

## ORDER SUMMARY – Case Number: C-12-1043

**Name(s):** William D. Goodrich, Atty, Inc.;  
Goodrich, William D.

**Order Number:** C-12-1043-14-FO01

**Effective Date:** April 9, 2014

**License Number:** N/A  
**Or NMLS Identifier [U/L]**

**License Effect:** N/A

**Not Apply Until:** April 10, 2019

**Not Eligible Until:** April 10, 2019

**Prohibition/Ban Until:** April 9, 2019

<b>Investigation Costs</b>	\$432	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$18,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$12,050	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>		<input type="checkbox"/> Y <input checked="" type="checkbox"/> N		
No. of Victims:				

**Comments:**  


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STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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

WILLIAM D. GOODRICH, ATTY, INC. and  
WILLIAM D. GOODRICH,  
  
Respondents.

No.: C-12-1043-14-FO01

FINAL ORDER

I. DIRECTOR'S CONSIDERATION

Procedural History. This matter has come before the DIRECTOR OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OF THE STATE OF WASHINGTON ("Director"), pursuant to RCW 34.05.440(2). On March 28, 2013, the Director, through his designee, Consumer Services Division Director Deborah Bortner, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist Business, Prohibit From Industry, Order Restitution, Impose Fine, and Collect Investigation Fee ("Statement of Charges") against WILLIAM D. GOODRICH, ATTY, INC. and WILLIAM D. GOODRICH ("Respondents"). On March 29, 2013, the DEPARTMENT OF FINANCIAL INSTITUTIONS ("Department") served Respondents with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of Charges was accompanied by a cover letter dated March 29, 2013, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents. On April 15, 2013, Respondents file Applications for Adjudicative Hearing. On April 18, 2013, the Department made a request to the Office of Administrative Hearings ("OAH") to assign an Administrative Law Judge ("ALJ") to schedule and

1 conduct a hearing on the Statement of Charges. On May 13, 2013, OAH issued a Notice of  
2 Conference scheduling a conference for Wednesday, June 5, 2013, at 9:00 a.m. to be presided over by  
3 Administrative Law Judge Steven C. Smith (“ALJ Smith”).

4 On June 5, 2013, ALJ Smith conducted the prehearing conference by telephone. The  
5 Department appeared through Assistant Attorney General Susan Jensen. Respondents appeared  
6 through Attorney at Law Wayne C. Fricke.

7 On June 5, 2013, ALJ Smith issued a Notice of Hearing and Order Following Telephonic  
8 Prehearing Conference of June 5, 2013, scheduling a hearing on January 7-8, 2014, at 9:00 a.m. The  
9 Notice of Hearing and Order Following Telephonic Prehearing Conference of June 5, 2013, stated,  
10 “If you do not participate in any stage of the proceedings or if you fail to appear at your hearing, you  
11 may be held in default.” The Notice of Hearing was mailed to Respondents and Respondents’  
12 attorney on June 5, 2013, via First-Class mail.

13 On June 7, 2013, ALJ Smith issued an Amended Notice of Hearing and Order Following  
14 Telephonic Prehearing Conference of June 5, 2013, which left unchanged the hearing for January 7-8,  
15 2014, at 9:00 a.m. The Amended Notice of Hearing and Order Following Telephonic Prehearing  
16 Conference of June 5, 2013, stated, “If you do not participate in any stage of the proceedings or if  
17 you fail to appear at your hearing, you may be held in default.” The Notice of Hearing was mailed to  
18 Respondents and Respondents’ attorney on June 7, 2013, via First-Class mail.

19 On or about December 9, 2013, Wayne C. Fricke filed a Notice of Withdrawal as to  
20 Respondents. On or about December 10, 2013, the Department submitted correspondence to OAH  
21 requesting for a status conference to be scheduled. On December 13, 2013, ALJ Smith issued an  
22 Order and Notice: Denial of DFI’s Motion for Status Conference. In this Notice and Order ALJ  
23 Smith determined that “Respondents were given legally sufficient notice of the scheduled evidentiary  
24 hearing” and are “deemed aware of the...proceeding.”

1 On January 7, 2014, the hearing was convened by ALJ Smith. Representatives for the  
2 Department were present. Respondents failed to appear or participate at the hearing or during a 30  
3 minute grace period. The Department moved for an order of default.

