

ORDER SUMMARY – Case Number: C-11-0742

Name(s): Metropolitan Mortgage Group Inc; Anthony E Stetler

Order Number: C-11-0742-13-CO04

Effective Date: April 10, 2013

License Number: Metropolitan: DFI: 24707 NMLS ID: #2661
Stetler: DFI 25002 NMLS #65624

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: Metropolitan – Revocation stayed for 2 years

Stetler - none

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$1,416	Due:	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 04/09/13
Fine	\$25,000	Due:	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 04/09/13
Assessment(s)	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N n/a		
No. of Victims:				

Comments: Respondents have 90 days to replace Stetler as DB. Thereafter, Stetler is prohibited from acting as DB or compliance officer for 5 years.

1
2
3
4
5
6
7
8
9
10

**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:

METROPOLITAN MORTGAGE GROUP,
INC.,
ANTHONY E. STETLER, Owner and
Designated Broker,
BROCK R. STRICKLAND, Loan Originator,
KOREY J. PISHA, Loan Originator,
SEAN M. STRAUB, Loan Originator, and
AARON WILLIAMS, Unlicensed Loan
Originator,
Respondents.

No.: C-11-0742-13-CO04

CONSENT ORDER RE:
METROPOLITAN MORTGAGE GROUP,
INC., NMLS #2661, and
ANTHONY E. STETLER, NMLS #65624

11
12
13
14
15
16
17
18

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Deborah Bortner, Division Director, Division of Consumer Services, and Metropolitan
Mortgage Group, Inc. (Respondent Metropolitan) and Anthony E. Stetler, Owner and Designated
Broker (Respondent Stetler), 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:

19
20

AGREEMENT AND ORDER

21
22
23
24

The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondents Metropolitan and Stetler have agreed upon a basis for resolution of the matters alleged
in Statement of Charges No. C-11-0742-11-SC01 (Statement of Charges), entered January 12, 2012
(copy attached hereto) solely as related to Respondents Metropolitan and Stetler. Pursuant to chapter
19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative

1 Procedure Act, Respondents Metropolitan and Stetler hereby agree to the Department's entry of this
2 Consent Order and further agree that the issues raised in the above-captioned matter may be
3 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent
4 Order to fully resolve the Statement of Charges solely as related to Respondents Metropolitan and
5 Stetler. Respondents Metropolitan and Stetler are agreeing not to further contest the Statement of
6 Charges in consideration of the terms of this Consent Order.

7 Based upon the foregoing:

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

10 B. **Waiver of Hearing.** It is AGREED that Respondents Metropolitan and Stetler have been
11 informed of the right to a hearing before an administrative law judge, and hereby waive their right to
12 a hearing and any and all administrative and judicial review of the issues raised in this matter, or of
13 the resolution reached herein. Accordingly, Respondents Metropolitan and Stetler, by the signatures
14 below, withdraw their application for an adjudicative hearing on the Statement of Charges before the
15 Office of Administrative Hearings.

16 C. **No Admission of Liability.** It is AGREED that Respondents Metropolitan and Stetler do
17 not admit to any wrongdoing by entry of this Consent Order.

18 D. **Stayed License Revocation.** It is AGREED that Respondent Metropolitan's license to
19 conduct business as a mortgage broker is subject to revocation. It is further AGREED that said
20 revocation shall be stayed for a period of two (2) years, and that Respondent Metropolitan shall be
21 subject to compliance examinations during the two (2) year stayed revocation to be conducted by the
22 Department at the Department's discretion and pursuant to the requirements of WAC 208-660-510
23 (not to exceed one compliance examination per calendar year). Respondents Metropolitan and Stetler
24 AGREE to pay all costs associated with these examinations within 30 days of receipt of an invoice.

1 Respondents Metropolitan and Stetler further AGREE to promptly respond to and address any and all
2 issues, if any, identified in the compliance examinations to the satisfaction of the Department. It is
3 further AGREED that if the Department does not seek to lift the stay and impose the revocation
4 within the two (2) year stay period, said revocation will be deemed withdrawn without further action
5 being required by either party.

