

ORDER SUMMARY – Case Number: C-12-1054

Name(s): Homeowner Defense Group, LLC d/b/a U.S. Loan Educators, Legal
Affiliates Group and Family 1st Home Preservation Services;
Family 1st Home Preservation, LLC d/b/a Nationwide Preservation
Company
Tobias West a/k/a Tobey West

Order Number: C-12-1054-15-CO03

Effective Date: January 28, 2015

License Number: Unlicensed
Or NMLS Identifier [U/L]

License Effect: N/A

Not Apply Until: January 28, 2020

Not Eligible Until: January 28, 2020

Prohibition/Ban Until: January 28, 2020

Investigation Costs	\$1,684	Due 1/28/15	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1/28/15
Fine	\$48,000	Due – stayed	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$25, 080	Due – 1 payment every 45 days; all within 18 months	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:	17			

Comments:

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:

HOMEOWNER DEFENSE GROUP, LLC d/b/a
U.S. LOAN 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.

No.: C-12-1054-15-CO03

CONSENT ORDER AS TO
HOMEOWNER DEFENSE GROUP, LLC
d/b/a U.S. LOAN EDUCATORS, LEGAL
AFFILIATES GROUP, and FAMILY FIRST
HOME PRESERVATION SERVICES;
FAMILY 1ST HOME PRESERVATION, LLC
d/b/a NATIONWIDE PRESERVATION
COMPANY; and TOBIAS WEST a/k/a
TOBEY WEST

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Charles E. Clark, Division Director, Division of Consumer Services, and Homeowner
Defense Group, LLC d/b/a U.S. Loan Educators, Legal Affiliates Group, Family First Home
Preservation Services (Respondent HDG), Family 1st Home Preservation, LLC d/b/a Nationwide
Preservation Company, (Respondent Family 1st), and Tobias West a/k/a Tobey West, Principal
(Respondent West), and finding that the issues raised in the above-captioned matter may be
economically and efficiently settled solely as they relate to Respondents HDG, Family 1st, and West,
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:

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.

CONSENT ORDER

C-12-1054-15-CO03

HOMEOWNER DEFENSE GROUP, LLC, et. al.

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DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Consumer Services

PO Box 41200

Olympia, WA 98504-1200

(360) 902-8703

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

1 **D. Restitution.** It is AGREED that Respondent West shall pay restitution to all consumers
2 identified on Attachment A to this Consent Order, in the amounts indicated therein. The payment of
3 restitution to consumers E.D. and D.J. shall be joint and several with Respondent Nathan C. Bishop.
4 Payments must be made directly to the individual consumer via cashier's check. A full restitution
5 payment must be made to at least one consumer every forty-five (45) days, and all restitution
6 payments must be made within eighteen (18) months of entry of this Consent Order. Respondent
7 West shall provide the Department with copies of the front of each check within ten days after each
8 restitution check has been mailed.

9 **E. Investigation Fee.** It is AGREED that Respondent West shall pay to the Department an
10 investigation fee of \$1,684 in the form of a cashier's check made payable to the "Washington State
11 Treasurer" by mailing the cashier's check via U.S. mail within twenty-four (24) hours of entry of this
12 Consent Order. Payment shall be deemed completed upon final payment of the cashier's check by
13 drawee bank.

14 **F. Stayed Fine.** It is AGREED that Respondent West shall pay a fine of \$48,000. It is
15 further AGREED that said fine shall be stayed pending completion of the terms of the Consent Order.
16 It is further AGREED that if the Department does not seek to lift the stay and impose the fine upon
17 completion of the above condition, said fine will be deemed withdrawn without further action being
18 required by either party.

