

ORDER SUMMARY – Case Number: C-14-1593**Names:** Farzad Naderi d/b/a Pacific National Law Center**Order Number:** C-14-1593-16-FO01**Effective Date:** 05/26/2016**License Number:**
Or NMLS Identifier [U/L] U/L
NMLS: Naderi – 1507914 Pacific National Law Center - 1507922**License Effect:** _____**Not Apply Until:** 05/26/2021**Not Eligible Until:** 05/26/2021**Prohibition/Ban Until:** 05/26/2021

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|--|------------|--|--|------|
| Investigation Costs | \$1,324.80 | Due 30 days from receipt of final order | Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N | Date |
| | | | | |
| Fine | \$3,000 | Due 30 days from receipt of final order | 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 | \$3,000 | Due 30 days from receipt of final order | Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N | Date |
| | | | | |
| Judgment | \$ | Due | Paid <input type="checkbox"/> Y <input type="checkbox"/> N | Date |
| | | | | |
| Costs and Expenses of Prosecution | \$680.64 | Due 30 days from receipt of final order | Paid <input type="checkbox"/> Y <input type="checkbox"/> N | Date |
| | | | | |
| Satisfaction of Judgment Filed? | | <input type="checkbox"/> Y <input checked="" type="checkbox"/> N | | |
| No. of Victims: | | 1 | | |

Comments: Respondent is ordered to cease and desist from engaging in the business of a mortgage broker and loan originator.

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-14-1593-16-FO01

FARZAD NADERI d/b/a PACIFIC NATIONAL
LAW CENTER,

FINAL ORDER

Respondent.

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On August 27, 2015, the Director, through the Director's designee, 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, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) against Farzad Naderi d/b/a Pacific National Law Center (Respondent). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated August 27, 2015, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

On April 21, 2015, the Department received confirmation from the Rancho San Clemente Branch Office of the United States Post Office that mail addressed to Respondent was being delivered to a San Clemente, California address.

1 Additionally, Respondent's official address of record with the State Bar of California has
2 been identified as a Post Office Box located in Mission Viejo, California since at least April 7, 2015.

3 On August 28, 2015, the Department served Respondent with the Statement of Charges and
4 accompanying documents by First-Class mail and Federal Express overnight delivery to
5 Respondent's San Clemente, California address. On September 10, 2015, the documents sent by
6 Federal Express overnight delivery were returned to the Department as undeliverable. The
7 documents sent by First-Class mail were not returned to the Department by the United States Postal
8 Service.

9 On August 28, 2015, the Department also served Respondent with the Statement of Charges
10 and accompanying documents by First-Class mail to Respondent's Post Office Box located in
11 Mission Viejo, California. The documents were not returned to the Department by the United States
12 Postal Service.

13 Respondent did not request an adjudicative hearing within twenty (20) calendar days after the
14 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for
15 in WAC 208-08-050(2).

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

- 18 1. Statement of Charges, cover letter dated August 27, 2015, Notice of Opportunity
19 to Defend and Opportunity for Hearing, and blank Application for Adjudicative
20 Hearing for Respondent, with documentation for service.
- 21 2. Post Office Address Verification Request form completed by the Rancho San
22 Clemente Branch Office of the United States Post Office received by the
23 Department on April 21, 2015.
- 24 3. State Bar of California Profile Information for Respondent dated April 7, 2015,
 and May 16, 2016.

4. Declaration of Rachelle Villalobos with supporting documentation dated May 25, 2016.

C. Factual Findings and Grounds for Order: Pursuant to RCW 34.05.440(1), the Director's designee hereby adopts the Statement of Charges, which is attached hereto.

II. FINAL ORDER

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

A. IT IS HEREBY ORDERED, That:

1. Respondent Farzad Naderi d/b/a Pacific National Law Center cease and desist engaging in the business of a mortgage broker or loan originator.
2. Respondent Farzad Naderi d/b/a Pacific National Law Center is 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 (5) years.
3. Respondent Farzad Naderi d/b/a Pacific National Law Center jointly and severally pay restitution to consumer K.J. identified by the Department in paragraph 1.2 of the Statement of Charges, and 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.
4. Respondent Farzad Naderi d/b/a Pacific National Law Center jointly and severally pay a fine of \$3,000.
5. Respondent Farzad Naderi d/b/a Pacific National Law Center jointly and severally pay an investigation fee of \$1,324.80.
6. Respondent Farzad Naderi d/b/a Pacific National Law Center jointly and severally pay the Department's costs and expenses for prosecuting violations of 19.146 RCW, the Mortgage Broker Practices Act (Act) in the amount of \$680.64 as established in the Declaration of Rachelle Villalobos.
7. Respondent Farzad Naderi d/b/a Pacific National Law Center maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondent's 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 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a
2 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
3 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
4 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
5 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The
6 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
7 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

17 E. Non-compliance with Order. If you do not comply with the terms of this order,
18 **including payment of any amounts owed within 30 days of receipt of this order**, the Department
19 may seek its enforcement by the Office of the Attorney General to include the collection of the fines,
20 fees, and restitution imposed herein. The Department also may assign the amounts owed to a
21 collection agency for collection.
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23

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 26th day of May, 2016.