4 On January 10, 2014, ALJ Smith mailed the Initial Order of Default to Respondents via First-  
5 Class mail. On February 24, 2014, ALJ Smith mailed the Initial Order of Default to the Receiver for  
6 William D. Goodrich, Atty, Inc. via First-Class mail.<sup>1</sup>

7 Pursuant to RCW 34.05.440(3), Respondents had seven (7) days from the date of service of  
8 the Initial Order of Default to file a written motion with OAH requesting that the Initial Order of  
9 Default be vacated, and stating the grounds relied upon. Respondents did not make a request to  
10 vacate during the statutory period.

11 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from  
12 the date of service of the Initial Order of Default to file a Petition for Review of the Initial Order of  
13 Default. Respondents did not file a Petition for Review during the statutory period.

14 A. Record Presented. The record presented to the Director for his review and for entry of  
15 a final decision included the following:

- 16 1. Statement of Charges, cover letter dated March 29, 2013, and Notice of  
17 Opportunity to Defend and Opportunity for Hearing, with documentation of  
service.
- 18 2. Applications for Adjudicative Hearing for William D. Goodrich and William D.  
19 Goodrich, Atty, Inc.
- 20 3. Request to OAH for Assignment of Administrative Law Judge.
- 21 4. Notice of Hearing and Order Following Telephonic Prehearing Conference of June  
22 5, 2013, dated June 5, 2013, with documentation of service.

23 <sup>1</sup> Pursuant to a Preliminary Injunction issued on July 18, 2013, in *Federal Trade Commission v. A to Z Marketing, Inc., et*  
24 *al.*, United States District Court for the Central District of California, Case No. SACV13-0919-DOC, Respondent  
William D. Goodrich, Atty, Inc. was placed into receivership.

- 1 5. Amended Notice of Hearing and Order Following Telephonic Prehearing  
2 Conference of June 5, 2013, dated June 7, 2013, with documentation of service.
- 3 6. Order and Notice: Denial of DFI's Motion for Status Conference, dated December  
4 13, 2013, with documentation of service.
- 5 7. Initial Order of Default, dated January 10, 2014, with documentation of service.

6 B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(2), the Director  
7 hereby adopts the Statement of Charges, which is attached hereto. Pursuant to RCW 34.05.461, the  
8 Director hereby adopts the Initial Order of Default, which is attached hereto.

## 9 II. FINAL ORDER

10 Based upon the foregoing, and the Director having considered the record and being otherwise  
11 fully advised, NOW, THEREFORE:

### 12 A. IT IS HEREBY ORDERED, That:

- 13 1. Respondents, WILLIAM D. GOODRICH, ATTY, INC. and WILLIAM D.  
14 GOODRICH, cease and desist engaging in the business of a mortgage broker  
15 or loan originator.
- 16 2. Respondents, WILLIAM D. GOODRICH, ATTY, INC. and WILLIAM D.  
17 GOODRICH, are prohibited from participation, in any manner, in the conduct  
18 of the affairs of any mortgage broker subject to licensure by the Director for a  
19 period of five years.
- 20 3. Respondents, WILLIAM D. GOODRICH, ATTY, INC. and WILLIAM D.  
21 GOODRICH, jointly and severally pay restitution to the two consumers  
22 identified by the Department in paragraph 1.2 of the Statement of Charges.
- 23 4. Respondents, WILLIAM D. GOODRICH, ATTY, INC. and WILLIAM D.  
24 GOODRICH, jointly and severally pay to WASHINGTON STATE  
DEPARTMENT OF FINANCIAL INSTITUTIONS a fine of Eighteen  
Thousand Dollars (\$18,000.00).\*
5. Respondents, WILLIAM D. GOODRICH, ATTY, INC. and WILLIAM D.  
GOODRICH, jointly and severally pay to WASHINGTON STATE

1 DEPARTMENT OF FINANCIAL INSTITUTIONS an investigation fee of  
2 Four Hundred Thirty-Two Dollars (\$432.00).\*

3 6. Respondents, WILLIAM D. GOODRICH, ATTY, INC. and WILLIAM D.  
4 GOODRICH, maintain records in compliance with the Act and provide the  
5 Department with the location of the books, records and other information  
6 relating to Respondents' provision of residential mortgage loan modification  
7 services in Washington, and the name, address and telephone number of the  
8 individual responsible for maintenance of such records in compliance with the  
9 Act.

10 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a  
11 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
12 must be filed in the Office of the Director of the Department of Financial Institutions by courier at  
13 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
14 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The  
15 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
16 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

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\* The combined fine and investigation fee may be paid together in the form of a cashier's check in the amount of \$18,432.00 made payable to the  
"Washington State Treasurer."

