

**ORDER SUMMARY – Case Number: C-15-1637**

**Names:** Yolanda M. Brown a/k/a Yolanda Alfaro a/k/a Maria Brown d/b/a JL Financial Services, Inc.

**Order Number:** C-15-1637-16-FO01

**Effective Date:** 6/3/2016

**License Number:**  
**Or NMLS Identifier [U/L]** U/L  
 NMLS: 1508484

**License Effect:**

**Not Apply Until:** 6/3/2021

**Not Eligible Until:** 6/3/2021

**Prohibition/Ban Until:** 6/3/2021

<b>Investigation Costs</b>	\$4,939.20	Due 30 days from receipt of final order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Fine</b>	\$6,000	Due 30 days from receipt of final order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$9,800	Due 30 days from receipt of final order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Costs and Expenses of Prosecution</b>	\$	Due 30 days from receipt of final order	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N			
No. of Victims:	4			

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

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-15-1637-16-FO01

7 YOLANDA M. BROWN a/k/a YOLANDA  
8 ALFARO a/k/a MARIA BROWN d/b/a JL  
9 FINANCIAL SERVICES, INC., and d/b/a JL  
10 FINANCIAL; and  
11 MAURICIO MUGUIRA ALFARO d/b/a REAL  
12 ESTATE SOLUTIONS, INC., and d/b/a JL  
13 FINANCIAL,

FINAL ORDER RE: YOLANDA M.  
BROWN

Respondents.

14 I. DIRECTOR'S CONSIDERATION

15 A. Default. This matter has come before the Director of the Department of Financial  
16 Institutions of the State of Washington (Director), through his designee, Consumer Services Division  
17 Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On April 20, 2015,  
18 the Director, through the Director's designee, issued a Statement of Charges and Notice of Intent to  
19 Enter an Order to Cease and Desist Business, Prohibit from Industry, Order Restitution, Impose Fine,  
20 and Collect Investigation Fee (Statement of Charges) against Yolanda M. Brown a/k/a Yolanda  
21 Alfaro a/k/a Maria Brown d/b/a JL Financial Services, Inc., and d/b/a JL Financial (Respondent  
22 Brown); and Mauricio Muguira Alfaro d/b/a Real Estate Solutions, Inc. and d/b/a JL Financial. A  
23 copy of the Statement of Charges is attached and incorporated into this order by this reference. The  
24 Statement of Charges was accompanied by a cover letter dated April 20, 2015, a Notice of  
Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative  
Hearing for Respondent Brown (collectively, accompanying documents).

1 On April 20, 2015, the Department served Respondent Brown with the Statement of Charges  
2 and accompanying documents by First-Class mail to a Bothell, Washington address. The documents  
3 sent by First-Class mail were not returned to the Department by the United States Postal Service.

4 On or about May 12, 2015, the Department received confirmation from the Mill Creek Branch  
5 Office of the United States Post Office that mail addressed to Respondent Brown was being delivered  
6 to the Bothell address.

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

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

- 12 1. Statement of Charges, cover letter dated April 20, 2015, Notice of Opportunity to  
13 Defend and Opportunity for Hearing, and blank Application for Adjudicative  
Hearing for Respondent Brown, with documentation for service.
- 14 2. Post Office Address Verification Request form completed by Mill Creek Branch  
15 Office of the United States Post Office received by the Department on May 12,  
2015.

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

## 18 II. FINAL ORDER

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

21 A. IT IS HEREBY ORDERED, That:

- 22 1. Respondent Yolanda M. Brown cease and desist engaging in the business of a  
23 mortgage broker or loan originator.

2. Respondent Yolanda M. Brown 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 Yolanda M. Brown pay \$9,800 in restitution to the four (4) consumers identified in paragraph 1.2 of the Statement of Charges, and to each Washington consumer with whom Respondent Yolanda M. Brown 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 Yolanda M. Brown pay a fine of \$6,000.
5. Respondent Yolanda M. Brown pay an investigation fee of \$4,939.20.
6. Respondent Yolanda M. Brown maintain records in compliance with chapter 19.146 RCW, the Mortgage Broker Practices Act (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.

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

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

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

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

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

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

15 DATED this 3<sup>rd</sup> day of June, 2016.



17 STATE OF WASHINGTON  
18 DEPARTMENT OF FINANCIAL INSTITUTIONS

19   
20 CHARLES E. CLARK  
21 Director  
22 Division of Consumer Services

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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:

YOLANDA M. BROWN a/k/a YOLANDA  
ALFARO a/k/a MARIA BROWN d/b/a JL  
FINANCIAL SERVICES, INC., and d/b/a JL  
FINANCIAL; and  
MAURICIO MUGUIRA ALFARO d/b/a REAL  
ESTATE SOLUTIONS, INC., and d/b/a JL  
FINANCIAL,

Respondents.

