

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

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

No.: C-10-399-11-FO01

7 NATIONWIDE ASSOCIATES  
8 and  
9 GLADDIS GRIFFIS, Owner,

FINAL ORDER

Respondents.

10 I. DIRECTOR'S CONSIDERATION

11 A. Default. This matter has come before the Director of the Department of Financial  
12 Institutions of the State of Washington (Director), through his designee, Consumer Services Division  
13 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On March 1, 2011,  
14 the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention  
15 to Enter an Order to Prohibit from Industry, Impose Fine, Order Restitution, and Collect Investigation  
16 Fee (Statement of Charges) against Nationwide Associates and Gladdis Griffis (Respondents). A  
17 copy of the Statement of Charges is attached and incorporated into this order by this reference. The  
18 Statement of Charges was accompanied by a cover letter dated March 4, 2011, a Notice of  
19 Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative  
20 Hearing for Respondents (collectively, accompanying documents).

21 On March 4, 2011, the Department served Respondents with the Statement of Charges and  
22 accompanying documents, sent by First-Class mail and Federal Express overnight delivery. On  
23 March 8, 2011, the documents sent via Federal Express overnight delivery were delivered to an  
24 address confirmed by the United States Postal Service as the residence at which Respondent Griffis

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

3 Respondents did not request an adjudicative hearing within 20 calendar days after the  
4 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for  
5 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 Statement of Charges, cover letter dated March 4, 2011,  
8 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for  
9 Adjudicative Hearing for Nationwide Associates and Gladdis Griffis, with documentation of 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 Nationwide Associates and Gladdis Griffis are prohibited from  
17 participation in the conduct of the affairs of any mortgage broker subject to  
licensure by the Director, in any manner, for a period of 5 years.
- 18 2. Respondents Nationwide Associates and Gladdis Griffis jointly and severally pay  
19 a fine of \$20,000.
- 20 3. Respondents Nationwide Associates and Gladdis Griffis jointly and severally pay  
21 \$8,165.60 in restitution to borrower R.D.A.
- 22 4. Respondents Nationwide Associates and Gladdis Griffis jointly and severally pay  
23 an investigation fee of \$768.
- 24 5. Respondents Nationwide Associates and Gladdis Griffis, its officers, employees,  
and agents maintain records in compliance with chapter 19.146 RCW, the  
Mortgage Broker Practices Act (Act) and provide the Director with the location of

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

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

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

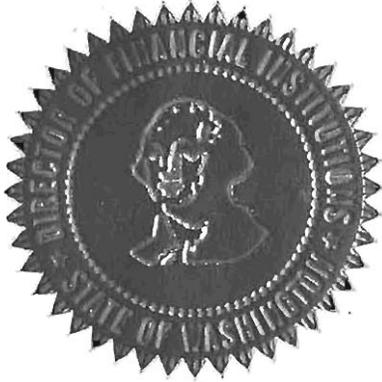
13 C. Stay of Order. The Director's designee has determined not to consider a Petition to  
14 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition  
15 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

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

19 E. Non-compliance with Order. If you do not comply with the terms of this order, the  
20 Department may seek its enforcement by the Office of the Attorney General to include the collection  
21 of the fine, investigation fee, and restitution imposed herein. The Department also may assign the  
22 amounts owed 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 22nd day of April, 2011



STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS



DEBORAH BORTNER  
Director  
Division of Consumer Services

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

4 IN THE MATTER OF DETERMINING  
5 Whether there has been a violation of the  
6 Mortgage Broker Practices Act of Washington by:  
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NATIONWIDE ASSOCIATES, and  
GLADDIS GRIFFIS, Owner,  
Respondents.

No. C-10-399-11-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO 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). After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of 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. **Nationwide Associates (Nationwide)** is an active sole proprietorship registered with the Washington Department of Revenue. Respondent Nationwide has never been licensed by the Washington Department of Financial Institutions (Department) to conduct business as a mortgage broker and has no known exemptions from licensing.

B. **Gladdis Griffis (Griffis)** is known to be the owner of Respondent Nationwide. Respondent Griffis was licensed by the Department as a loan originator in 2007, but has never renewed her license. At all times relevant to this Statement of Charges, Respondent Griffis was not licensed to conduct business as a loan originator.

1 **1.2 Unlicensed Activity.** Respondent Griffis and borrower R.D.A. were acquaintances from the  
2 same home-village in Mexico. In about December 2009, Respondent Griffis and R.D.A. became re-  
3 acquainted and Respondent Griffis represented that she was licensed to assist R.D.A. with the  
4 modification of his residential mortgage loan for property located in King County. On or about  
5 December 14, 2009, Respondent Griffis, doing business as Nationwide Associates, and R.D.A.  
6 entered into a contract for Respondent Griffis to obtain a loan modification for R.D.A. from the  
7 lender, CitiMortgage. The initial fee was \$1,872.54.

