer  
3 loan company licensed by the Department or subject to licensure or regulation by the Department.

4           **G. Application for License.** It is AGREED that Respondents shall never apply to the  
5 Department for any license under any name or on behalf of any person.

6           **H. Restitution.** It is AGREED that Respondents owe and shall pay restitution totaling  
7 \$2,250 to Consumer [REDACTED]. It is further AGREED that Respondent Key has agreed with the State Bar  
8 of California to pay this same \$2,250 restitution to this same consumer pursuant to a stipulation  
9 entered in State Bar Court of California case number 09-O-19370 in or around October 2011. Upon  
10 payment of this restitution to this consumer, Respondent shall notify the Department of such payment  
11 in writing and provide the Department with written proof of payment consisting of a copy of the  
12 cashier's check or a copy of the front and back of the cancelled check.

13           **I. Declaration of Financial Condition.** It is AGREED that Respondents have provided the  
14 Department with Declarations comprehensively describing their current financial condition and  
15 representing their current inability to pay the restitution, fine, and investigation fee sought in the  
16 Statement of Charges. It is further AGREED that, based on these Declarations, the Department has  
17 agreed to enter this Consent Order with a reduced fine and with no investigation fee on Respondents  
18 and without requiring the payment of restitution prior to entry of this Consent Order. Nothing in this  
19 paragraph shall be construed as relieving Respondents from the obligation to pay the \$2,250  
20 restitution described in paragraph H of this Consent Order.

21           **J. Investigation Fee.** It is AGREED that Respondents shall jointly and severally pay to the  
22 Department an investigation fee of \$300 in the form of a cashier's check payable to the "Washington  
23 State Treasurer" upon entry of this Consent Order.

1           **K. Records Retention.** It is AGREED that Respondents shall maintain records in  
2 compliance with the Act and provide the Director with the location of the books, records and other  
3 information relating to Respondents' mortgage broker business, and the name, address and telephone  
4 number of the individual responsible for maintenance of such records in compliance with the Act.

5           **L. Authority to Execute Order.** It is AGREED that the undersigned has represented and  
6 warranted that he has the full power and right to execute this Consent Order on behalf of the party  
7 represented.

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

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

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

16 **RESPONDENTS:**

17 **Manzana, Inc.**

18 By:

19 /S/  
Thomas George Key  
20 Director

5/30/2013  
Date

21 /S/  
22 Thomas George Key  
23 Individually

5/30/2013  
Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 5<sup>th</sup> DAY OF June, 2013

/S/ \_\_\_\_\_  
DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

/S/ \_\_\_\_\_  
STEVEN C. SHERMAN  
Financial Legal Examiner Supervisor

Approved by:

/S/ \_\_\_\_\_  
CHARLES E. CLARK  
Enforcement Chief



1 the state of Washington with residential mortgage loan modification services related to a residential  
2 mortgage loan secured by real property located in the state of Washington, and collected at least  
3 \$2,250 in advance fees from at least Consumer [REDACTED]

4 **1.4 Prohibited Acts.** The Department has received a complaint from Consumer [REDACTED] alleging  
5 Respondents did not provide residential mortgage loan modification services to Consumer [REDACTED]  
6 satisfaction and did not refund the advance fee Consumer [REDACTED] had paid to Respondents.

7 **1.5 Misrepresentations and Omissions.** Respondents omitted disclosing to consumers in the  
8 state of Washington that Respondents were neither licensed to provide residential mortgage loan  
9 modification services in the state of Washington nor exempt from licensing.

10 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the  
11 Act by Respondents continues to date.

## 12 II. GROUNDS FOR ENTRY OF ORDER

13 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,  
14 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of  
15 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage  
16 loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to  
17 obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a person "'assists a person in  
18 obtaining or applying to obtain a residential mortgage loan' by, among other things, counseling on  
19 loan terms (rates, fees, other costs), [and] preparing loan packages...."

20 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a  
21 natural person who for direct or indirect compensation or gain, or in the expectation of direct or  
22 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;  
23 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform  
24 any of these activities.



1 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
2 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice  
3 toward any person and obtaining property by fraud or misrepresentation.

4 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
5 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
6 for engaging in the business of a mortgage broker without first obtaining and maintaining a license  
7 under the Act.