No. C-15-1637-15-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO CEASE AND DESIST  
BUSINESS, PROHIBIT FROM  
INDUSTRY, ORDER RESTITUTION,  
IMPOSE FINE, AND COLLECT  
INVESTIGATION FEE

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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 (Act).<sup>1</sup> 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:

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**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

**A. Yolanda M. Brown (Respondent Brown)** was not licensed by the Department of  
Financial Institutions of the State of Washington (Department) to conduct business as a mortgage  
broker or loan originator during the relevant time period.

<sup>1</sup> All references to RCW 19.146 are to the version in effect at the time of the alleged violation.

1           **B. Mauricio Muguira Alfaro (Respondent Muguira)** was not licensed by the Department  
2 to conduct business as a mortgage broker or loan originator during the relevant time period.

3 **1.2 Unlicensed Conduct.** Since at least June 2, 2009, Respondents offered residential loan  
4 modification services to Washington consumers on property located in Washington State.

5 Respondents entered into a contractual relationship with at least four consumers, D.R., J.V., R.F., and  
6 M.G., to provide those services and collected an advance fee for the provision of those services.

7 Respondents collected fees for residential mortgage loan modification services until at least on or  
8 about March 6, 2011. The Department has received at least four complaints from Washington  
9 consumers alleging Respondents provided or offered to provide residential mortgage loan  
10 modification services while not licensed by the Department to provide those services.

11           On or about June 2, 2009, Respondents entered into a contractual relationship with consumer  
12 D.R. using the business name JL Financial Services, Inc. to provide residential mortgage loan  
13 modification services and collected an advance fee for the provision of those services in the form of  
14 property valued at \$2,500 or more.

15           On or about September 9, 2009, Respondents entered into a contractual relationship with  
16 consumer J.V. using the business name JL Financial to provide residential mortgage loan  
17 modification services and collected an advance fee for the provision of those services in the amount  
18 of \$2,700. Two receipts for payment were issued to J.V. by Respondents. A receipt was issued on  
19 September 9, 2009, which identified the business name JL Financial, and was signed by Respondent  
20 Brown. A receipt was also issued on October 4, 2009, which identified the business name JL  
21 Financial, and was initialed by "M.M."

1 On or about January 21, 2010, Respondents entered into a contractual relationship with  
2 consumer R.F. to provide residential mortgage loan modification services and collected an advance  
3 fee for the provision of those services in the amount of \$6,800.<sup>2</sup> R.F. issued three cashier's checks  
4 paid to the order of Respondent Brown. At least six receipts for payment were issued to R.F. by  
5 Respondents. Three of the receipts were signed by Respondent Brown and identify the business  
6 name JL Financial, and two receipts were signed by Respondent Muguira.

7 On or about March 1, 2011, Respondents entered into a contractual relationship with  
8 consumer M.G. using the business name Real Estate Solutions, Inc. to provide residential mortgage  
9 loan modification services and collected an advance fee for the provision of those services in the  
10 amount of \$1,200. The contract was signed by Respondent Muguira.

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

14 **1.4 Failure to Comply with Director's Authority.** On or about December 9, 2014, the  
15 Department issued a subpoena to Respondent Muguira. On or about December 9, 2014, Respondent  
16 Muguira acknowledged receipt of the Department's subpoena. As of the date of the Statement of  
17 Charges, Respondent Muguira has never provided a response to the Department's subpoena.

18 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the  
19 Act by Respondents continues to date.

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22 <sup>2</sup> Consumer R.F. paid Respondents for services relating to R.F.'s primary residence and an investment property located in Washington State.

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

2 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(14)(2009) and WAC 208-  
3 660-006(2009), "Mortgage broker" means any person who for compensation or gain, or in the  
4 expectation of compensation or gain (a) assists a person in obtaining or applying to obtain a  
5 residential mortgage loan or (b) holds himself or herself out as being able to assist a person in  
6 obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006(2009), a  
7 person "'assists a person in obtaining or applying to obtain a residential mortgage loan' by, among  
8 other things, counseling on loan terms (rates, fees, other costs)...."

9 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10)(2008), RCW  
10 19.146.010(11)(a)(2009), and WAC 208-660-006(2009), "Loan originator" means a natural person  
11 who for direct or indirect compensation or gain, or in the expectation of direct or indirect  
12 compensation or gain offers or negotiates terms of a mortgage loan. "Loan originator" also includes a  
13 person who holds themselves out to the public as able to perform any of these activities.