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

- 20 1. If the Department determines that Respondent West has not complied with the
21 terms of this Consent Order and accordingly seeks to lift the stay and impose the
22 fine set forth in section F above, the Department will first notify Respondent West
23 in writing of its determination.
24 2. The Department's notification will include:
- a) A description of the alleged noncompliance;

- 1 b) A statement that because of the noncompliance, the Department seeks
2 to lift the stay and impose the fine;
- 3 c) The opportunity for Respondent West to contest the Department's
4 determination of noncompliance in an administrative hearing before an
5 Administrative Law Judge (ALJ) of the Office of Administrative
6 Hearings (OAH); and
- 7 d) A copy of this Consent Order. The notification and hearing process
8 provided in this Consent Order applies only to this Consent Order. It is
9 solely provided in the event Respondent West chooses to contest the
10 Department's determination of noncompliance.
- 11 3. Respondent West will be afforded ten (10) business days from the date of receipt
12 of the Department's notification to submit a written request to the Department for
13 an administrative hearing to be held before an ALJ from the OAH.
- 14 4. Respondent West, in addition to its request for hearing, may provide a written
15 response to include any information pertaining to the alleged noncompliance.
- 16 5. The administrative hearing shall be expedited and follow the timing and processes
17 described in this Consent Order.
- 18 6. If requested, the hearing will be held within 15 business days (or as soon as the
19 schedule of the ALJ permits) from the due date for Respondent West's request for
20 hearing or from the date of receipt of Respondent West's timely request for
21 hearing, whichever is sooner. The parties will accommodate the prompt scheduling
22 of the hearing.
- 23 7. The scope and issues of the hearing are limited solely to whether or not
24 Respondent is in violation of the terms of this Consent Order to a degree sufficient
25 to warrant imposition of the fine.
- 26 8. At the conclusion of the hearing, the ALJ will issue an initial decision. Either
27 party may file a Petition for Review with the Director of the Department.
- 28 9. If Respondent West does not request the hearing within the stated time, the
29 Department will impose the fine and pursue whatever action it deems necessary to
30 enforce the fine.

31 **H. Authority to Execute Order.** It is AGREED that the undersigned have represented and
32 warranted that they have the full power and right to execute this Consent Order on behalf of the
33 parties represented. It is further AGREED that this Consent Order may be executed by facsimile,
34 which shall be deemed to be an original.

1 I. **Non-Compliance with Order.** It is AGREED that Respondents HDG, Family 1st, and
2 West understand that failure to abide by the terms and conditions of this Consent Order may result in
3 further legal action by the Director. In the event of such legal action, Respondents HDG, Family 1st,
4 and West may be responsible to reimburse the Director for all costs incurred in pursuing such action,
5 including but not limited to, attorney fees.

6 J. **Voluntarily Entered.** It is AGREED that Respondents HDG, Family 1st, and West have
7 voluntarily entered into this Consent Order, which is effective when signed by the Director's
8 designee.

9 K. **Completely Read, Understood, and Agreed.** It is AGREED that Respondents HDG,
10 Family 1st, and West have read this Consent Order in its entirety and fully understand and agree to all
11 of the same.

12 **RESPONDENTS:**

13 **Homeowner Defense Group, LLC**

14 By:

15 Tobias West
16 Principal

1/28/15
Date

17 **Family 1st Home Preservation, LLC**

18 By:

19 Tobias West
20 Principal

1/28/15
Date

21 Tobias West
22 Individually

1/28/15
Date

23 DO NOT WRITE BELOW THIS LINE

1 THIS ORDER ENTERED THIS 28th DAY OF January, 2015.

2 [REDACTED]
3
4 CHARLES E. CLARK
5 Director, Division of Consumer Services
6 Department of Financial Institutions

7 Presented by:

8 [REDACTED]
9 DEVON P. PHELPS
10 Financial Legal Examiner

11 Approved by:

12 [REDACTED]
13 STEVEN C. SHERMAN
14 Enforcement Chief
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Attachment A

Consumer	Address	Amount
[REDACTED]	[REDACTED]	\$1,995
[REDACTED]	[REDACTED]	\$2,695
[REDACTED]	[REDACTED]	\$665
[REDACTED]	[REDACTED]	\$500
[REDACTED]	[REDACTED]	\$1,995
[REDACTED]	[REDACTED]	\$2,195
[REDACTED]	[REDACTED]	\$2,295
[REDACTED]	[REDACTED]	\$830
[REDACTED]	[REDACTED]	\$2,175
[REDACTED]	[REDACTED]	\$2,950
[REDACTED]	[REDACTED]	\$1,995
[REDACTED]	[REDACTED]	\$2,595
[REDACTED]	[REDACTED]	\$2,195

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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:

HOMEOWNER DEFENSE GROUP, LLC d/b/a
U.S. LOAN 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.

