

ORDER SUMMARY – Case Number: C-14-1457

Names: Michael A. Rabel & Associates, LLC
Michael A. Rabel

Order Number: C-14-1457-15-FO01

Effective Date: March 31, 2015

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

License Effect: N/A

Not Apply Until: March 31, 2020

Not Eligible Until: March 31, 2020

Prohibition/Ban Until: March 31, 2020

Investigation Costs	\$364.80	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$6,000	Due	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	\$1,200	Due	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:				

Comments: Cease and desist engaging in the business of a mortgage broker or loan originator



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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

No.: C-14-1457-15-FO01

FINAL ORDER

MICHAEL A. RABEL & ASSOCIATES, LLC,
and MICHAEL A. RABEL, Principal

Respondents.

I. DIRECTOR'S CONSIDERATION

Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington ("Director"), pursuant to RCW 34.05.440(2). On July 21, 2014, the Director, through his then designee, Consumer Services Division Director Deborah Bortner, issued a Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist Business, Prohibit from Industry, Order Restitution, Impose Fine, and Collect Investigation Fee ("Statement of Charges") against MICHAEL A. RABEL & ASSOCIATES, LLC and MICHAEL A. RABEL ("Respondents"). On July 23, 2014, the Department of Financial Institution ("Department") served Respondents with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of Charges was accompanied by a cover letter dated July 23, 2014, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents. On August 13, 2014, Respondents filed Applications for Adjudicative Hearing. On January 5, 2015, the Department made a request to the Office of Administrative Hearings ("OAH") to assign an Administrative Law Judge ("ALJ") to schedule and conduct a hearing on the Statement of Charges.

1 On January 22, 2015, ALJ Pierce issued a Notice of Prehearing Conference scheduling a
2 prehearing conference on Tuesday, February 10, 2015, at 2:00 p.m. That Order stated: “You must
3 call in to the conference. If you fail to call in, the administrative law judge may hold you in default
4 and dismiss your appeal.”

5 On February 10, 2015, the prehearing conference was convened by ALJ Pierce at 2:00 p.m.
6 Respondents failed to appear and the Department moved for an order of default dismissing the
7 administrative appeal. On February 10, 2015, ALJ Pierce issued an Initial Order of Dismissal –
8 Default (“Order of Default”) dismissing Respondents’ administrative appeal. On February 10, 2015,
9 ALJ Pierce sent the Order of Default to Respondents via First-Class mail.

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

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

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

- 19 1. Statement of Charges, cover letter dated July 23, 2014, and Notice of Opportunity
20 to Defend and Opportunity for Hearing, with documentation of service.
- 21 2. Applications for Adjudicative Hearing for Michael A. Rabel & Associates, LLC
and Michael A. Rabel
- 22 3. Request to OAH for Assignment of Administrative Law Judge.
- 23 4. Notice of Prehearing Conference dated January 22, 2015, with documentation of
24 service.

1 5. Initial Order of Dismissal – Default dated February 10, 2015, with documentation
2 of service.

3 B. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(2), the Director
4 hereby adopts the Statement of Charges, which is attached hereto.

5 II. FINAL ORDER

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

8 A. IT IS HEREBY ORDERED, That:

- 9 1. Respondents MICHAEL A. RABEL & ASSOCIATES, LLC and MICHAEL A.
10 RABEL cease and desist from engaging in the business of a mortgage broker or
11 loan originator.
- 12 2. Respondents MICHAEL A. RABEL & ASSOCIATES, LLC and MICHAEL A.
13 RABEL are prohibited from participation, in any manner, in the conduct of the
14 affairs of any mortgage broker subject to licensure by the Director for a period of
15 five years.
- 16 3. Respondents MICHAEL A. RABEL & ASSOCIATES, LLC and MICHAEL A.
17 RABEL shall jointly and severally pay ONE THOUSAND TWO HUNDRED
18 DOLLARS (\$1,200) in restitution to the consumer identified in Paragraph 1.2 of
19 the attached Statement of Charges.
- 20 4. Respondents MICHAEL A. RABEL & ASSOCIATES, LLC and MICHAEL A.
21 RABEL shall jointly and severally pay to the WASHINGTON STATE
22 DEPARTMENT OF FINANCIAL INSTITUTIONS, within thirty (30) days of
23 receipt of this order, a fine of SIX THOUSAND DOLLARS (\$6,000)
- 24 5. Respondents MICHAEL A. RABEL & ASSOCIATES, LLC and MICHAEL A.
RABEL shall jointly and severally pay to the WASHINGTON STATE
DEPARTMENT OF FINANCIAL INSTITUTIONS, within thirty (30) days of
receipt of this order, an investigation fee of THREE HUNDRED SIXTY FOUR
DOLLARS AND EIGHTY CENTS (\$364.80).*

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* The combined fine and investigation fee may be paid together in the form of a cashier's check in the amount of \$6,364.80 made payable to the
"Washington State Treasurer."

