

ORDER SUMMARY – Case Number: C-14-1572

Name(s): Francisco A. Martinez Naveo d/b/a Ego Solutions

Order Number: C-14-1572-15-CO01

Effective Date: May 12, 2015

License Number: U/L

Or NMLS Identifier [U/L]

License Effect:

Not Apply Until:

Not Eligible Until:

Prohibition/Ban Until: May 12, 2020

Investigation Costs	\$600	Due: 5/30/15	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$3000	\$1,200 due 5/30/15 \$1,800 due 6/30/15	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	\$5,192	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 5/12/2015
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:

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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-14-1572-15-CO01

CONSENT ORDER

FRANCISCO A. MARTINEZ NAVEO d/b/a
EGO SOLUTIONS,
Respondent.

COME NOW the Director of the Department of Financial Institutions (Director), through his
designee Charles E. Clark, Division Director, Division of Consumer Services, and Francisco A.
Martinez Naveo d/b/a Ego Solutions (Respondent), and finding that the issues raised in the above-
captioned matter may be economically and efficiently settled, 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:

AGREEMENT AND ORDER

The Department of Financial Institutions, Division of Consumer Services (Department) and
Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges
No. C-14-1572-14-SC01 (Statement of Charges), entered November 25, 2014, (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, Respondent hereby agrees to the Department's entry
of this Consent Order and further agrees 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
Order to fully resolve the Statement of Charges.

Based upon the foregoing:

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

CONSENT ORDER
C-14-1572-15-CO01
Francisco A. Martinez Naveo d/b/a Ego Solutions

1 **B. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
2 hearing before an administrative law judge, and hereby waives his right to a hearing and any and all
3 administrative and judicial review of the issues raised in this matter, or of the resolution reached
4 herein. Accordingly, Respondent, by his signature below, withdraws his appeal to the Office of
5 Administrative Hearings.

6 **C. Prohibition from Industry.** It is AGREED that, for a period of five (5) years from the
7 date of entry of this Consent Order, Respondent is prohibited from participating, in any capacity, in
8 the conduct of the affairs of any mortgage broker licensed by the Department or subject to licensure
9 or regulation by the Department.

10 **D. Restitution.** It is AGREED that Respondent has paid restitution to consumer L.C.
11 identified by the Department in paragraph 1.2 in the amount of \$5,192.

12 **E. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
13 consent of any person or entity not a party to this Consent Order to take any action concerning their
14 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent
15 Order, this Consent Order does not limit or create any private rights or remedies against Respondent,
16 limit or create liability of Respondent, or limit or create defenses of Respondent to any claims.

17 **F. Investigation Fee.** It is AGREED that Respondent shall pay, no later than May 30, 2015,
18 an investigation fee to the Department in the amount of \$600 in the form of a cashier's check made
19 payable to the "Washington State Treasurer."

20 **G. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
21 \$3,000. The first payment, due no later than May 30, 2015, shall be for \$1,200 in the form of a
22 cashier's check made payable to the "Washington State Treasurer." The investigation fee and first
23 payment may be paid in one \$1,800 cashier's check made payable to the "Washington State
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1 Treasurer." The second payment, due no later than June 30, 2015, shall be in the form of a cashier's
2 check for \$1,800 made payable to the "Washington State Treasurer."


3 **H. Missed Payments.** It is AGREED that if Respondent misses any scheduled payment the
4 Department may immediately refer the remaining payments due to its collection agent without further
5 notice to Respondent.

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

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

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

14 **RESPONDENT:**

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16 Francisco A. Martinez Naveo d/b/a Ego Solutions

17 5/2nd/2015
Date

18 DO NOT WRITE BELOW THIS LINE
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1 THIS ORDER ENTERED THIS 12th DAY OF May, 2015.



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

6 Presented by:



7 DEVON P. PHELPS
8 Financial Legal Examiner

9 Approved by:



10 STEVEN C. SHERMAN
11 Enforcement Chief

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:

FRANCISCO A. MARTINEZ NAVEO d/b/a EGO
SOLUTIONS,

Respondent.

No. C-14-1572-14-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

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). 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 Respondent Francisco A. Martinez Naveo d/b/a Ego Solutions (Respondent) has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker or loan originator.