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

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 (Act). On September 4, 2013, the Department issued Statement of Charges C-12-1054-13-SC01, which, due to a scrivener's error, identified U.S. Legal Educators, instead of U.S. Loan Educators, as a Respondent. This Amended Statement of Charges C-12-1054-15-SC02 is issued to correct the scrivener's error.

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

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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 **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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24 //

III. AUTHORITY TO IMPOSE SANCTIONS

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

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

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

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

IV. NOTICE OF INTENT TO ENTER ORDER

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

4.1 Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias 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

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

4.3 Respondents Homeowner Defense Group, LLC, Family 1st Home Preservation, LLC, Tobias 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.

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

18 Presented by:

19 [Redacted Signature]
20 DEVON P. PHELPS
21 Financial Legal Examiner

22 Approved by:

23 [Redacted Signature]
24 STEVEN C. SHERMAN
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.

**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:

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.

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

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:

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

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.

23
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.

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8 Dated this 4th day of September, 2013.



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[Redacted Signature]

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

Presented by:

[Redacted Signature]

DEVON P. PHELPS
Financial Legal Examiner

Approved by:

[Redacted Signature]

CHARLES E. CLARK
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.

1 **1.2 Unlicensed Conduct.**

2 **A.** On or about January 27, 2012, Respondent HDG d/b/a U.S. Loan Educators entered into an
3 agreement with Washington resident B.S. to perform loan modification services. B.S. paid \$1,595 to
4 Respondent HDG via check on January 27, 2012.

5 **B.** On or about June 15, 2012, Respondent HDG d/b/a U.S. Loan Educators entered into an
6 agreement with Washington resident J.C. to perform loan modification services. J.C. paid \$1,970 to
7 Respondent HDG via two checks, the first on June 20, 2012, for \$1,000, and the second on July 20,
8 2012, for \$970.

9 **C.** On or about November 19, 2012, Respondent HDG sent a letter to the Department whereby it
10 indicated it has ceased to conduct business as a loan modification company in Washington.
11 Additionally, on January 7, 2013, a representative of Respondent HDG contacted the Department and
12 stated Respondent HDG had discontinued its business in Washington State sometime in early 2012.

13 **D.** On or about February 5, 2103, Respondent HDG d/b/a Family 1st Home Preservation entered
14 into an agreement with Washington resident B.C. to perform loan modification services. B.C. paid
15 \$1,500 to Respondent HDG via check on February 5, 2013.

16 **E.** On or about March 21, 2013, Respondent HDG d/b/a Family 1st Home Preservation Services
17 entered into an agreement with Washington resident A.P. to perform loan modification services. A.P.
18 sent two checks for \$1,097.50 each, but has since closed the accounts before Respondent HDG was
19 able to cash the checks.

20 **F.** The Department has determined that the US Bank account where the check written by B.S.
21 was deposited is registered to Respondents HDG d/b/a U.S. Loan Educators and West. The account
22 was opened January 31, 2012, and was still an active account as of November 26, 2012.

1 **G.** The Department has also determined that the US Bank account where the check written by
2 B.C. was deposited is registered to Respondents HDG d/b/a Family 1st Home Preservation and West.
3 The account was opened on November 14, 2012, and was open as of March 22, 2013.

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

5 **2.1 Failure to Obtain License.** Based on the Factual Allegations set forth in Section I above,
6 Respondents are in apparent violation of RCW 19.146.200 for engaging in the business of a mortgage
7 broker or loan originator without first obtaining a license under the Act.

