

ORDER SUMMARY – Case Number: C-12-1054

Name(s): Nathan Charles Bishop

Order Number: C-12-1054-15-CO02

Effective Date: January 26, 2015

License Number: Unlicensed
Or NMLS Identifier [U/L] _____
License Effect: N/A

Not Apply Until: January 26, 2020

Not Eligible Until: January 26, 2020

Prohibition/Ban Until: January 26, 2020

Investigation Costs	\$500 (\$125 due per month)	Due: due by end of May 2015	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date \$125 pd 2/10/15
Fine	\$6,000	Due: Stayed per terms of Order	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$1,330	Due: joint & several with other Respondents	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

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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-12-1054-15-CO02

CONSENT ORDER AS TO
NATHAN C. BISHOP

HOMEOWNER DEFENSE GROUP, LLC d/b/a
U.S. LEGAL EDUCATORS, LEGAL
AFFILIATES GROUP¹, and FAMILY FIRST
HOME PRESERVATION SERVICES²;
FAMILY 1ST HOME PRESERVATION, LLC
d/b/a NATIONWIDE PRESERVATION
COMPANY³;
TOBIAS WEST a/k/a TOBEY WEST, Principal;
and
NATHAN C. BISHOP, Principal,

Respondents.

12 COMES NOW the Director of the Department of Financial Institutions (Director), through his
13 designee Charles E. Clark, Division Director, Division of Consumer Services, and Nathan C. Bishop
14 (Respondent Bishop), and finding that the issues raised in the above-captioned matter may be
15 economically and efficiently settled solely as they relate to Respondent Bishop, agree to the entry of
16 this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of the Revised Code of
17 Washington (RCW), and RCW 34.05.060 of the Administrative Procedure Act, based on the
18 following:

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AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondent Bishop have agreed upon a basis for resolution of the matters alleged in Statement of

23 ¹ The company documents also use the names Legal Affiliates Group Co. and Legal Affiliates Group & Co.

24 ² The company documents also use the names Family First Home Preservation Corp., Family 1st Home Preservation
Services, and Family 1st Home Preservation.

³ The company documents also use the names Nationwide Preservation Company Inc. and Nationwide PCO.

1 Charges No. C-12-1054-13-SC01 (Statement of Charges), entered September 4, 2013, (copy attached
2 hereto) solely as they relate to Respondent Bishop. Pursuant to chapter 19.146 RCW, the Mortgage
3 Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent
4 Bishop hereby agrees to the Department's entry of this Consent Order and further agrees that the
5 issues raised in the above-captioned matter may be economically and efficiently settled solely as to
6 Respondent Bishop by entry 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 Respondent Bishop has been informed of the
11 right to a hearing before an administrative law judge, and hereby waives his right to a hearing and
12 any and all administrative and judicial review of the issues raised in this matter, or of the resolution
13 reached herein. Accordingly, Respondent Bishop, by his signature below, withdraws his appeal to
14 the Office of Administrative Hearings.

15 **C. Complete Cooperation with the Department.** It is AGREED that Respondent Bishop
16 shall testify fully, truthfully, and completely at any and all proceedings related to any Department
17 investigation or enforcement action or both related to any and all persons involved or in any way
18 associated with Homeowner Defense Group, LLC or Family 1st Home Preservation, LLC, and any
19 Respondents named therein. A failure to cooperate fully, truthfully, and completely is a breach of
20 this Consent Order.

21 **D. Prohibition from Industry.** It is AGREED that, for a period of five (5) years from the
22 date of entry of this Consent Order, Respondent Bishop is prohibited from participating, in any
23 capacity, in the conduct of the affairs of any mortgage broker licensed by the Department or subject
24 to licensure or regulation by the Department.

1 E. **Investigation Fee.** It is AGREED that Respondent Bishop shall pay to the Department an
2 investigation fee of \$500 in four payments of \$125 each. The first payment of \$125 is payable in the
3 form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this
4 Consent Order. Each subsequent payment of \$125 is due by the last day of each month, beginning in
5 February.

6 F. **Stayed Fine.** It is AGREED that Respondent Bishop is subject to a fine of \$6,000. It is
7 further AGREED that said fine shall be stayed until complete payment of the investigation fee and
8 conclusion of the proceedings against other Respondents. It is further AGREED that if the
9 Department does not seek to lift the stay and impose the fine upon completion of the above
10 conditions, said fine will be deemed withdrawn without further action being required by either party.

