

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 First Home Preservation Services; Family 1st Home Preservation, LLC d/b/a Nationwide Preservation Company; and Tobias West a/k/a Tobey West

Order Number: C-12-1054-16-FO01

Effective Date: 6/9/16

License Number: U/L

Or NMLS Identifier [U/L] NMLS: 628618

License Effect: _____

Not Apply Until: January 28, 2020

Not Eligible Until: January 28, 2020

Prohibition/Ban Until: January 28, 2020

Investigation Costs	\$1684	Due 1.29.15	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 1.29.15
Fine	\$48,000	Due 6.13.16	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	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:		13		

Comments: restitution made to 7 consumers. 5 consumers have yet to receive restitution. Remaining restitution is \$12,730.

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 DIVISION OF CONSUMER SERVICES

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

No.: C-12-1054-16-FO01

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

FINAL ORDER LIFTING STAY AND
IMPOSING FINE 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

Respondents.

17 I. DIRECTOR'S CONSIDERATION

18 A. Default. This matter has come before the Director of the Department of Financial
19 Institutions of the State of Washington (Director), through his designee, Consumer Services Division
20 Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On September 4,
21 2013, the Director, through the Director's designee, issued a Statement of Charges and Notice of
22 Intention to Enter an Order to Prohibit from Industry, Order Restitution, Impose Fine, Collect
23 Investigation Fee, and Maintain Records against Homeowner Defense Group, LLC d/b/a U.S. Legal
24 Educators, Legal Affiliates Group, and Family First Home Preservation Services (Homeowner
Defense Group); Family 1st Home Preservation, LLC d/b/a Nationwide Preservation Company
(Family 1st); Tobias West a/k/a Tobey West (West); and Nathan C. Bishop.

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 On January 23, 2015, an Amended Statement of Charges was entered to correct a scrivener's
2 error. On January 27, 2015, the Department served Respondents Homeowner Defense Group, Family
3 1st, and West with the Amended Statement of Charges. Respondents Homeowner Defense Group,
4 Family 1st, and West timely filed an Application for Administrative Hearing and subsequently
5 entered into Consent Order C-12-1054-15-CO03 which was entered on January 28, 2015 (See
6 Attachment 1). Respondents Homeowner Defense Group, Family 1st, and West agreed to the
7 following relevant terms in the Consent Order:

- 8 1. A full restitution payment to one of the consumers identified in Attachment A to
9 the Consent Order every forty-five days, with all payments made within eighteen
10 months of entry of the Consent Order.
- 11 2. A fine of \$48,000 that was stayed pending completion of the terms of the Consent
12 Order.

13 On or about January 25, 2016, Respondent West notified the Department he would be unable
14 to make the remaining restitution payments as required in the Consent Order. The Department agreed
15 to modify the Consent Order to institute a new payment schedule but Respondent West failed to sign
16 and return the modified Consent Order. On or about May 11, 2016, the Department mailed via first
17 class mail a letter to Respondent West notifying him of the Department's intention to lift the stay and
18 impose the fine ordered in the Consent Order. The letter was accompanied by a copy of the Consent
19 Order and a blank Application for Adjudicative Hearing. Pursuant to the terms of the Consent order,
20 Respondent West had ten (10) days to request a hearing. More than ten (10) days have passed and
21 Respondent West has not requested a hearing.

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1 B. Record Presented. The record presented to the Director's designee for his review and
2 for entry of a final decision included the following:

- 3 1. Amended Statement of Charges, cover letter dated January 27, 2015, Notice of
4 Opportunity to Defend and Opportunity for Hearing, and blank Applications for
5 Adjudicative Hearing for Respondents, with documentation for service.
- 6 2. Consent Order C-12-1054-15-CO03.
- 7 3. Notice to Respondent West of the Department's intent to lift the stay and impose
8 the fine ordered in the Consent Order, dated May 11, 2016, with documentation of
9 service.

10 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), and based
11 upon the foregoing, the Director's designee hereby finds that Respondents Homeowner Defense
12 Group, Family 1st, and West have failed to comply with Consent Order C-12-1054-15-CO03.

