

Terms Completed

ORDER SUMMARY – Case Number: C-13-1366

Name(s): Law Offices of Andrea Loveless LLP d/b/a Law Offices of
 Andrea S. Loveless; Andrea S. Loveless

Order Number: C-13-1366-14-CO01

Effective Date: March 31, 2014

License Number: _____
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: _____

Not Apply Until: _____

Not Eligible Until: _____

Prohibition/Ban Until: _____

Investigation Costs	\$240	Due 2/21	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 3/31/14
Fine	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$	Due	Paid <input checked="" type="checkbox"/> Y <input 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:		1		

Comments: Rs will pay restitution to consumer per terms of agreement reached with consumer. Rs will not conduct business of mortgage broker or loan originator without applying for license or meeting exemptions.

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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-13-1366-14-CO01

CONSENT ORDER

LAW OFFICES OF ANDREA LOVELESS,
LLP d/b/a LAW OFFICES OF ANDREA
S. LOVELESS, and
ANDREA S. LOVELESS, Partner,

Respondents.

9 COMES NOW the Director of the Department of Financial Institutions (Director), through his
10 designee Deborah Bortner, Division Director, Division of Consumer Services, and Law Offices of
11 Andrea Loveless, LLP d/b/a Law Offices of Andrea S. Loveless (Respondent Law Offices of Andrea
12 Loveless) and Andrea S. Loveless, Partner (Respondent Loveless) (collectively, Respondents), and
13 finding that the issues raised in the above-captioned matter may be economically and efficiently
14 settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter
15 19.146 of the Revised Code of Washington (RCW), and RCW 34.05.060 of the Administrative
16 Procedure Act, based on the following:

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AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges
No. C-13-1366-13-SC01 (Statement of Charges), entered December 6, 2013, (copy attached hereto).
Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of
the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this
Consent Order and further agree that the issues raised in the above-captioned matter may be
economically and efficiently settled by entry of this Consent Order. The parties intend this Consent

CONSENT ORDER
C-13-1366-14-CO01
LAW OFFICES OF ANDREA LOVELESS, LLP d/b/a
LAW OFFICES OF ANDREA S. LOVELESS and
ANDREA S. LOVELESS

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

1 Order to fully resolve the Statement of Charges and agree that the Respondents do not admit any
2 wrongdoing by its entry. Respondents are agreeing not to contest the Statement of Charges in
3 consideration of the terms of this Consent Order.

4 Based upon the foregoing:

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

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

12 **C. No Admission of Liability.** It is AGREED that Respondents do not admit to any
13 wrongdoing by entry of this Consent Order.

14 **D. License Required.** It is AGREED that Respondents understand they must obtain a
15 license from the Department or meet an exemption from licensing, as delineated in the Act, in order
16 to engage in the business of offering loan modifications for consumers located in the state of
17 Washington. It is further AGREED that Respondents will not engage in the business of a mortgage
18 broker or loan originator unless Respondents obtain a license from the Department or meet an
19 exemption from licensing, as delineated in the Act.

20 **E. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
21 investigation fee of \$240, in the form of a cashier's check made payable to the "Washington State
22 Treasurer," upon entry of this Consent Order.

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1 **F. Restitution.** It is AGREED that Respondents are in the process of paying restitution to
2 the consumer identified in paragraph 1.2 of the Statement of Charges, per the terms of an agreement
3 reached with that consumer.

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

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

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

12 **J. Authority to Execute Order.** It is AGREED that the undersigned has represented and
13 warranted that she has the full power and right to execute this Consent Order on behalf of Respondent
14 Law Offices of Andrea Loveless.

15 **RESPONDENTS:**

16 **Law Offices of Andrea Loveless, LLP d/b/a Law Offices of Andrea S. Loveless**

17 By: 

18 Andrea S. Loveless
19 Partner

2/24/14

Date

20 
21 Andrea S. Loveless
22 Individually

2/24/14

Date

23 **DO NOT WRITE BELOW THIS LINE**

1 THIS ORDER ENTERED THIS 31st DAY OF March, 2014.



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

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6 Presented by:



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8 DEVON P. PHELPS
Financial Legal Examiner

9 Approved by:



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11 CHARLES E. CLARK
Enforcement Chief

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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:

LAW OFFICES OF ANDREA LOVELESS, LLP
d/b/a LAW OFFICES OF ANDREA S.
LOVELESS, and
ANDREA S. LOVELESS, Partner,

Respondents.

No. C-13-1366-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST
BUSINESS, PROHIBIT FROM INDUSTRY,
ORDER RESTITUTION, IMPOSE FINE,
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. Law Offices of Andrea Loveless, LLP d/b/a Law Offices of Andrea S. Loveless (Respondent Law Office) has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker.