11 G. **Lifting of Stay and Imposing Fine.** It is AGREED that:

- 12 1. If the Department determines that Respondent Bishop has not complied with the
13 terms of this Consent Order to a degree sufficient to warrant imposition of a fine,
14 and the Department accordingly seeks to lift the stay and impose the fine set forth
15 in section F above, the Department will first notify Respondent Bishop in writing
16 of its determination.
- 17 2. The Department's notification will include:
- 18 a) A description of the alleged noncompliance;
 - 19 b) A statement that because of the noncompliance, the Department seeks
20 to lift the stay and impose the fine;
 - 21 c) The opportunity for Respondent Bishop to contest the Department's
22 determination of noncompliance in an administrative hearing before an
23 Administrative Law Judge (ALJ) of the Office of Administrative
24 Hearings (OAH); and
 - d) A copy of this Consent Order. The notification and hearing process
provided in this Consent Order applies only to this Consent Order. It is
solely provided in the event Respondent Bishop chooses to contest the
Department's determination of noncompliance.

3. Respondent Bishop will be afforded ten (10) business days from the date of receipt of the Department's notification to submit a written request to the Department for an administrative hearing to be held before an ALJ from the OAH.
4. Respondent Bishop, 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.
6. If requested, the hearing will be held within 15 business days (or as soon as the schedule of the ALJ permits) from the due date for Respondent Bishop's request for hearing or from the date of receipt of Respondent Bishop's timely request for hearing, whichever is sooner. The parties will accommodate the prompt scheduling of the hearing.
7. The scope and issues of the hearing are limited solely to whether or not Respondent is in violation of the terms of this Consent Order to a degree sufficient to warrant imposition of a fine.
8. At the conclusion of the hearing, the ALJ will issue an initial decision. Either party may file a Petition for Review with the Director of the Department.
9. If Respondent Bishop does not request the hearing within the stated time, the Department will impose the fine and pursue whatever action it deems necessary to enforce the fine.

H. Restitution. It is AGREED that Respondent Bishop shall pay restitution to E.D. and D.J. as identified in the Department's Statement of Charges and in the amounts indicated therein. The payment of restitution shall be joint and several with any other Respondents determined to have violated the Act.

I. Non-Compliance with Order. It is AGREED that Respondent Bishop understands that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Director. In the event of such legal action, Respondent Bishop may be responsible to reimburse the Director for the cost incurred in pursuing such action, including but not limited to, attorney fees.

1 J. **Voluntarily Entered.** It is AGREED that Respondent Bishop has voluntarily entered into
2 this Consent Order, which is effective when signed by the Director's designee.

3 K. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent Bishop
4 has read this Consent Order in its entirety and fully understands and agrees to all of the same.

5 **RESPONDENT:**

6 [Redacted]

7 Nathan C. Bishop
Individually

1-23-2015
Date

8 Approved for Entry

9 [Redacted]

10 Trent Whitford
Whitford Law Offices, LLC
11 Attorney for Respondent Bishop

1.23.15
Date

12 DO NOT WRITE BELOW THIS LINE

13 THIS ORDER ENTERED THIS 26th DAY OF January, 2015.

14 [Redacted]
15 [Redacted]
16 CHARLES E. CLARK
17 Director, Division of Consumer Services
Department of Financial Institutions

18 Presented by:

19 [Redacted]

20 DEVON P. PHELPS
Financial Legal Examiner

21 Approved by:

22 [Redacted]

23 STEVEN C. SHERMAN
24 Enforcement Chief



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 HOMEOWNER DEFENSE GROUP, LLC d/b/a
6 U.S. LOAN EDUCATORS, LEGAL AFFILIATES
GROUP¹, and FAMILY FIRST HOME
7 PRESERVATION SERVICES²;
FAMILY 1ST HOME PRESERVATION, LLC d/b/a
8 NATIONWIDE PRESERVATION COMPANY³;
TOBIAS WEST a/k/a TOBEY WEST, Principal;
and
9 NATHAN C. BISHOP, Principal,

10 Respondents.

No. C-12-1054-15-SC02

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

11 INTRODUCTION

12 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of Financial
13 Institutions of the State of Washington (Director) is responsible for the administration of chapter
14 19.146 RCW, the Mortgage Broker Practices Act (Act). On September 4, 2013, the Department
15 issued Statement of Charges C-12-1054-13-SC01, which, due to a scrivener's error, identified U.S.
16 Legal Educators, instead of U.S. Loan Educators, as a Respondent. This Amended Statement of
17 Charges C-12-1054-15-SC02 is issued to correct the scrivener's error.

18 After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts
19 available as of the date of this Amended Statement of Charges, the Director, through his designee,
20 Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as
21 follows:

22 //

23 ¹ The company documents also use the names Legal Affiliates Group Co. and Legal Affiliates Group & Co.