8 On or about September 29, 2010, the Department contacted Respondent Griffis concerning  
9 her unlicensed activity. On or about October 14, 2010, Respondent Griffis replied to the Department  
10 and admitted that she had not been licensed when she assisted R.D.A. with a residential mortgage  
11 loan modification.

12 **1.3 Prohibited Acts.** In March 2010, Respondent Griffis represented to R.D.A. that as part of the  
13 modification process she needed \$2,533 to pay the property taxes for R.D.A.'s home. On or about  
14 March 15, 2010, R.D.A. provided Respondent Griffis with three postal money orders totaling \$2,533  
15 made out to Nationwide Associates. Records obtained from the King County property tax records  
16 and from CitiMortgage, however, indicate that all taxes were paid by CitiMortgage, not Respondents  
17 Griffis or Nationwide. Further, CitiMortgage reported that it received no funds from or on behalf of  
18 R.D.A. in 2010.

19 In May 2010, Respondent Griffis represented to R.D.A. that as part of the modification  
20 process she needed \$3,760.06 to pay to CitiMortgage. On or about May 18, 2010, R.D.A. paid that  
21 amount to Respondent Griffis by personal check made out to Gladdis Griffis. CitiMortgage,  
22 however, reported that it received no funds from or on behalf of R.D.A. in 2010. R.D.A.'s residential  
23 mortgage loan was subsequently foreclosed.

1 **1.4 On-Going Investigation.** The Department's investigation into the alleged violations of the  
2 Act by Respondents continues to date.

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

4 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(14), "Mortgage Broker"  
5 means any person who, for compensation or gain, or in the expectation of compensation or gain (a)  
6 makes a residential mortgage loan or assists a person in obtaining or applying to obtain a residential  
7 mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or  
8 assist a person in obtaining or applying to obtain a residential mortgage loan.

9 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(11)(b), "Loan Originator"  
10 includes a natural person who for direct or indirect compensation or gain or in the expectation of  
11 direct or indirect compensation or gain performs residential mortgage loan modification services or  
12 holds himself or herself out as being able to perform residential mortgage loan modification services.

13 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(3), a "Borrower" is defined as any  
14 person who consults with or retains a mortgage broker or loan originator in an effort to obtain or seek  
15 advice or information on obtaining or applying to obtain a residential mortgage loan for himself,  
16 herself, or persons including himself or herself, regardless of whether the person actually obtains  
17 such a loan.

18 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on Factual  
19 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
20 for engaging in the business of a mortgage broker without first obtaining and maintaining a license  
21 under the Act.

22 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
23 Allegations set forth in Section I above, Respondent Griffis is in apparent violation of RCW

1 19.146.200(1) for engaging in the business of a loan originator without first obtaining and  
2 maintaining a loan originator license under the Act.

3 **2.6 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
4 are in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a  
5 scheme, device, or artifice to defraud or mislead borrowers or lenders or any person, engaging in an  
6 unfair or deceptive practice toward any person, and obtaining property by fraud or misrepresentation.

### 7 III. AUTHORITY TO IMPOSE SANCTIONS

8 **3.1 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may  
9 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker,  
10 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9)  
11 or RCW 19.146.200.

12 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), the Director may impose  
13 fines on any person subject to the Act for any violation of the Act.

14 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2)(e), the Director may issue  
15 orders directing any person subject to the Act to pay restitution for any violation of the Act.

16 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-  
17 550, the Department may collect the costs of investigation. The investigation charge will be calculated  
18 at the rate of \$48 per hour that each examiner devoted to the investigation.

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

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

6 **4.1** Respondents Nationwide Associates and Gladdis Griffis be prohibited from participation in  
7 the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner,  
8 for a period of five years.

9 **4.2** Respondents Nationwide Associates and Gladdis Griffis jointly and severally pay a fine  
10 which as of the date of this Statement of Charges totals \$20,000.

11 **4.3** Respondents Nationwide Associates and Gladdis Griffis jointly and severally pay restitution  
12 totaling \$8,165.60 to borrower R.D.A.

13 **4.4** Respondents Nationwide Associates and Gladdis Griffis jointly and severally pay an  
14 investigation fee which as of the date of this Statement of Charges totals \$768, calculated at \$48 per  
15 hour for 16 examiner hours to date.

16 **4.5** Respondents Nationwide Associates and Gladdis Griffis maintain records in compliance with  
17 the Act and provide the Department with the location of the books, records and other information  
18 relating to Respondents' mortgage broker business, and the name, address, and telephone number of  
19 the individual responsible for maintenance of such records in compliance with the Act.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Prohibit from  
3 Industry, Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of Charges) is  
4 entered pursuant to the provisions of RCW 19.146.220, RCW 221, RCW 19.146.223, and RCW  
5 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure  
6 Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF  
7 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this  
8 Statement of Charges.

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10 Dated this 1<sup>st</sup> day of March, 2011.



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

17 Presented by:

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19 STEVEN C. SHERMAN  
20 Financial Legal Examiner

21 Approved by:

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23 JAMES R. BRUSSELBACK  
24 Enforcement Chief