

## Terms Completed

### ORDER SUMMARY – Case Number: C-11-0807

**Name(s):** Chaidez Law Firm PLLC d/b/a Mortgage Modification Center;  
Jose L. Chaidez

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**Order Number:** C-11-0807-13-CO01

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**Effective Date:** March 31, 2014

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**License Number:** N/A  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  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

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**Not Apply Until:** March 31, 2019

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**Not Eligible Until:** March 31, 2019

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**Prohibition/Ban Until:** March 31, 2019

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|--|---------|---|--|---------------|
| <b>Investigation Costs</b>             | \$288   | Due   | Paid<br><input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date 3/4/2014 |
| <b>Fine</b>                            | \$2,000 | Due   | Paid<br><input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date 3/4/2014 |
| <b>Assessment(s)</b>                   | \$      | Due   | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
| <b>Restitution</b>                     | \$7,985 | Due   | Paid<br><input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date 3/4/2014 |
| <b>Judgment</b>                        | \$      | Due   | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
| <b>Satisfaction of Judgment Filed?</b> |         | <input type="checkbox"/> Y <input type="checkbox"/> N |  |               |
| No. of Victims:                        |         |   |  |               |

**Comments:**

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

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

No.: C-11-0807-13-CO01

CONSENT ORDER

CHAIDEZ LAW FIRM, PLLC, d/b/a  
MORTGAGE MODIFICATION CENTER and  
JOSE L. CHAIDEZ, Member Manager,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his  
designee Deborah Bortner, Division Director, Division of Consumer Services, and Chaidez Law  
Firm, PLLC, d/b/a Mortgage Modification Center and Jose L. Chaidez, (Respondents), and finding  
that the issues raised in the above-captioned matter may be economically and efficiently settled, agree  
to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the  
Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act,  
based on the following:

**AGREEMENT AND ORDER**

The Department of Financial Institutions, Division of Consumer Services (Department), and  
Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges  
No. C-11-0807-13-SC01 (Statement of Charges), entered March 28, 2013, (copy attached hereto).  
Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of  
the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this  
Consent Order and further agree that the issues raised in the above-captioned matter may be  
economically and efficiently settled by entry of this Consent Order. The parties intend this Consent  
Order to fully resolve the Statement of Charges.

CONSENT ORDER  
C-11-0807-13-CO01  
CHAIDEZ LAW FIRM, PLLC, d/b/a MORTGAGE  
MODIFICATION CENTER and JOSE L. CHAIDEZ

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8703

1 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. **Cease and Desist.** It is AGREED that Respondents shall cease and desist from  
10 conducting the business of a mortgage broker and loan originator without obtaining and maintaining  
11 a mortgage broker license or qualifying for an exemption from licensure under the Act.

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

16 E. **Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of  
17 \$2,000, in the form of a cashier's check made payable to the "Washington State Treasurer," upon  
18 entry of this Consent Order.

19 F. **Restitution.** It is AGREED that Respondents have provided refunds to Washington  
20 consumers D.M., J.N., and G. and J. B. in the amount of \$2,495 per consumer.

21 G. **Rights of Non-Parties.** It is AGREED that the Department does not represent or have the  
22 consent of any person or entity not a party to this Consent Order to take any action concerning their  
23 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent

1 Order, this Consent Order does not limit or create any private rights or remedies against Respondents,  
2 limit or create liability of Respondents, or limit or create defenses of Respondents to any claims.

3 **H. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an  
4 investigation fee of \$288, in the form of a cashier's check made payable to the "Washington State  
5 Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid together  
6 in one \$2,288 cashier's check made payable to the "Washington State Treasurer."

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

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

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

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

18 **RESPONDENTS:**  
19 **Chaidez Law Firm, PLLC, d/b/a Mortgage Modification Center and**  
20 **Jose L. Chaidez**

21 By:   
22 Jose L. Chaidez  
23 Member Manager

2-11-14  
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Date

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[Redacted]

Jose L. Cháidez  
Individually

2-14-14

Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 31<sup>st</sup> DAY OF March, 2014.

[Redacted]

DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

[Redacted]

DEBORAH TAEILLIOUS  
Financial Legal Examiner

Approved by:

[Redacted]

CHARLES E. CLARK  
Enforcement Chief





1 in Washington State. Respondents entered into a contractual relationship with at least ten Washington  
2 consumers to provide those services and collected fees for the provision of those services. The  
3 Department has received at least one complaint from a Washington consumer alleging Respondents  
4 provided or offered to provide residential mortgage loan modification services while not licensed by  
5 the Department to provide those services. A list of known Washington consumers with whom  
6 Respondents conducted business as a mortgage broker or loan originator is appended hereto and  
7 incorporated herein as Appendix A.

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

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

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

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

21 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), "loan originator" means a  
22 natural person who for direct or indirect compensation or gain, or in the expectation of direct or  
23 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;  
24

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

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

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

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

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

### 17 III. AUTHORITY TO IMPOSE SANCTIONS

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

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

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

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

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

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

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

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

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

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

20 **4.4** Respondents jointly and severally pay a fine, which as of the date of this Statement of Charges  
21 totals \$30,000.

22 **4.5** Respondents jointly and severally pay an investigation fee, which as of the date of this  
23 Statement of Charges totals \$288.

24 **4.6** Respondents maintain records in compliance with the Act and provide the Department with the  
location of the books, records and other information relating to Respondents' provision of  
residential mortgage loan modification services in Washington, and the name, address and  
telephone number of the individual responsible for maintenance of such records in compliance  
with the Act.

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**V. 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 28<sup>th</sup> day of March, 2013.



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

Presented by:



DEBORAH TAEILLIOUS  
Financial Legal Examiner

Approved by:



CHARLES E. CLARK  
Enforcement Chief

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**WASHINGTON CONSUMERS**

| <b>Consumer</b> | <b>Amount</b> |
|-----------------|---------------|
| J.N.            | TBD           |
| R.B.            | TBD           |
| S.P.            | TBD           |
| D.J.            | TBD           |
| L.P.            | TBD           |
| D.M.            | TBD           |
| G.B.            | TBD           |
| G.L.            | TBD           |
| J.B.            | TBD           |
| G.M.            | TBD           |