24 ² The company documents also use the names Family First Home Preservation Corp., Family 1st Home Preservation Services, and Family 1st Home Preservation.

³ The company documents also use the names Nationwide Preservation Company Inc. and Nationwide PCO.

1 **I. FACTUAL ALLEGATIONS**

2 **1.1 Respondents.**

3 **A. Respondent Homeowner Defense Group, LLC (Respondent HDG)** was a limited
4 liability company registered with the California Secretary of State. Respondent HDG has done
5 business under the following names: U.S. Loan Educators, Legal Affiliates Group, and Family First
6 Home Preservation Services. Respondent HDG has never been licensed by the Washington State
7 Department of Financial Institutions (Department) to conduct business as a mortgage broker or loan
8 originator in Washington.

9 **B. Respondent Family 1st Home Preservation, LLC (Respondent Family 1st)** is a limited
10 liability company registered with the California Secretary of State. Respondent Family 1st has done
11 business under the name Nationwide Preservation Company. Respondent Family 1st has never been
12 licensed by the Washington State Department of Financial Institutions (Department) to conduct
13 business as a mortgage broker or loan originator in Washington.

14 **C. Respondent Tobias West a/k/a Tobey West (Respondent West)** is a principal of
15 Respondent HDG. Respondent West has never been licensed by the Department in any capacity.

16 **D. Respondent Nathan C. Bishop (Respondent Bishop)** is a principal of Respondent Family
17 1st. Respondent Bishop has never been licensed by the Department in any capacity.

18 **1.2 Unlicensed Conduct.**⁴ Between at least January 27, 2012, and May 1, 2013, Respondents were
19 offering residential loan modification services to Washington consumers on property located in
20 Washington State. Respondents entered into a contractual relationship with at least sixteen
21 consumers to provide those services and collected an advance fee for the provision of those services.
22 The Department has received at least sixteen complaints from Washington consumers alleging
23 Respondents provided or offered to provide residential mortgage loan modification services while not

24 _____
⁴ Evidence shows that Respondents were acting in concert and used the fictitious business names interchangeably.

1 licensed by the Department to provide those services. A list of Washington consumers with whom
2 Respondents conducted business as a mortgage broker or loan originator, and the amount paid by
3 each is appended hereto and incorporated herein by reference.

4 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to
5 provide the residential mortgage loan modification services or omitted disclosing that they were not
6 licensed to provide those services.

7 **1.4 False Statements to the Department.** On or about November 19, 2012, Respondent HDG
8 sent a letter to the Department whereby it indicated it had ceased to conduct business as a loan
9 modification company in Washington. Additionally, on January 7, 2013, a representative of
10 Respondent HDG contacted the Department and stated Respondent HDG had discontinued its
11 business in Washington State sometime in early 2012. However, Respondent HDG entered into
12 contractual relationships to provide loan modification services with at least eight consumers after
13 January 7, 2013.

14 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
15 Act by Respondents continues to date.

16 II. GROUNDS FOR ENTRY OF ORDER

17 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
18 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of
19 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage
20 loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
21 person in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-
22 006, a person "assists a person in obtaining or applying to obtain a residential mortgage loan" by,
23 among other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan
24 packages...."

1 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), “loan originator” means a
2 natural person who for direct or indirect compensation or gain, or in the expectation of direct or
3 indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;
4 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to
5 perform any of these activities.

6 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
7 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive
8 practice toward any person and obtaining property by fraud or misrepresentation.

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

13 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
14 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)
15 for engaging in the business of a loan originator without first obtaining and maintaining a license.

16 **2.6 False Statements.** Based on the Factual Allegations set forth in Section I above, Respondents
17 are in apparent violation of RCW 19.146.0201(8) for making a false statement in connection with an
18 investigation conducted by the Department.

19 **2.7 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
20 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a
21 location that is on file with and readily available to the Department until at least twenty-five months
22 have elapsed following the effective period to which the books and records relate.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
3 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
4 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9)
5 or (13), or RCW 19.146.200.

6 **3.2 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
7 restitution against any person subject to the Act for any violation of the Act.

8 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
9 against any person subject to the Act for any violation of the Act.

10 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
11 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time
12 devoted to an investigation of any person subject to the Act.

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

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

17 **4.1** Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
18 West, and Nathan C. Bishop be prohibited from participation, in any manner, in the conduct of
the affairs of any mortgage broker subject to licensure by the Director for a period of five years

19 **4.2** Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
20 West, and Nathan C. Bishop jointly and severally pay restitution to the consumers identified
21 by the Department in Appendix A in the amounts set forth therein, and that Respondents
22 jointly and 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.