B. Andrea S. Loveless (Respondent Loveless) is a partner of Respondent Law Office. During the relevant time period, Respondent Loveless was not licensed by the Department to conduct business as a mortgage broker or loan originator.

1 **1.2 Unlicensed Activity.** Between at least April 2010 and August 2010, Respondents Law Office
2 and Loveless (hereafter Respondents) were offering residential mortgage loan modification services to
3 Washington consumers on property located in Washington State. Respondents entered into a
4 contractual relationship with at least one Washington consumer to provide those services and collected
5 an advance fee for the provision of those services. The Department has received at least one
6 complaint from a Washington consumer alleging Respondents provided or offered to provide
7 residential mortgage loan modification services while not licensed by the Department to provide those
8 services. Consumer J.G. paid Respondents a fee of \$3,000.

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

12 **1.4 False Statements to the Department.** On or about September 6, 2013, Respondent Loveless
13 stated to the Department that another entity used the firm name without her permission. The
14 Department, however, received records from JP Morgan Chase showing that Respondent Loveless was
15 the signatory on the bank account where the consumer's funds were deposited.

16 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
17 Act by Respondents continues to date.

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

19 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
20 "Mortgage Broker" means any person who, for direct or indirect compensation or gain, or in the
21 expectation of direct or indirect compensation or gain (a) assists a person in obtaining or applying to
22 obtain a residential mortgage loan or performs mortgage loan modification services or (b) holds
23 himself or herself out as being able to assist a person in obtaining or applying to obtain a residential
24 mortgage loan or provide residential mortgage loan modification services. Pursuant to WAC 208-660-

1 006, a person ““assists a person in obtaining or applying to obtain a residential mortgage loan’ by,
2 among other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan
3 packages....”

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

9 **2.3 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 **2.4 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
14 Allegations set forth in Section I above, Respondent Loveless is in apparent violation of RCW
15 19.146.200(1) for engaging in the business of a loan originator without first obtaining and maintaining
16 a license.

17 **2.5 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
18 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice
19 toward any person and obtaining property by fraud or misrepresentation. In addition, Respondent
20 Loveless is in apparent violation of RCW 19.146.0201(9) for making a false statement in connection
21 with an investigation conducted by the Department.

22 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
23 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a
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1 location that is on file with and readily available to the Department until at least twenty-five months
2 have elapsed following the effective period to which the books and records relate.

3 III. AUTHORITY TO IMPOSE SANCTIONS

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

7 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
8 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
9 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or
10 (13), or RCW 19.146.200.

11 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
12 restitution against any person subject to the Act for any violation of the Act.

13 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
14 against any person subject to the Act for any violation of the Act.

15 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
16 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
17 to an investigation of any person subject to the Act.

18 IV. NOTICE OF INTENT TO ENTER ORDER

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

22 **4.1** Respondents Law Offices of Andrea Loveless, LLP d/b/a Law Offices of Andrea S. Loveless
23 and Andrea S. Loveless cease and desist from engaging in the business of a mortgage broker or
24 loan originator.

- 1 **4.2** Respondents Law Offices of Andrea Loveless, LLP d/b/a Law Offices of Andrea S. Loveless
2 and Andrea S. Loveless 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.

- 3 **4.3** Respondents Law Offices of Andrea Loveless, LLP d/b/a Law Offices of Andrea S. Loveless
4 and Andrea S. Loveless jointly and severally pay restitution to consumer J.G. in the amount of
5 \$3,000, and that Respondents Law Offices of Andrea Loveless, LLP d/b/a Law Offices of
6 Andrea S. Loveless and Andrea S. Loveless jointly and severally pay restitution to each
7 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.

- 8 **4.4** Respondents Law Offices of Andrea Loveless, LLP d/b/a Law Offices of Andrea S. Loveless
9 and Andrea S. Loveless jointly and severally pay a fine, which as of the date of this Statement
10 of Charges totals \$3,000.

- 11 **4.5** Respondents Law Offices of Andrea Loveless, LLP d/b/a Law Offices of Andrea S. Loveless
12 and Andrea S. Loveless jointly and severally pay an investigation fee, which as of the date of
13 this Statement of Charges totals \$240.

- 14 **4.6** Respondents Law Offices of Andrea Loveless, LLP d/b/a Law Offices of Andrea S. Loveless
15 and Andrea S. Loveless maintain records in compliance with the Act and provide the
16 Department with the location of the books, records and other information relating to
17 Respondents' provision of residential mortgage loan modification services in Washington, and
18 the name, address and telephone number of the individual responsible for maintenance of such
19 records in compliance with the Act.

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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 34.05
4 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as
5 set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6 accompanying this Statement of Charges.

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8 Dated this 6th day of December, 2013.



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

18 Presented by:



19 DEVON P. PHELPS
20 Financial Legal Examiner

21 Approved by:



22 CHARLES E. CLARK
23 Enforcement Chief