6 **E. Lifting of Stay and Imposing Revocation.** It is AGREED that:

- 7 1. If as a result of either compliance examination set forth above the Department
8 determines that Respondent Metropolitan has not complied with the Act to a
9 degree sufficient to warrant revocation, and the Department accordingly seeks to
10 lift the stay and impose the revocation set forth in section D above, the Department
11 will first notify Respondent Metropolitan in writing of its determination.
- 12 2. The Department's notification will include:
 - 13 a) A description of the alleged noncompliance;
 - 14 b) A statement that because of the noncompliance, the Department seeks
15 to lift the stay and impose the revocation;
 - 16 c) The opportunity for Respondent Metropolitan to contest the
17 Department's determination of noncompliance in an administrative
18 hearing before an ALJ of OAH; and
 - 19 d) A copy of this Consent Order. The notification and hearing process
20 provided in this Consent Order applies only to this Consent Order. It is
21 solely provided in the event Respondent Metropolitan chooses to
22 contest the Department's determination of noncompliance.
- 23 3. Respondent Metropolitan will be afforded ten (10) business days from the date of
24 receipt of the Department's notification to submit a written request to the
Department for an administrative hearing to be held before an Administrative Law
Judge (ALJ) from the Office of Administrative Hearings (OAH).
4. Respondent Metropolitan, in addition to its request for hearing, may provide a
written response to include any information pertaining to the alleged
noncompliance.
5. The administrative hearing shall be expedited and follow the timing and processes
described in this Consent Order.

1 Stetler may pay the fine and investigation fee in the form of a single cashier's check in the amount of
2 \$26,416 made payable to the "Washington State Treasurer."

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

6 J. **Non-Compliance with Order.** It is AGREED that Respondents Metropolitan and Stetler
7 understand that failure to abide by the terms and conditions of this Consent Order may result in
8 further legal action by the Director. Respondents Metropolitan and Stetler acknowledge that the
9 Director may seek to recover the cost incurred in pursuing such action, including but not limited to,
10 attorney fees.

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

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

17
18 **RESPONDENTS:**

19 **Metropolitan Mortgage Group, Inc.**

20 By:

21 /s/
Anthony E. Stetler
22 President

21 4/8/2013
Date

1 **Anthony E. Stetler**

2
3 /s/
Anthony E. Stetler
Individually

4/8/2013
Date

4 Approved for Entry:

5
6 /s/
Andrew G. Yates, WSBA #34239
7 Lane Powell PC
Attorney for Respondents

4/10/2013
Date

8 **DO NOT WRITE BELOW THIS LINE**

9 THIS ORDER ENTERED THIS 10th DAY OF April, 2013

10
11 /s/
12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services
Department of Financial Institutions

15 Presented by:

16 /s/
17 Steven C. Sherman
Financial Legal Examiner Supervisor

18 Approved by:

19
20 /s/
21 Charles E. Clark
Enforcement Chief

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:

METROPOLITAN MORTGAGE GROUP,
INC.,
ANTHONY E. STETLER, Owner and
Designated Broker,
BROCK R. STRICKLAND, Loan Originator,
KOREY J. PISHA, Loan Originator,
SEAN M. STRAUB, Loan Originator, and
AARON WILLIAMS, Unlicensed Loan
Originator,

Respondents.

No. C-11-0742-11-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO REVOKE LICENSES,
PROHIBIT FROM INDUSTRY, ORDER
RESTITUTION, IMPOSE FINES, 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)¹. 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. **Metropolitan Mortgage Group, Inc. (Metropolitan)** was licensed by the
Department of Financial Institutions of the State of Washington (Department) to conduct business as

¹ RCW 19.146 (2007)
STATEMENT OF CHARGES
C-11-0742-11-SC01
Metropolitan Mortgage Group, Inc.
Anthony E. Stetler
Brock R. Strickland
Korey J. Pisha
Sean M. Straub
Aaron Williams

1 a mortgage broker from on or about July 28, 2003, to on or about December 31, 2009. Respondent
2 Metropolitan was re-licensed to conduct business as a mortgage broker on or about June 7, 2010, and
3 continues to be licensed to date.² Respondent Metropolitan is licensed to conduct business from its
4 main office at 811 Kirkland Avenue, Suite 201, Kirkland, Washington, and from eight branch
5 locations in Washington.

6 B. **Anthony E. Stetler (Stetler)** is Owner and Designated Broker of Respondent
7 Metropolitan. Respondent Stetler was named Designated Broker of Respondent Metropolitan on or
8 about July 28, 2003, and continues to be Designated Broker to date.

9 C. **Brock R. Strickland (Strickland)** was licensed by the Department to conduct
10 business as a loan originator on or about April 11, 2007, and continues to be licensed to date.
11 Respondent Strickland conducted business as a loan originator for Respondent Metropolitan at all
12 times relevant to the conduct by Respondent Strickland alleged in this Statement of Charges.