5 STATE OF WASHINGTON
6 DEPARTMENT OF FINANCIAL INSTITUTIONS

7 [Redacted Signature]
8 CHARLES E. CLARK
9 Director
10 Division of Consumer Services

**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:

FARZAD NADERI d/b/a PACIFIC NATIONAL
LAW CENTER,

Respondent.

No. C-14-1593-15-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 RECOVER
COSTS AND EXPENSES

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 Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent Farzad Naderi (Respondent) is a sole proprietor doing business as Pacific National Law Center (Pacific). During the relevant time period, Respondent was not licensed by the Department to conduct business as a mortgage broker or loan originator.

1.2 Unlicensed Activity. Between at least May 3, 2013, and July 3, 2013, 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

1 alleging Respondent provided or offered to provide residential mortgage loan modification services
2 while not licensed by the Department to provide those services. Consumer K.J. paid Respondent
3 \$3,000 for loan modification services.

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

7 **1.4 Failure to Comply with Director's Authority.** On or about October 21, 2014, the
8 Department served Respondent with a subpoena. As of the date of the Statement of Charges,
9 Respondent has never provided a response to the Department's subpoena.

10 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
11 Act by Respondent continues to date.

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

13 **2.1 Mortgage Broker Defined.** Pursuant to RCW 19.146.010(14), "Mortgage broker" means any
14 person who for direct or indirect compensation or gain, or in the expectation of direct or indirect
15 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage
16 loan or performs residential mortgage loan modification services or (b) holds himself or herself out as
17 being able to assist a person in obtaining or applying to obtain a residential mortgage loan or provide
18 residential mortgage loan modification services.

19 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11)(b), "Loan originator" means a
20 natural person who for direct or indirect compensation or gain or in the expectation of direct or
21 indirect compensation or gain performs residential mortgage loan modification services or holds
22 himself or herself out as being able to perform residential mortgage loan modification services.

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1 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondent is
2 in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive practice
3 toward any person and obtaining property by fraud or misrepresentation.

4 **2.4 Requirement to Obtain and Maintain Mortgage Broker License or Loan Originator**
5 **License.** Based on the Factual Allegations set forth in Section I above, Respondent is in apparent
6 violation of RCW 19.146.200(1) for engaging in the business of a mortgage broker and/or a loan
7 originator without first obtaining and maintaining a license.

8 **2.5 Prohibition against Taking Advance Fees.** Based on the Factual Allegations set forth in
9 Section I above, Respondent is in apparent violation of RCW 19.146.0201(11) and 12 CFR 1015
10 (Regulation O) for taking advance fees for loan modification services.

11 **2.6 Requirement to Comply with Director's Authority.** Based on the Factual Allegations set
12 forth in Section I above, Respondent is in apparent violation of RCW 19.146.235 for failing to
13 comply with the Director's investigation authority.

14 **III. AUTHORITY TO IMPOSE SANCTIONS**

15 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
16 Director may issue orders directing any person subject to the Act to cease and desist from conducting
17 business.

18 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
19 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
20 any person subject to licensing under the Act for any violation of the Act.

21 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
22 restitution against any person subject to the Act for any violation of the Act.

23 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
24 against any person subject to the Act for any violation of the Act.

1 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-
2 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
3 to an investigation of any person subject to the Act.

4 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director
5 may recover the state's costs and expenses for prosecuting violations of the Act.

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

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

10 **4.1** Respondent Farzad Naderi d/b/a Pacific National Law Center cease and desist engaging in the
11 business of a mortgage broker or loan originator.

12 **4.2** Respondent Farzad Naderi d/b/a Pacific National Law Center be prohibited from
13 participation, in any manner, in the conduct of the affairs of any mortgage broker subject to
14 licensure by the Director for a period of five years.

15 **4.3** Respondent Farzad Naderi d/b/a Pacific National Law Center pay restitution to consumer K.J.
16 identified by the Department in paragraph 1.2 in the amount set forth therein, and that
17 Respondent jointly and severally pay restitution to each Washington consumer with whom
18 they entered into a contract for residential mortgage loan modification services related to real
19 property or consumers located in the state of Washington equal to the amount collected from
20 that Washington consumer for those services in an amount to be determined at hearing.

21 **4.4** Respondent Farzad Naderi d/b/a Pacific National Law Center jointly and severally pay a fine,
22 which as of the date of this Statement of Charges totals \$3,000.

23 **4.5** Respondent Farzad Naderi d/b/a Pacific National Law Center jointly and severally pay an
24 investigation fee, which as of the date of this Statement of Charges totals \$1,324.80.

4.6 Respondent Farzad Naderi d/b/a Pacific National Law Center pay the Department's costs and
expenses for prosecuting violations of the Act in an amount to be determined at hearing or by
Declaration with supporting documentation in event of default by Respondent.

4.7 Respondent Farzad Naderi d/b/a Pacific National Law Center maintain records in compliance
with the Act and provide the Department with the location of the books, records and other
information relating to Respondent's 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 27th day of August, 2015.



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


19 Presented by:

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RACHELLE VILLALOBOS
Financial Legal Examiner

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Approved by:


STEVEN C. SHERMAN
Enforcement Chief