23 **4.3** Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
24 West, and Nathan C. Bishop jointly and severally pay a fine, which as of the date of this
Statement of Charges totals \$48,000.

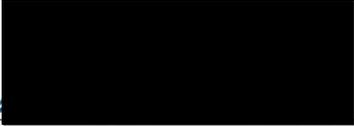
1 4.4 Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
2 West, and Nathan C. Bishop jointly and severally pay an investigation fee, which as of the
date of this Statement of Charges totals \$2,184.

3 4.5 Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
4 West, and Nathan C. Bishop maintain records in compliance with the Act and provide the
5 Department with the location of the books, records and other information relating to
6 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.

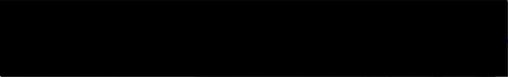
7 **V. AUTHORITY AND PROCEDURE**

8 This Amended Statement of Charges is entered pursuant to the provisions of RCW
9 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the
10 provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a
11 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
12 OPPORTUNITY FOR HEARING accompanying this Amended Statement of Charges.

13 Dated this 23rd day of January, 2015.

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17 CHARLES E. CLARK
Director, Division of Consumer Services
Department of Financial Institutions

18 Presented by:

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20 DEVON P. PHELPS
21 Financial Legal Examiner

22 Approved by:

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24 STEVEN C. SHERMAN
Enforcement Chief



1 **Restitution**

2 Consumer	Company Name	Amount
3 D.A.	HDG d/b/a Family First	\$1,995
4 C.B.	HDG d/b/a Legal Affiliates Group	\$2,695
5 F.B.	HDG d/b/a Family First	\$665
6 B.C.	HDG d/b/a Family First	\$1,500* ⁵
7 J.C.	HDG d/b/a U.S. Loan Educators	\$1,970*
8 E.D.	Family 1 st d/b/a Nationwide	\$500
9 L.G.	HDG d/b/a Legal Affiliates Group	\$1,995
10 M.H.	HDG d/b/a Family First	\$2,195
11 R.H.	HDG d/b/a Family First	\$2,295
12 D.J.	Family 1 st d/b/a Nationwide	\$830
13 A.P.	HDG d/b/a Family First	\$2,195 ⁶
14 B.S.	HDG d/b/a U.S. Loan Educators	\$1,595*
15 C.S.	HDG d/b/a Family First	\$2,175
16 M.S.	HDG d/b/a Family First	\$2,950
17 C.V.	HDG d/b/a Legal Affiliates Group	\$1,995
18 E.W.	HDG d/b/a Legal Affiliates Group	\$2,595

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24 ⁵ The consumers indicated by the "*" previously received refunds from Respondents.

⁶ The consumer closed the account before Respondents cashed the checks.

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**STATE OF WASHINGTON
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HOME PRESERVATION SERVICES²;
FAMILY 1ST HOME PRESERVATION, LLC d/b/a
NATIONWIDE PRESERVATION COMPANY³;
TOBIAS WEST a/k/a TOBEY WEST, Principal;
and
NATHAN C. BISHOP, Principal,

Respondents.

No. C-12-1054-13-SC01

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

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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 the date of this Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Respondent Homeowner Defense Group, LLC (Respondent HDG) was a limited liability company registered with the California Secretary of State. Respondent HDG has done

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¹ The company documents also use the names Legal Affiliates Group Co. and Legal Affiliates Group & Co.

² The company documents also use the names Family First Home Preservation Corp., Family 1st Home Preservation Services, and Family 1st Home Preservation.

³ The company documents also use the names Nationwide Preservation Company Inc. and Nationwide PCO.

1 business under the following names: U.S. Loan Educators, Legal Affiliates Group, and Family First
2 Home Preservation Services. Respondent HDG has never been licensed by the Washington State
3 Department of Financial Institutions (Department) to conduct business as a mortgage broker or loan
4 originator in Washington.

5 **B. Respondent Family 1st Home Preservation, LLC (Respondent Family 1st)** is a limited
6 liability company registered with the California Secretary of State. Respondent Family 1st has done
7 business under the name Nationwide Preservation Company. Respondent Family 1st has never been
8 licensed by the Washington State Department of Financial Institutions (Department) to conduct
9 business as a mortgage broker or loan originator in Washington.

10 **C. Respondent Tobias West a/k/a Tobey West (Respondent West)** is a principal of
11 Respondent HDG. Respondent West has never been licensed by the Department in any capacity.

12 **D. Respondent Nathan C. Bishop (Respondent Bishop)** is a principal of Respondent Family
13 1st. Respondent Bishop has never been licensed by the Department in any capacity.