13 D. **Korey J. Pisha (Pisha)** was licensed by the Department to conduct business as a
14 loan originator on or about March 8, 2007, and continues to be licensed to date. Respondent Pisha
15 conducted business as a loan originator for Respondent Metropolitan at all times relevant to the
16 conduct by Respondent Pisha alleged in this Statement of Charges.

17 E. **Sean M. Straub (Straub)** was licensed by the Department to conduct business as a
18 loan originator on or about May 16, 2007, and continues to be licensed to date. Respondent Straub
19 conducted business as a loan originator for Respondent Metropolitan at all times relevant to the
20 conduct by Respondent Straub alleged in this Statement of Charges.

21
22
23 ² Respondent Metropolitan was licensed by the Department as a consumer lender from on or about December 31, 2009,
to on or about May 24, 2011.

1 F. **Aaron Williams (Williams)** has never been licensed by the Department for any
2 purpose. Respondent Williams conducted business as a loan originator for Respondent Metropolitan
3 at all times relevant to the conduct by Respondent Williams alleged in this Statement of Charges.

4 **1.2 Examination.** From about April 13, 2009, to about April 17, 2009, as part of an ongoing
5 investigation, the Department examined the books and records of Respondent Metropolitan for the
6 period of April 1, 2007, through March 31, 2009. The Department examined 91 residential
7 mortgage loan files.

8 **1.3 Misrepresentation of Borrower Information.** In 17 loans (involving at least 8 different
9 borrowers), Respondent Metropolitan's loan originators misrepresented the occupancy status or the
10 borrower's income, or both, or omitted certain other relevant information on applications submitted
11 to lenders.³

12 A. On or about December 8, 2008, borrower █████ applied with Respondent Metropolitan to
13 refinance a residence on McDougall Avenue in Everett. On the same day, █████ applied
14 with Respondent Metropolitan to purchase a residence on Grand Avenue in Everett.
15 Respondent Strickland prepared both applications and stated on each that the residence
16 would be █████'s primary residence. On the Grand Avenue application, however, the
17 McDougall Avenue residence was listed as a rental property. Additionally, Respondent
18 Strickland stated on the McDougall Avenue application that █████'s gross monthly income
19 was \$3,950 and that the co-borrower's gross monthly income was \$2,500, but stated on
20 the Grand Avenue application that █████'s total gross monthly income was \$3,991 and the
21 co-borrower's gross monthly income was \$2,650.58. The refinance loan subsequently
22

23 ³ All residences are located in Washington.

1 closed with American Mortgage Network on or about January 12, 2009, and the purchase
2 loan subsequently closed with Washington Federal Savings on or about February 6, 2009.

3 **B.** On or about April 13, 2007, borrower [REDACTED] applied with Respondent Metropolitan to
4 refinance a residence in Marysville. Respondent Strickland prepared the application and
5 stated that the residence was to be [REDACTED]'s primary residence. On the same day,
6 Respondent Strickland, acting as a real estate agent for [REDACTED], assisted [REDACTED] with a
7 Residential Real Estate Purchase and Sale Agreement for the purchase of a residence in
8 Granite Falls. On or about May 14, 2007, the refinance loan on the Marysville residence
9 closed with Washington Mutual Bank as owner occupied. The same day, Respondent
10 Strickland prepared an application for [REDACTED] to purchase the Granite Falls residence as a
11 primary residence and listed the Marysville residence as a rental. The Granite Falls
12 purchase subsequently closed with Countrywide Home Loans on or about May 31, 2007.

13 **C.** On or about August 1, 2007, borrower [REDACTED] applied with Respondent Metropolitan to
14 refinance a residence on 60th Place in Marysville. Respondent Strickland prepared the
15 application and stated that the residence was to be [REDACTED]'s primary residence. On or
16 about August 20, 2007, Respondent Strickland, acting as a real estate agent for [REDACTED],
17 assisted [REDACTED] with a Residential Real Estate Purchase and Sale Agreement for the
18 purchase of a residence on 51st Avenue in Marysville. Then, on or about September 6,
19 2007, Respondent Strickland prepared a second application for the refinance of the 60th
20 place residence, but in spite of knowing that [REDACTED] had contracted to purchase the 51st
21 Avenue residence, Respondent Strickland again stated on the refinance application that
22 the 60th Place residence would be [REDACTED]'s primary residence. The refinance loan closed
23 with Washington Mutual Bank on or about September 17, 2007. The next day,

1 Respondent Strickland prepared an application for [REDACTED] to purchase the 51st Avenue
2 residence as [REDACTED]'s primary residence. The purchase loan subsequently closed with
3 Countrywide Home Loans on or about October 5, 2007.