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2 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
3 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
4 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
5 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
6 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
7 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
8 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

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

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

4 DATED this 31st day of March, 2015.



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS
8 [Redacted Signature] _____
9 SCOTT JARVIS
10 Director

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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:
7 MICHAEL A. RABEL & ASSOCIATES, LLC, and
8 MICHAEL A. RABEL, Principal
9 Respondents.

No. C-14-1457-14-SC01
STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST
BUSINESS, PROHIBIT FROM
INDUSTRY, ORDER RESTITUTION,
IMPOSE FINE, AND COLLECT
INVESTIGATION FEE

8 INTRODUCTION

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

15 I. FACTUAL ALLEGATIONS

16 1.1 Respondents.

17 A. Michael A. Rabel & Associates, LLC (Respondent Michael A. Rabel & Associates) has
18 never been licensed by the Department of Financial Institutions of the State of Washington
19 (Department) to conduct business as a mortgage broker.

20 B. Michael A. Rabel (Respondent Rabel) is the principal of Michael A. Rabel & Associates,
21 LLC. During the relevant time period, Respondent Rabel was not licensed by the Department to
22 conduct business as a mortgage broker or loan originator.

23 1.2 Unlicensed Activity. Between at least November 18, 2013, and February 26, 2014,

24 Respondents were offering residential mortgage loan modification services to Washington consumers

1 on property located in Washington State. Respondents entered into a contractual relationship with at
2 least one Washington consumer to provide those services and collected an advance fee for the
3 provision of those services. The Department has received at least one complaint from a Washington
4 consumer alleging Respondents provided or offered to provide residential mortgage loan modification
5 services while not licensed by the Department to provide those services. Consumer L.N. paid
6 Respondents \$1,200.00 for loan modification services.

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

10 **1.4 Failure to Comply with Investigation Authority.** On or about February 25, 2014, the
11 Department issued a subpoena to Respondents compelling Respondents to provide documents and an
12 explanation of Respondents unlicensed activity. To date, Respondents have not provided any response
13 to the subpoena.

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 loan
20 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person
21 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a
22 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among
23 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan 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 perform
5 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 practice
8 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 Prohibition against Taking Advance Fees.** Based on the Factual Allegations set forth in
17 Section I above, Respondents are in apparent violation of RCW 19.146.0201(11) and 16 CFR 322 (the
18 Mortgage Assistance Relief Services Rule) for taking advance fees for loan modification services.

19 **2.7 Requirement to Comply with Investigation Authority.** Based on the Factual Allegations set
20 forth in Section I above, Respondents are in apparent violation of RCW 19.146.235 for failing to
21 comply with the investigation authority of the Director.

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1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
3 Director may issue orders directing any person subject to the Act to cease and desist from conducting
4 business.

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

9 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
10 restitution against any person subject to the Act for any violation of the Act.

11 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
12 against any person subject to the Act for any violation of the Act.

13 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
14 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
15 to an investigation of any person subject to the Act.

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

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

20 **4.1** Respondents Michael A. Rabel & Associates, LLC and Michael A. Rabel cease and desist from
21 engaging in the business of a mortgage broker or loan originator.

22 **4.2** Respondents Michael A. Rabel & Associates, LLC and Michael A. Rabel be prohibited from
23 participation, in any manner, in the conduct of the affairs of any mortgage broker subject to
24 licensure by the Director for a period of five years.

4.3 Respondents Michael A. Rabel & Associates, LLC and Michael A. Rabel jointly and severally
pay restitution to the consumer identified by the Department in paragraph 1.2 in the amount set

1 forth therein, and that Respondents jointly and severally pay restitution to each Washington
2 consumer with whom they entered into a contract for residential mortgage loan modification
3 services related to real property or consumers located in the state of Washington equal to the
4 amount collected from that Washington consumer for those services in an amount to be
5 determined at hearing.

6 **4.4** Respondents Michael A. Rabel & Associates, LLC and Michael A. Rabel jointly and severally
7 pay a fine, which as of the date of this Statement of Charges totals \$6,000.00.

8 **4.5** Respondents Michael A. Rabel & Associates, LLC and Michael A. Rabel jointly and severally
9 pay an investigation fee, which as of the date of this Statement of Charges totals \$364.80.

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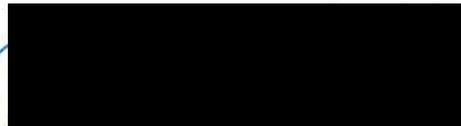
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V. AUTHORITY AND PROCEDURE

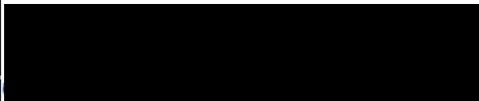
This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent(s) may make a written request for a hearing as set forth in the NOTICE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

Dated this 21st day of July, 2014.



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

Presented by:



ROBERT E. JONES
Financial Legal Examiner

Approved by:



CHARLES E. CLARK
Enforcement Chief