

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

**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:

MORTGAGE MODIFICATION LAW GROUP
APC, and PATRICK DRURY, President,

Respondents.

No.: C-10-349-11-FO01

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 January 6, 2011, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to 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 January 7, 2011, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondent Mortgage Modification Law Group APC and Respondent Patrick Drury (collectively Respondents). The Department served the Statement of Charges, cover letter, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing on Respondents on January 7, 2011, by United States Postal Service First-Class mail (First-Class mail) and Federal Express overnight delivery. On January 11, 2011, the documents sent via Federal Express overnight delivery were delivered. The

1 documents sent via First-Class mail were not returned to the Department by the United States Postal
2 Service.

3 Respondents did not request an adjudicative hearing within twenty calendar days after the
4 Department served them with the Notice of Opportunity to Defend and Opportunity for Hearing, as
5 provided for in WAC 208-08-050(2).

6 B. Record Presented. The record presented to the Director's designee for her review and
7 for entry of a final decision included the following: Statement of Charges, cover letter, Notice of
8 Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative
9 Hearing for Respondents, with documentation for service.

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

12 II. FINAL ORDER

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

15 A. IT IS HEREBY ORDERED, That:

- 16 1. Respondents Mortgage Modification Law Group APC and Patrick Drury are
17 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;
- 18 2. Respondents Mortgage Modification Law Group APC and Patrick Drury jointly
19 and severally pay a fine of \$4,500;
- 20 3. Respondents Mortgage Modification Law Group APC and Patrick Drury jointly
21 and severally pay restitution in the amount of \$2,995 to the consumer identified in
the attached restitution schedule (herein incorporated by reference);
- 22 4. Respondents Mortgage Modification Law Group APC and Patrick Drury jointly
and severally pay an investigation fee of \$672;
- 23 5. Respondents Mortgage Modification Law Group APC and Patrick Drury maintain
24 records in compliance with the Act and provide the Director with the location of

1 the books, records, and other information relating to Respondents' business, and
2 the names, address, and telephone number of the individual responsible for
3 maintenance of such records in compliance with the Act.

4 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
5 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
6 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
7 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
8 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
9 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
10 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

20 E. Non-compliance with Order. If you do not comply with the terms of this order, the
21 Department may seek its enforcement by the Office of the Attorney General to include the collection
22 of the fines, restitution, and fees imposed herein. The Department also may assign the amounts owed
23 to a collection agency for collection.

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

4 DATED this 8th day of March, 2011



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

8 

9 DEBORAH BORTNER
10 Director
11 Division of Consumer Services

1
2
3
4
5
6
7
8

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

9
10
11
12
13
14

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

NO. C-10-349-10-SC01

MORTGAGE MODIFICATION LAW GROUP
APC, and PATRICK DRURY, President,

Respondents.

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

15
16
17
18
19
20
21
22
23
24
25

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). 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. **Mortgage Modification Law Group APC (Respondent Mortgage Modification)** is located at 800 North Rainbow Blvd, Suite 100, Las Vegas, Nevada, 89107. Respondent Mortgage Modification has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker.

B. **Patrick Drury (Respondent Drury)** is President of Respondent Mortgage Modification. Respondent Drury has never been licensed by the Department to engage in the business of a mortgage broker or loan originator.

1.2 Unlicensed Activity. Between at least August 1, 2010, and the date of this Statement of Charges, Respondents held themselves out as able to assist at least one consumer in applying to obtain a loan

1 modification on a property located in Washington state. The consumer involved in the loan modification paid
2 fees to Respondents totaling at least \$2,995.

3 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
4 Respondents continues to date.

5 **II. GROUNDS FOR ENTRY OF ORDER**

6 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(14), "Mortgage Broker" means any
7 person who for compensation or gain, or in the expectation of compensation or gain (a) assists a person in
8 obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to
9 assist a person in obtaining or applying to obtain a residential mortgage loan.

10 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(11)(a), "Loan originator" means a
11 natural person who for direct or indirect compensation or gain, or in the expectation of direct or indirect
12 compensation or gain (i) takes a residential mortgage loan application for a mortgage broker, or (ii) offers or
13 negotiates terms of a mortgage loan. "Loan originator" also includes a person who holds themselves out to the
14 public as able to perform any of these activities. "Loan originator" does not mean persons performing purely
15 administrative or clerical tasks for a mortgage broker. For the purposes of this subsection, "administrative or
16 clerical tasks" means the receipt, collection, and distribution of information common for the processing of a
17 loan in the mortgage industry and communication with a borrower to obtain information necessary for the
18 processing of a loan. A person who holds himself or herself out to the public as able to obtain a loan is not
19 performing administrative or clerical tasks.

20 **2.3 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in Section
21 I above, Respondents are in apparent violation of RCW 19.146.0201(2) and (3) and RCW 19.146.200 for
22 engaging in the business of a mortgage broker or loan originator without first obtaining and maintaining a
23 license under the Act. Individuals or entities negotiating residential mortgage loan terms act as mortgage
24 brokers or loan originators and must be licensed under the Act unless specifically exempt from the Act.

25

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a) and (d), the Director
3 may issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
4 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage
5 broker or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9),
6 or RCW 19.146.200, or failure to comply with a directive or order of the Director.

7 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and (3) and WAC 208-660-530, the
8 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to
9 the Act for any violations of the Act, or any violations of RCW 19.146.0201(1) through (9), or RCW
10 19.146.200, or failure to comply with a directive or order of the Director.

11 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may issue orders directing
12 a licensee or other person subject to the Act to pay restitution.

13 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-550(4) and
14 WAC 208-660-520(9), upon completion of any investigation of the books and records of a licensee or other person
15 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover
16 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per
17 hour that each staff person devoted to the investigation.

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

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

23 **4.1** Respondents Mortgage Modification Law Group APC and Patrick Drury be prohibited from participation
24 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; and

25 **4.2** Respondents Mortgage Modification Law Group APC and Patrick Drury jointly and severally pay a fine,
which as of the date of these charges totals \$4,500; and

- 1
2
3
4
5
6
7
- 4.3 Respondents Mortgage Modification Law Group APC and Patrick Drury jointly and severally pay restitution of at least \$2,995 to the consumer identified in paragraph 1.2 above; and
 - 4.4 Respondents Mortgage Modification Law Group APC and Patrick Drury jointly and severally pay an investigation fee, which as of the date of these charges totals \$672 calculated at \$48 per hour for the fourteen (14) staff hours devoted to the investigation; and
 - 4.5 Respondents Mortgage Modification Law Group APC and Patrick Drury maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondents' business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

8
9

V. AUTHORITY AND PROCEDURE

10
11
12
13

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.

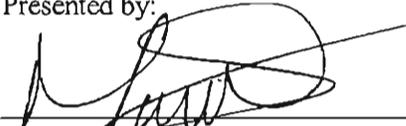
14
15
16

Dated this 6th day of January, 2011.

17
18
19


DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

20
21
22

Presented by:

MARNIE SHEERAN
Financial Legal Examiner

23
24
25

Approved by:

JAMES R. BRUSSELBACK
Enforcement Chief