4 **D.** On or about September 25, 2007, borrower [REDACTED] applied with Respondent Metropolitan to
5 refinance a residence in Lynnwood. On the same day, [REDACTED] applied with Respondent
6 Metropolitan to refinance a residence in Bellevue. Respondent Pisha prepared the
7 applications for both refinance transactions and stated on the application for each
8 transaction that the residence was [REDACTED]'s primary residence. Additionally, Respondent
9 Pisha stated [REDACTED]'s gross monthly income on the Lynnwood application to be \$8,200, but
10 stated [REDACTED]'s gross monthly income on the Bellevue application to be \$10,800. Finally,
11 Respondent Pisha did not list the Bellevue property on the Lynnwood application
12 schedule of real estate owned, and did not list the Lynnwood property on the Bellevue
13 application schedule of real estate owned. The Bellevue refinance subsequently closed
14 with IndyMac Bank on or about October 8, 2007, and the Lynnwood refinance
15 subsequently closed with Washington Mutual Bank on or about October 17, 2007.

16 **E.** On or about April 9, 2008, borrower [REDACTED] applied with Respondent Metropolitan to
17 refinance a residence on Oakes Street in Tacoma. Respondent Pisha prepared the
18 application and stated that the residence was [REDACTED]'s primary residence. Respondent Pisha
19 also stated on the application that [REDACTED]'s gross monthly income was \$5,500. The
20 application was subsequently submitted to IndyMac Bank. While that application was
21 pending, on or about April 21, 2008, borrower [REDACTED] applied with Respondent Metropolitan
22 to purchase a residence on Sheridan Avenue in Tacoma. Respondent Pisha prepared the
23 application and stated that the residence would be [REDACTED]'s primary residence. Respondent

1 Pisha also stated on the application that the Oakes Street residence would be a rental.
2 Further, Respondent Pisha stated on the application that [REDACTED]'s gross monthly income was
3 \$7,200. The Sheridan Avenue application was subsequently submitted to Countrywide
4 Bank. Both loans were approved on May 2, 2008, as [REDACTED]'s primary residence; with the
5 Oakes Street refinance closing on May 7, 2008, and the Sheridan Avenue purchase
6 closing on May 15, 2008.

7 **F.** On or about September 12, 2007, borrower [REDACTED] applied with Respondent Metropolitan to
8 refinance a residence in Marysville. On the same day, [REDACTED] applied with Respondent
9 Metropolitan to purchase a residence in Lake Stevens. Respondent Straub prepared both
10 applications and stated on each that the residence would be [REDACTED]'s primary residence. On
11 the Lake Stevens application, however, Respondent Straub stated that the Marysville
12 residence would be a rental. Additionally, Respondent Straub stated on the Marysville
13 application that [REDACTED]'s gross monthly income was \$4,500 and the co-borrower's gross
14 monthly income was \$5,000, but on the Lake Stevens application Respondent Straub
15 stated that [REDACTED]'s gross monthly income was \$5,750 and the co-borrower's gross monthly
16 income was \$7,000. The refinance loan subsequently closed with Countrywide Bank on
17 or about October 1, 2007, and the purchase loan subsequently closed with MortgageIt,
18 Inc. on or about October 16, 2007.

19 **G.** On or about October 15, 2007, borrower [REDACTED] applied with Respondent Metropolitan to
20 refinance the first and second mortgages on a residence in University Place. The same
21 day, borrower [REDACTED] applied with Respondent Metropolitan to purchase a residence in
22 Puyallup. Respondent Williams prepared all three applications and stated on each that
23 the residence would be [REDACTED]'s primary residence. On the Puyallup application, however,

1 Respondent Williams stated that the University Place residence would be a rental.

2 Additionally, on the two University Place refinance applications Respondent Williams

3 stated that [REDACTED]'s gross monthly income was \$4,390, but on the Puyallup purchase

4 application Respondent Williams stated that [REDACTED]'s gross monthly income was \$6,000.

5 The first mortgage refinance loan subsequently closed with Washington Mutual Bank on

6 or about November 2, 2007; the second mortgage refinance subsequently closed with JP

7 Morgan Chase Bank on or about November 2, 2007; and the Puyallup purchase loan

8 subsequently closed with Wells Fargo Bank on or about November 7, 2007.

9 **H.** On or about January 10, 2008, borrower [REDACTED] applied with Respondent Metropolitan to

10 refinance a residence at 5180 McCool Place in Port Orchard. On the same day, [REDACTED].