8 **2.2 False Statements.** Based on the Factual Allegations set forth in Section I above, Respondents
9 are in apparent violation of RCW 19.146.0201(8) for making a false statement in connection with an
10 investigation conducted by the Department.

11 **III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST**

12 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW 19.146.227, the
13 Director is authorized to issue a temporary order to cease and desist whenever the Director determines
14 that the public is likely to be substantially injured by delay in issuing a cease and desist order. Based
15 on the Factual Findings and Grounds for Entry of Order set forth above, Respondents engaged in the
16 business of a Mortgage Broker or Loan Originator without proper licensure and failed to comply with
17 its statements to the Department that it would cease accepting new clients and the public is likely to be
18 substantially injured due to Respondents' disregard for the applicable laws.

19 **IV. ORDER**

20 Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue
21 Temporary Order to Cease and Desist, and pursuant to RCW 19.146.227, the Director determines that
22 the public is likely to be substantially harmed by a delay in entering a cease and desist order.
23 Therefore, the Director **ORDERS** that:
24

1 **4.1** Respondents shall immediately cease and desist from participating in the conduct of the affairs of
2 any mortgage broker or loan originator subject to licensure by the Director, in any manner, specifically
3 including but not limited to negotiating any terms of a residential mortgage loan, performing any loan
4 modification services, or holding out as able to assist or perform any of the above listed services.
5 **4.2** This order shall take effect immediately and shall remain in effect unless set aside, limited, or
6 suspended in writing by an authorized court.

7 **NOTICE**

8 PURSUANT TO CHAPTER 19.146 RCW, YOU ARE ENTITLED TO A HEARING TO
9 DETERMINE WHETHER THIS ORDER SHALL BECOME PERMANENT. IF YOU DESIRE A
10 HEARING, YOU MUST COMPLETE AND RETURN THE ATTACHED APPLICATION FOR
11 ADJUDICATIVE HEARING.

12 **FAILURE TO COMPLETE AND RETURN THE APPLICATION FOR ADJUDICATIVE**
13 **HEARING SO THAT IT IS RECEIVED BY THE DEPARTMENT WITHIN 20 DAYS OF**
14 **THE DATE THAT THIS ORDER WAS SERVED ON YOU WILL CONSTITUTE A**
15 **DEFAULT, AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO A HEARING.**

16 SERVICE ON YOU IS DEFINED AS POSTING IN THE U.S. MAIL, POSTAGE PREPAID,
17 TO YOUR LAST KNOWN ADDRESS, A COPY OF THIS TEMPORARY CEASE AND DESIST
18 ORDER, NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING,
19 AND APPLICATION FOR ADJUDICATIVE HEARING. BE ADVISED THAT DEFAULT WILL
20 RESULT IN THIS TEMPORARY ORDER TO CEASE AND DESIST BECOMING PERMANENT
21 ON THE 21ST DAY FOLLOWING SERVICE OF THIS ORDER UPON YOU.

22 WITHIN TEN DAYS AFTER YOU HAVE BEEN SERVED WITH THIS TEMPORARY
23 ORDER TO CEASE AND DESIST, YOU MAY APPLY TO THE SUPERIOR COURT IN THE
24 COUNTY OF YOUR PRINCIPAL PLACE OF BUSINESS FOR AN INJUNCTION SETTING

1 ASIDE, LIMITING, OR SUSPENDING THIS ORDER PENDING THE COMPLETION OF THE
2 ADMINISTRATIVE PROCEEDINGS PURSUANT TO THIS NOTICE.

3
4 DATED this 18th day of April, 2013.

5 [REDACTED]
6 DEBORAH BORTNER
7 Director, Division of Consumer Services
8 Department of Financial Institutions

9 Presented by:

10 [REDACTED]
11 DEVON P. PHELPS
12 Financial Legal Examiner

13 Approved by:

14 [REDACTED]
15 CHARLES E. CLARK
16 Enforcement Chief
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