13 II. FINAL ORDER

14 Based upon the foregoing, and the Director's designee having considered the record and being
15 otherwise fully advised, NOW, THEREFORE:

16 A. IT IS HEREBY ORDERED, That:

- 17 1. The stay of the fine ordered in Consent Order C-12-1054-15-CO03 is lifted.
- 18 2. Respondents Homeowner Defense Group, LLC d/b/a U.S. Loan Educators, Family
19 First Home Preservation Services, and Legal Affiliates Group; Family 1st Home
20 Preservation, LLC d/b/a Nationwide Preservation Company; and Tobias West
21 a/k/a Tobey West shall jointly and severally pay a fine of \$48,000.
- 22 3. All other terms of Consent Order C-12-1054-15-CO03 remain in effect, including,
23 but not limited to, the Order to pay all unpaid restitution.

24 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
25 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
26 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
27 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
28 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The

1 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
2 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

12 E. Pursuant to the terms of the Consent Order, the Department is immediately assigning
13 the amounts owed to a collection agency for collection.

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

17 DATED this 9th day of June, 2016.



18 STATE OF WASHINGTON
19 DEPARTMENT OF FINANCIAL INSTITUTIONS

20 
21 CHARLES E. CLARK
22 Director
23 Division of Consumer Services

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
5 Mortgage Broker Practices Act of Washington by:

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

11 Respondents.

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

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

17 COMES NOW the Director of the Department of Financial Institutions (Director), through his
18 designee Charles E. Clark, Division Director, Division of Consumer Services, and Homeowner
19 Defense Group, LLC d/b/a U.S. Loan Educators, Legal Affiliates Group, Family First Home
20 Preservation Services (Respondent HDG), Family 1st Home Preservation, LLC d/b/a Nationwide
21 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
22 economically and efficiently settled solely as they relate to Respondents HDG, Family 1st, and West,
23 agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 of
24 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.

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AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services, (Department) and Respondents HDG, Family 1st, and West have agreed upon a basis for resolution of the matters alleged in Amended Statement of Charges No. C-12-1054-15-SC02 (Amended Statement of Charges), entered January 23, 2015, (copy attached hereto) solely as they relate to Respondents HDG, Family 1st, and West. Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondents HDG, Family 1st, and West hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-captioned matter may be economically and efficiently settled solely as to Respondents HDG, Family 1st, and West by entry of and performance under this Consent Order.

Based upon the foregoing:

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

B. Waiver of Hearing. It is AGREED that Respondents HDG, Family 1st, and West have been informed of the right to a hearing before an administrative law judge, and hereby waive their right to a hearing and any and all administrative and judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondents HDG, Family 1st, and West, by their signatures below, withdraw their appeal to the Office of Administrative Hearings.

C. Prohibition from Industry. It is AGREED that, for a period of five (5) years from the date of entry of this Consent Order, Respondents HDG, Family 1st, and West are each prohibited from participating, in any capacity, in the conduct of the affairs of any mortgage broker licensed by the Department or subject to licensure or regulation by the Department.

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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 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

11/28/15
Date

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

18 By: 

19 Tobias West
20 Principal

11/28/15
Date

21 
22 Tobias West
23 Individually

11/28/15
Date

24 **DO NOT WRITE BELOW THIS LINE**

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


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

Presented by:



DEVON P. PHELPS
Financial Legal Examiner

Approved by:



STEVEN C. SHERMAN
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;
8 FAMILY 1ST HOME PRESERVATION, LLC d/b/a
NATIONWIDE PRESERVATION COMPANY³;
9 TOBIAS WEST a/k/a TOBEY WEST, Principal;
and
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:

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

18 Presented by:

19 
20 DEVON P. PHELPS
21 Financial Legal Examiner

22 Approved by:

23 
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

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
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

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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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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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10 [Redacted signature]
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12 DEBORAH BORTNER
13 Director, Division of Consumer Services
14 Department of Financial Institutions

14 Presented by:

15 [Redacted signature]
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17 DEVON P. PHELPS
18 Financial Legal Examiner

18 Approved by:

19 [Redacted signature]
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21 CHARLES E. CLARK
22 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.