11 applied with Respondent Metropolitan to purchase a residence at 5201 McCool Place in

12 Port Orchard. Respondent Metropolitan's loan originator Alicia Hall (LO Hall) prepared

13 the applications for both loans and stated in each that the residence would be [REDACTED]'s

14 primary residence. On the purchase loan application, however, LO Hall stated that the

15 residence at 5180 McCool Place would be a rental. Additionally, on the refinance

16 application LO Hall stated that the co-borrower's gross monthly income was \$807.86, but

17 on the purchase application LO Hall stated that the co-borrower's gross monthly income

18 was \$958. The refinance loan subsequently closed with Lehman Brothers Bank on or

19 about February 15, 2008, and the purchase loan subsequently closed with IndyMac Bank

20 on or about March 31, 2008.

21 **1.4 Unlicensed Loan Originator Activity.** Respondents Metropolitan and Stetler permitted at

22 least two unlicensed loan originators to assist borrowers in obtaining residential mortgage loans in at

23 least five transactions. At all times relevant to the loan transactions set forth in paragraph 1.3 G,

24 STATEMENT OF CHARGES

C-11-0742-11-SC01

Metropolitan Mortgage Group, Inc.

Anthony E. Stetler

Brock R. Strickland

Korey J. Pisha

Sean M. Straub

Aaron Williams

1 above, Respondent Williams was not licensed to conduct business in Washington as a loan
2 originator. Respondents Metropolitan and Stetler collected at least \$8,691.08 in fees at the closing
3 of these transactions. Similarly, at all times relevant to the loan transactions set forth in paragraph
4 1.3 H, above, LO Hall was not licensed to conduct business as a loan originator in Washington.
5 Respondents Metropolitan and Stetler collected at least \$15,072.39 in fees at the closing of these
6 transactions.

7 **1.5 Failure to Deliver Complete Rate Lock Disclosures.** In at least 40 loans, Respondents
8 Metropolitan and Stetler either did not deliver a rate lock disclosure (8 loans) or delivered a rate lock
9 disclosure that was not properly completed (32 loans).

10 **1.6 Failure to Deliver Complete Rate Lock Agreements.** In at least 46 loans, Respondents
11 Metropolitan and Stetler either did not deliver a rate lock agreement (44 loans) or delivered a rate
12 lock agreement that was not properly completed (2 loans).

13 **1.7 Failure to Display License Numbers.** In at least 56 loans, 24 loan originators operating
14 under Respondent Metropolitan's mortgage broker license did not display their loan originator
15 license numbers on residential mortgage loan applications.

16 **1.8 Failure to Provide Complete and Accurate Good Faith Estimate Disclosures.** In at least
17 55 loans, Respondent Metropolitan either did not provide a Good Faith Estimate (GFE) disclosure
18 specifying all fees which inured to the benefit of Respondent (53 loans), did not provide the GFE
19 within three business days of obtaining a credit report of a borrower who has identified property for
20 purchase or refinance (5 loans), or listed its mortgage broker fees on line 801 of the GFE, which is
21 reserved for the lender's loan origination fee (16 loans).⁴

22 _____
23 ⁴ Several GFEs contain more than one of the listed deficiencies.

1 **1.9 Failure to Deliver Variable Rate Program Disclosures.** In at least eight loans, Respondent
2 Metropolitan did not deliver a variable rate program disclosure.

3 **1.10 Collecting Unlawful Fees.** In one loan, Respondent Metropolitan collected from the
4 borrower a \$495 underwriting fee when Respondent Metropolitan was not the lender and had no
5 authority to conduct underwriting. In a second loan, Respondent Metropolitan collected from the
6 borrower an increased processing fee of \$150 without providing a written explanation for the
7 increase.

8 **1.11 Failure to Properly Disclose Yield Spread Premiums.** In at least 29 loans, Respondent
9 Metropolitan did not properly disclose the Yield Spread Premium by not using the words “yield
10 spread premium,” not expressing it as a dollar amount or dollar amount range, or both. In another 15
11 loans, Respondent Metropolitan did not disclose the Yield Spread Premium on the GFE at all.

12 **1.12 Failure to Provide Accurate Truth-in-Lending Act Disclosures.** In at least 19 loans,
13 Respondent Metropolitan did not provide accurate Truth-in-Lending Act Disclosures (TIL) by either
14 not marking the box identifying a variable rate feature, not accurately disclosing the annual
15 percentage rate (APR), finance charge, and amount financed, disclosing a fixed payment stream on a
16 variable rate loan, or not completing the bottom section of the TIL. In at least 1 of those loans, the
17 TIL was not provided within 3 business days of obtaining a credit report of a borrower who has
18 identified property for purchase or refinance. In an additional 4 loans, a TIL was not provided
19 within 3 business days of obtaining a credit report of a borrower who has identified property for
20 purchase or refinance.