1 E. Non-compliance with Order. If you do not comply with the terms of this order,  
2 including payment of any amounts owed within thirty (30) days of receipt of this order, the  
3 Department may seek its enforcement by the Office of the Attorney General to include the collection  
4 of the fines, fees, and restitution imposed herein. The Department also may assign the amounts owed  
5 to a collection agency for collection.

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

9 DATED this 27th day of April, 2014.



10 STATE OF WASHINGTON  
11 DEPARTMENT OF FINANCIAL INSTITUTIONS  
12 [Redacted Signature]  
13 SCOTT JARVIS  
14 Director

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:

5 WILLIAM D. GOODRICH, ATTY, INC., and  
6 WILLIAM D. GOODRICH,  
7 Respondents.

No. C-12-1043-13-SC01

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

8 INTRODUCTION

9 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial  
10 Institutions of the State of Washington (Director) is responsible for the administration of chapter  
11 19.146 RCW, the Mortgage Broker Practices (Act). After having conducted an investigation pursuant  
12 to RCW 19.146.235, and based upon the facts available as of the date of this Statement of Charges, the  
13 Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes  
14 this proceeding and finds as follows:

15 I. FACTUAL ALLEGATIONS

16 1.1 Respondents.

17 A. William D. Goodrich, Atty, Inc., (Respondent Goodrich, Inc.) has never been licensed  
18 by the Department of Financial Institutions of the State of Washington (Department) to conduct  
19 business as a mortgage broker or loan originator.

20 B. William D. Goodrich (Respondent Goodrich) is a Principal of Respondent Goodrich, Inc.  
21 During the relevant time period, Respondent Goodrich was not licensed by the Department to conduct  
22 business as a mortgage broker or loan originator.

23 1.2 Unlicensed Activity. Between at least January 2010 and August 2011, Respondents were  
24 offering residential mortgage loan modification services to Washington consumers on property located

1 in Washington State. Respondents entered into a contractual relationship with at least three  
2 Washington consumers to provide those services and collected a fee for the provision of those  
3 services. The Department has received at least three additional complaints from Washington residents  
4 alleging Respondents provided or offered to provide residential mortgage loan modification services  
5 while not licensed by the Department to provide those services. Consumer M. S. paid Respondents  
6 \$3,550 for those services. Consumer J.E. paid Respondents \$8,500 for those services.

7 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to  
8 provide the residential mortgage loan modification services or omitted disclosing that they were not  
9 licensed to provide those services.

10 **1.4 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 loan  
16 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person  
17 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a  
18 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among  
19 other things, counseling on 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 for Washington residents or property without first  
7 obtaining a license to do so.

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

11 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
12 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
13 location that is on file with and readily available to the Department until at least twenty-five months  
14 have elapsed following the effective period to which the books and records relate.

### 15 III. AUTHORITY TO IMPOSE SANCTIONS

16 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the  
17 Director may issue orders directing any person subject to the Act to cease and desist from conducting  
18 business.

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

23 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order  
24 restitution against any person subject to the Act for any violation of the Act.

1 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
2 against any person subject to the Act for any violation of the Act.

3 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-  
4 550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted to  
5 an investigation of any person subject to the Act.

6 **IV. NOTICE OF INTENT TO ENTER ORDER**

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

10 **4.1** Respondents cease and desist engaging in the business of a mortgage broker or loan originator.

11 **4.2** Respondents be prohibited from participation, in any manner, in the conduct of the affairs of  
12 any mortgage broker subject to licensure by the Director for a period of five years.

13 **4.3** Respondents jointly and severally pay restitution to the two consumers identified by the  
14 Department in paragraph 1.2 in the amount set forth therein, and that Respondents jointly and  
15 severally pay restitution to each Washington consumer with whom they entered into a contract  
for residential mortgage loan modification services related to real property or consumers  
located in the state of Washington equal to the amount collected from that Washington  
consumer for those services in an amount to be determined at hearing.

16 **4.4** Respondents jointly and severally pay a fine, which as of the date of this Statement of Charges  
17 totals \$18,000.

18 **4.5** Respondents jointly and severally pay an investigation fee, which as of the date of this  
19 Statement of Charges totals \$432.

20 **4.6** Respondents maintain records in compliance with the Act and provide the Department with the  
21 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 28th 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