14 **2.3 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual  
15 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
16 for engaging in the business of a mortgage broker for Washington residents without first obtaining and  
17 maintaining a license under the Act.

18 **2.4 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual  
19 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)  
20 and WAC 208-660-155 for engaging in the business of a loan originator for Washington residents  
21 without first obtaining and maintaining a license under the Act.

1 **2.5 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
2 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive  
3 practice toward any person and obtaining property by fraud or misrepresentation.

4 **2.6 Prohibition against Taking Advance Fees.** Based on the Factual Allegations set forth in  
5 Section I above, Respondents are in apparent violation of RCW 19.146.0201(11) and 16 CFR Sec.  
6 322 (MARS Rule)<sup>3</sup> for taking advance fees for loan modification services.

7 **2.7 Requirement to Comply with Director's Authority.** Based on the Factual Allegations set  
8 forth in Section I above, Respondent Muguira is in apparent violation of RCW 19.146.235 for failing  
9 to comply with the Director's investigation authority.

### 10 III. AUTHORITY TO IMPOSE SANCTIONS

11 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the  
12 Director may issue orders directing any person subject to the Act to cease and desist from conducting  
13 business.

14 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may  
15 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker  
16 any person subject to licensing under the Act for any violation of the Act.

17 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order  
18 restitution against any person subject to the Act for any violation of the Act.

19 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
20 against any person subject to the Act for any violation of the Act.

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22 <sup>3</sup> The MARS Rule was republished by the Consumer Financial Protection Bureau at 12 CFR Sec. 1015, "Mortgage  
Assistance Relief Services (Regulation O)," effective July 21, 2011. The advance fee ban provision of the MARS Rule  
was effective January 31, 2011.

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

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

- 8 **4.1** Respondents Yolanda M. Brown and Mauricio Muguira Alfaro cease and desist engaging in  
9 the business of a mortgage broker or loan originator.
- 10 **4.2** Respondents Yolanda M. Brown and Mauricio Muguira Alfaro be prohibited from  
11 participation, in any manner, in the conduct of the affairs of any mortgage broker subject to  
12 licensure by the Director for a period of five years.
- 13 **4.3** Respondents Yolanda M. Brown and Mauricio Muguira Alfaro jointly and severally pay  
14 restitution for loan modification services to D.R. in the amount of \$2,500, J.V. in the amount  
15 of \$2,700, R.F. in the amount of \$3,400, M.G. in the amount of \$1,200, and to each  
16 Washington consumer with whom they entered into a contract for residential mortgage loan  
17 modification services related to real property or consumers located in the state of Washington  
18 equal to the amount collected from that Washington consumer for those services in an amount  
19 to be determined at hearing.
- 20 **4.4** Respondents Yolanda M. Brown and Mauricio Muguira Alfaro jointly and severally pay a  
21 fine in the amount of \$3,000 for each loan modification performed for Washington  
22 consumers, which as of the date of this Statement of Charges totals \$6,000.
- 23 **4.5** Respondents Yolanda M. Brown and Mauricio Muguira Alfaro jointly and severally pay an  
24 investigation fee, which as of the date of this Statement of Charges totals \$4,939.20.
- 25 **4.6** Respondents Yolanda M. Brown and Mauricio Muguira Alfaro maintain records in  
26 compliance with the Act and provide the Department with the location of the books, records  
27 and other information relating to Respondents' provision of residential mortgage loan  
28 modification services in Washington, and the name, address and telephone number of the  
29 individual responsible for maintenance of such records in compliance with the Act.

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31 STATEMENT OF CHARGES  
32 C-15-1637-15-SC01

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34 DEPARTMENT OF FINANCIAL INSTITUTIONS  
35 Division of Consumer Services  
36 PO Box 41200  
37 Olympia, WA 98504-1200  
38 (360) 902-8703

39 YOLANDA M. BROWN a/k/a YOLANDA ALFARO a/k/a  
40 MARIA BROWN d/b/a JL FINANCIAL SERVICES, INC., and  
41 d/b/a JL FINANCIAL; and MAURICIO MUGUIRA ALFARO  
42 d/b/a REAL ESTATE SOLUTIONS, INC., and d/b/a JL  
43 FINANCIAL

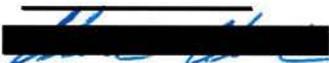
1 **V. AUTHORITY AND PROCEDURE**

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 20<sup>th</sup> day of April, 2015.



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

15 Presented by:

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RACHELLE VILLALOBOS  
Financial Legal Examiner

19 Approved by:

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STEVEN C. SHERMAN  
Enforcement Chief