21 **1.13 Failure to Disclose Changes in Terms.** In at least four loans, Respondent Metropolitan did
22 not disclose to the borrower in writing, at least three days before closing, that a term or condition of
23 the loan had changed.

1 **1.14 Failure to Provide Real Estate Agent Disclosures.** In at least three loans, Respondent
2 Strickland acted as both the real estate agent and the loan originator, but the borrowers were not
3 provided a written disclosure notifying the borrower that he or she was not required to use
4 Respondent Strickland as the loan originator.

5 **1.15 Advertising Violations.** In at least 14 advertisements, Respondent Metropolitan used the
6 term “lowest rates” (1 advertisement), did not include the loan originator’s license number (7
7 advertisements), did not conspicuously disclose the APR (3 advertisements), disclosed a loan
8 payment amount without stating if taxes, insurance, or other products sold to the borrower were
9 included (3 advertisements), or advertised a free appraisal (1 advertisement).⁵

10 **1.16 Failure to Provide Home-Equity Line of Credit Disclosures.** In at least three loans,
11 Respondent Metropolitan did not provide home-equity line of credit disclosures.

12 **1.17 Failure to Properly Maintain Records.** To the extent that Respondents Metropolitan and
13 Stetler claim to have completed or provided those documents which could not be found in the
14 examined loan files, Respondents Metropolitan and Stetler did not properly maintain those records.

15 **1.18 On-Going Investigation.** The Department’s investigation into the alleged violations of the
16 Act by Respondents continues to date.

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

18 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed
19 mortgage broker is liable for any conduct violating the Act by the designated broker or a loan
20 originator while employed or engaged by the licensed mortgage broker.

21 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(4), every licensed
22 mortgage broker must at all times have a designate broker responsible for all activities of the

23 ⁵ One advertisement contained two of the listed violations.
24 STATEMENT OF CHARGES 10
C-11-0742-11-SC01
Metropolitan Mortgage Group, Inc.
Anthony E. Stetler
Brock R. Strickland
Korey J. Pisha
Sean M. Straub
Aaron Williams

1 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or
2 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,
3 employee's, or independent contractor's violations of the Act if the designated broker, principal, or
4 owner, with knowledge of the specific conduct, approves or allows the conduct, or by the exercise of
5 reasonable care and inquiry should have known of the conduct at a time when its consequences can
6 be avoided or mitigated and fails to take reasonable remedial action.

7 **2.3 Definition of Loan Originator.** Pursuant to RCW 19.146.010(11) and WAC 208-660-006,
8 "Loan originator" means a natural person who for direct or indirect compensation or gain, or in the
9 expectation of direct or indirect compensation or gain, takes a residential mortgage loan application
10 for a mortgage broker, offers or negotiates terms of a mortgage loan, or holds themselves out to the
11 public as able to perform any of these activities.

12 **2.4 Prohibition against Misrepresentation of Borrower Information.** Based on the Factual
13 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
14 19.146.0201(1), (2), and (3) for misrepresenting borrower information on loan applications.

15 **2.5 Requirement to Obtain and Maintain a Loan Originator License.** Based on the Factual
16 Allegations set forth in Section I above, Respondent Williams is in apparent violation of RCW
17 19.146.0201(2) and (3), RCW 19.146.200(1), and WAC 208-660-155 for conducting business as a
18 loan originator without having first obtained a license from the Department.

19 **2.6 Requirement to use Licensed Loan Originators.** Based on the Factual Allegations set
20 forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW
21 19.146.0201(2) and (3), RCW 19.146.200(1), and WAC 208-660-155 for utilizing the services of
22 unlicensed loan originators to assist borrowers with applying for and obtaining residential mortgage
23 loans through Respondent Metropolitan.

1 **2.7 Requirement to Deliver Complete Rate Lock Disclosures.** Based on the Factual
2 Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent
3 violation of RCW 19.146.0201(2) and (6) and RCW 19.146.030(2)(c) for failing to deliver complete
4 rate lock disclosures.

5 **2.8 Requirement to Deliver Complete Rate Lock Agreements.** Based on the Factual
6 Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent
7 violation of RCW 19.146.0201(2) and (6) and RCW 19.146.030(2)(c) for failing to deliver complete
8 rate lock agreement.