14 **1.2 Unlicensed Conduct.**⁴ Between at least January 27, 2012, and May 1, 2013, Respondents were
15 offering residential loan modification services to Washington consumers on property located in
16 Washington State. Respondents entered into a contractual relationship with at least sixteen
17 consumers to provide those services and collected an advance fee for the provision of those services.
18 The Department has received at least sixteen complaints from Washington consumers alleging
19 Respondents provided or offered to provide residential mortgage loan modification services while not
20 licensed by the Department to provide those services. A list of Washington consumers with whom
21 Respondents conducted business as a mortgage broker or loan originator, and the amount paid by
22 each is appended hereto and incorporated herein by reference.

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24 _____
⁴ Evidence shows that Respondents were acting in concert and used the fictitious business names interchangeably.

1 **1.3 Misrepresentations and Omissions.** Respondents represented that they were licensed to
2 provide the residential mortgage loan modification services or omitted disclosing that they were not
3 licensed to provide those services.

4 **1.4 False Statements to the Department.** On or about November 19, 2012, Respondent HDG
5 sent a letter to the Department whereby it indicated it had ceased to conduct business as a loan
6 modification company in Washington. Additionally, on January 7, 2013, a representative of
7 Respondent HDG contacted the Department and stated Respondent HDG had discontinued its
8 business in Washington State sometime in early 2012. However, Respondent HDG entered into
9 contractual relationships to provide loan modification services with at least eight consumers after
10 January 7, 2013.

11 **1.5 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
17 loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a
18 person in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-
19 006, a person "assists a person in obtaining or applying to obtain a residential mortgage loan" by,
20 among other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan
21 packages...."

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

1 offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to
2 perform 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
5 practice 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 False Statements.** Based on the Factual Allegations set forth in Section I above, Respondents
14 are in apparent violation of RCW 19.146.0201(8) for making a false statement in connection with an
15 investigation conducted by the Department.

16 **2.7 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
17 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a
18 location that is on file with and readily available to the Department until at least twenty-five months
19 have elapsed following the effective period to which the books and records relate.

20 **III. AUTHORITY TO IMPOSE SANCTIONS**

21 **3.1 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)
24 or (13), or RCW 19.146.200.

1 **3.2 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 **3.3 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 **3.4 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
7 devoted 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 Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
13 West, and Nathan C. Bishop be prohibited from participation, in any manner, in the conduct of
the affairs of any mortgage broker subject to licensure by the Director for a period of five years

14 **4.2** Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
15 West, and Nathan C. Bishop jointly and severally pay restitution to the consumers identified
16 by the Department in Appendix A in the amounts set forth therein, and that Respondents
17 jointly and 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.

18 **4.3** Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
19 West, and Nathan C. Bishop jointly and severally pay a fine, which as of the date of this
Statement of Charges totals \$48,000.

20 **4.4** Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
21 West, and Nathan C. Bishop jointly and severally pay an investigation fee, which as of the
date of this Statement of Charges totals \$2,184.

22 **4.5** Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias
23 West, and Nathan C. Bishop maintain records in compliance with the Act and provide the
Department with the location of the books, records and other information relating to
24 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.

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 4th day of September, 2013.



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

17 Presented by:



19 DEVON P. PHELPS
20 Financial Legal Examiner

21 Approved by:



23 CHARLES E. CLARK
24 Enforcement Chief

Restitution

Consumer	Company Name	Amount
D.A.	HDG d/b/a Family First	\$1,995
C.B.	HDG d/b/a Legal Affiliates Group	\$2,695
F.B.	HDG d/b/a Family First	\$665
B.C.	HDG d/b/a Family First	\$1,500* ⁵
J.C.	HDG d/b/a U.S. Loan Educators	\$1,970*
E.D.	Family 1 st d/b/a Nationwide	\$500
L.G.	HDG d/b/a Legal Affiliates Group	\$1,995
M.H.	HDG d/b/a Family First	\$2,195
R.H.	HDG d/b/a Family First	\$2,295
D.J.	Family 1 st d/b/a Nationwide	\$830
A.P.	HDG d/b/a Family First	\$2,195 ⁶
B.S.	HDG d/b/a U.S. Loan Educators	\$1,595*
C.S.	HDG d/b/a Family First	\$2,175
M.S.	HDG d/b/a Family First	\$2,950
C.V.	HDG d/b/a Legal Affiliates Group	\$1,995
E.W.	HDG d/b/a Legal Affiliates Group	\$2,595

⁵ The consumers indicated by the "*" previously received refunds from Respondents.

⁶ The consumer closed the account before Respondents cashed the checks.