8 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
9 Allegations set forth in Section I above, Respondent Key is in apparent violation of RCW  
10 19.146.200(1) for engaging in the business of a loan originator without first obtaining and maintaining  
11 a license under the Act.

12 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
13 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
14 location that is on file with and readily available to the Department until at least twenty-five months  
15 have elapsed following the effective period to which the books and records relate.

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1 **III. AUTHORITY TO ORDER PRODUCTION OF RECORDS**

2 **3.1 Authority to Order Production of Records.** Pursuant to RCW 19.146.223, RCW 19.146.  
3 235(2), and WAC 208-660-520, the Director may issue orders directing any person to produce books,  
4 accounts, records, files, and any other documents the director or designated person deems relevant to  
5 an investigation.

6 **IV. AUTHORITY TO IMPOSE SANCTIONS**

7 **4.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the  
8 Director may issue orders directing any person subject to the Act to cease and desist from conducting  
9 business.

10 **4.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may  
11 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker  
12 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or  
13 (13), or RCW 19.146.200.

14 **4.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order  
15 restitution against any person subject to the Act for any violation of the Act.

16 **4.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
17 against any person subject to the Act for any violation of the Act. Pursuant to RCW 19.146.220(3),  
18 the Director may impose fines on any person subject to the Act for any violations of RCW  
19 19.146.0201(1) through (9) or (13), or RCW 19.146.200.

20 **4.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-  
21 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted  
22 to an investigation of any person subject to the Act.

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1 **V. NOTICE OF INTENT TO ENTER ORDER**

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

- 5 **5.1** Respondents Manzana, Inc., D/B/A Tustin Law Center and Thomas George Key cease and  
6 desist engaging in the business of a mortgage broker without obtaining and maintaining a  
7 mortgage broker license from the Department or qualifying for an exemption from licensure  
8 under the Act.
- 9 **5.2** Respondent Thomas George Key cease and desist engaging in the business of a loan originator  
10 without obtaining and maintaining a loan originator license from the Department or qualifying  
11 for an exemption from licensure under the Act.
- 12 **5.3** Respondents Manzana, Inc., D/B/A Tustin Law Center and Thomas George Key provide the  
13 Department with a complete list of all transactions in which Respondents provided or offered  
14 to provide residential mortgage loan modification services related to real property or  
15 consumers located in the state of Washington. This list must include each consumer's name,  
16 address, and telephone number, the date of the transaction, and the total fees collected by  
17 Respondents from each consumer for the provision of those services.
- 18 **5.4** Respondents Manzana, Inc., D/B/A Tustin Law Center and Thomas George Key be prohibited  
19 from participation in the conduct of the affairs of any licensed mortgage broker, in any manner,  
20 for a period of five years.
- 21 **5.5** Respondents Manzana, Inc., D/B/A Tustin Law Center and Thomas George Key jointly and  
22 severally pay restitution totaling the amount collected from all consumers for residential  
23 mortgage loan modification services related to real property or consumers located in the state  
24 of Washington, including at least \$2,250 to Consumer [REDACTED]
- 5.6** Respondents Manzana, Inc., D/B/A Tustin Law Center and Thomas George Key jointly and  
severally pay a fine of \$3,000 for each transaction in which Respondents provided or offered  
to provide residential mortgage loan modification services related to real property or  
consumers located in the state of Washington. As of the date of this Statement of Charges, the  
fine totals \$3,000.
- 5.7** Respondents Manzana, Inc., D/B/A Tustin Law Center and Thomas George Key jointly and  
severally pay an investigation fee. As of the date of this Statement of Charges, the  
investigation fee totals \$1,104.
- 5.8** Respondents Manzana, Inc., D/B/A Tustin Law Center and Thomas George Key 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.

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**VI. AUTHORITY AND PROCEDURE**

This 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.

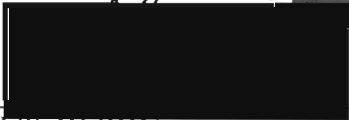
Dated this 27<sup>th</sup> day of September, 2012.



DEBORAH BORTNER  
Director, Division of Consumer Services  
Department of Financial Institutions



Presented by:



MARK T. OLSON  
Financial Legal Examiner

Approved by:



CHARLES E. CLARK  
Enforcement Chief