9 **2.9 Requirement to Display License Numbers.** Based on the Factual Allegations set forth in
10 Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW
11 19.146.0201(2) and WAC 208-660-350(26) for failing to ensure that all loan originators display their
12 loan originator numbers on residential mortgage loan applications.

13 **2.10 Requirement to Provide a Complete and Accurate Good Faith Estimate Disclosure.**
14 Based on the Factual Allegations set forth in Section I above, Respondents Metropolitan and Stetler
15 are in apparent violation of RCW 19.146.0201(2), (3), (6), and (13), RCW 19.146.030(1), and WAC
16 208-660-430(19) for failing to provide complete and accurate Good Faith Estimate disclosures.

17 **2.11 Requirement to Deliver Variable Rate Program Disclosures.** Based on the Factual
18 Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent
19 violation of RCW 19.146.0201(2) and (6) and RCW 19.146.030(2)(a) for failing to deliver variable
20 rate program disclosures.

21 **2.12 Prohibition against Collecting Unlawful Fees.** Based on the Factual Allegations set forth
22 in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW

1 19.146.0201(2), (3), (6), and (13), RCW 19.146.030(4), and WAC 208-660-006 for collecting
2 unlawful fees and failing to provide a written explanation for an increase in fees.

3 **2.13 Requirement to Properly Disclose Yield Spread Premium.** Based on the Factual
4 Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent
5 violation of RCW 19.146.0201(2) and (11) and WAC 208-660-430(5) for failing to properly disclose
6 the Yield Spread Premium.

7 **2.14 Requirement to Provide Accurate Truth-in-Lending Disclosures.** Based on the Factual
8 Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent
9 violation of RCW 19.146.0201(2), (6), (7), and (11) and RCW 19.146.030(2)(a) for failing to
10 provide accurate Truth-in-Lending disclosures.

11 **2.15 Requirement to Disclose Changes in Terms.** Based on the Factual Allegations set forth in
12 Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW
13 19.146.0201(2) and (7) and WAC 208-660-430(18) for failing to disclose changes in the terms of a
14 loan.

15 **2.16 Requirement to Provide Real Estate Agent Disclosure.** Based on the Factual Allegations
16 set forth in Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW
17 19.146.0201(2), (3), and (14) for failing to provide a written real estate agent disclosure.

18 **2.17 Prohibition against Advertising Violations.** Based on the Factual Allegations set forth in
19 Section I above, Respondents Metropolitan and Stetler are in apparent violation of RCW
20 19.146.0201(2) and (10), WAC 208-660-350(26), WAC 208-660-440(3), (4), and (7), and WAC
21 208-660-500(3)(f) for advertising using the term “lowest rates,” failing to include the loan
22 originator’s license number in advertisements, failing to conspicuously disclose the APR in

23 advertisements, disclosing a loan payment amount in an advertisement without stating if taxes,

1 insurance, or other products sold to the borrower were included in the payment, and advertising a
2 free appraisal.

3 **2.18 Requirement to Provide Home-Equity Line of Credit Disclosures.** Based on the Factual
4 Allegations set forth in Section I above, Respondents Metropolitan and Stetler are in apparent
5 violation of RCW 19.146.0201(2) and (11) for failing to provide home-equity line of credit
6 disclosures,

7 **2.19 Requirement to Properly Maintain Records.** Based on the Factual Allegations set forth in
8 Section I above, to the extent that Respondents Metropolitan and Stetler claim to have completed or
9 provided those documents which could not be found in the examined loan files, Respondents
10 Metropolitan and Stetler are in apparent violation of RCW 19.146.0201(2), RCW 19.146.060(2), and
11 WAC 208-660-450 for failing to keep all books and records in a location that is on file with and
12 readily available to the Department until at least twenty-five months have elapsed following the
13 effective period to which the books and records relate.

14 III. AUTHORITY TO IMPOSE SANCTIONS

15 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke
16 licenses for any violation of the Act.

17 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
18 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
19 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any
20 licensed mortgage broker or any person subject to licensing under the Act for any violation of RCW
21 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, or RCW
22 19.146.200.

1 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
2 restitution against licensees or other persons 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 a licensee or other persons subject to the Act for any violation of the Act. Pursuant to RCW
5 19.146.220(3), the Director may impose fines on an employee, loan originator, independent
6 contractor, or agent of the licensee, or other person subject to the Act for any violations of RCW
7 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, or RCW
8 19.146.200.

9 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
10 520(9) & (11), and WAC 208-660-550(5)(a), the Department will charge \$48 per hour for an
11 examiner's time devoted to an investigation of a licensee or other person subject to the Act.