1.2 Unlicensed Activity. Between at least April 2012 and February 2014, Respondent was offering residential mortgage loan modification services to Washington consumers on property located in Washington State. Respondent entered into a contractual relationship with at least one Washington consumer to provide those services and collected an advance fee for the provision of those services.

The Department has received at least one complaint from a Washington consumer alleging Respondent provided or offered to provide residential mortgage loan modification services while not

1 licensed by the Department to provide those services. Consumer L.C. paid Respondent \$7,692 for
2 loan modification services.

3 **1.3 Misrepresentations and Omissions.** Respondent represented that he was licensed to provide
4 the residential mortgage loan modification services or omitted disclosing that he was not licensed to
5 provide those services.

6 **1.4 Failure to Comply with Director's Authority.** On or about August 11, 2014, the Department
7 served Respondent with a subpoena requiring certain information specifically set forth therein, which
8 included: an explanation of the services provided or offered in the state of Washington and the time
9 period provided or offered; a list of all transactions in which Respondent provided loan modification
10 services; copies of any and all marketing solicitations targeted to the state of Washington, including a
11 list of all websites used for marketing purposes; the names and titles of all current and former owners,
12 directors, principals, and officers of Respondent; and the names and titles of all current and former
13 employees of Respondent. On August 28, 2014, the Department received a partial response to the
14 subpoena stating Respondent would provide requested information after checking his records. As
15 of the date of this Statement of Charges, Respondent has never fully responded to the subpoena.

16 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
17 Act by Respondent 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 compensation or gain, or in the expectation of
21 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan
22 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person
23 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a
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1 person “assists a person in obtaining or applying to obtain a residential mortgage loan’ by, among
2 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan packages....”

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

8 **2.3 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
9 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.200(1)
10 for engaging in the business of a mortgage broker for Washington residents or property without first
11 obtaining a license to do so.

12 **2.4 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
13 Allegations set forth in Section I above, Respondent is in apparent violation of RCW 19.146.200(1)
14 for engaging in the business of a loan originator without first obtaining and maintaining a license.

15 **2.5 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is
16 in apparent violation of RCW 19.146.0201(2) and (3) for engaging in an unfair or deceptive practice
17 toward any person and obtaining property by fraud or misrepresentation.

18 **2.6 Prohibition against Taking Advance Fees.** Based on the Factual Allegations set forth in
19 Section I above, Respondent is in apparent violation of RCW 19.146.0201(11) and 12 CFR 1015
20 (Regulation O) for taking advance fees for loan modification services.

21 **2.7 Requirement to Comply with Director’s Authority.** Based on the Factual Allegations set
22 forth in Section I above, Respondent is in apparent violation of RCW 19.146.235 for failing to comply
23 with the Director’s investigation authority.
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III. AUTHORITY TO IMPOSE SANCTIONS

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

3.2 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.

3.3 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.

3.4 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.

3.5 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.

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IV. NOTICE OF INTENT TO ENTER ORDER

Respondent's 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 Respondent Francisco A. Martinez Naveo d/b/a Ego Solutions cease and desist engaging in the business of a mortgage broker or loan originator.
- 4.2 Respondent Francisco A. Martinez Naveo d/b/a Ego Solutions 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.
- 4.3 Respondent Francisco A. Martinez Naveo d/b/a Ego Solutions pay restitution to consumer L.C. identified by the Department in paragraph 1.2 in the amount of \$7,692, and that Respondent Francisco A. Martinez Naveo d/b/a Ego Solutions pay restitution to each Washington consumer with whom he 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.
- 4.4 Respondent Francisco A. Martinez Naveo d/b/a Ego Solutions pay a fine, which as of the date of this Statement of Charges totals \$6,000.
- 4.5 Respondent Francisco A. Martinez Naveo d/b/a Ego Solutions pay an investigation fee, which as of the date of this Statement of Charges totals \$600.
- 4.6 Respondent Francisco A. Martinez Naveo d/b/a Ego Solutions maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent Francisco A. Martinez Naveo d/b/a Ego Solutions' 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 34.05
4 RCW (The Administrative Procedure Act). Respondent 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 25th day of November, 2014.



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

Presented by:

DEVON P. PHELPS
Financial Legal Examiner

Approved by:

CHARLES E. CLARK
Enforcement Chief