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

13 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660
14 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to
15 Impose Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW
16 19.146.221, and RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

- 17 **4.1** Respondent Metropolitan Mortgage Group, Inc.'s license to conduct the business of a
18 mortgage broker be revoked.
- 19 **4.2** Respondent Brock R. Strickland's license to conduct the business of a loan originator
20 be revoked.
- 21 **4.3** Respondent Korey J. Pisha's license to conduct the business of a loan originator be
22 revoked.
- 23 **4.4** Respondent Sean M. Straub's license to conduct the business of a loan originator be
24 revoked.

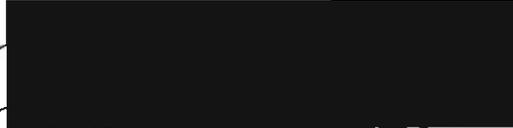
- 1 **4.5** Respondents Metropolitan Mortgage Group, Inc., Anthony E. Stetler, Brock R.
2 Strickland, Korey J. Pisha, Sean M. Straub, and Aaron Williams each be prohibited
3 from participation in the conduct of the affairs of any mortgage broker subject to
4 licensure by the Director, in any manner, for a period of five years.
- 5 **4.6** Respondents Metropolitan Mortgage Group, Inc. and Anthony E. Stetler jointly and
6 severally pay a fine which as of the date of this Statement of Charges totals \$250,000.
- 7 **4.7** Respondent Brock R. Strickland pay a fine which as of the date of this Statement of
8 Charges totals \$10,000.
- 9 **4.8** Respondent Korey J. Pisha pay a fine which as of the date of this Statement of
10 Charges totals \$7,500.
- 11 **4.9** Respondent Sean M. Straub pay a fine which as of the date of this Statement of
12 Charges totals \$5,000.
- 13 **4.10** Respondent Aaron Williams pay a fine which as of the date of this Statement of
14 Charges totals \$5,000.
- 15 **4.11** Respondents Metropolitan Mortgage Group, Inc. and Anthony E. Stetler jointly and
16 severally pay restitution totaling \$71,299.10 to the borrowers identified in Appendix
17 A of this Statement of Charges.
- 18 **4.12** Respondents Metropolitan Mortgage Group, Inc. and Anthony E. Stetler jointly and
19 severally pay an investigation fee which as of the date of this Statement of Charges
20 totals \$11,040.
- 21 **4.13** Respondents Metropolitan Mortgage Group, Inc. and Anthony E. Stetler maintain
22 records in compliance with the Act and provide the Department with the location of
23 the books, records and other information relating to Respondents Metropolitan and
24 Stetler's mortgage broker business, and the name, address, and telephone number of
 the individual responsible for maintenance of such records in compliance with the
 Act.

19 //
20 //
21 //
22 //
23 //

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
4 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
5 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
6 HEARING accompanying this Statement of Charges.

7
8 Dated this 6th day of January, 2012.



9
10
11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:



16 STEVEN C. SHERMAN
17 Financial Legal Examiner

18 Approved by:



19 JAMES R. BRUSSELBACK
20 Enforcement Chief

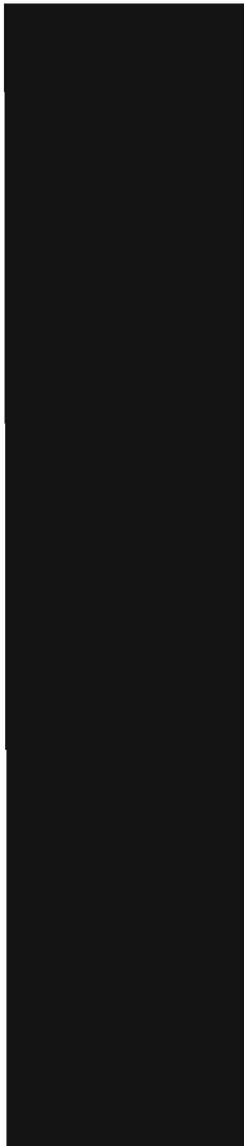
1 **RESTITUTION**

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Borrower

Loan Number

Amount



\$ 4,691.25
\$ 2,055.00
\$ 4,739.00
\$ 1,734.38
\$ 2,205.00
\$ 2,093.34
\$ 150.00
\$ 2,902.95
\$ 2,182.50
\$ 6,642.00
\$18,602.37
\$ 2,146.00
\$ 6,490.50
\$ 2,929.81
\$ 600.00
\$ 6,195.00
\$ 4,940.00

TOTAL \$71,299.10