

ORDER SUMMARY – Case Number: C-15-1637

Names: Mauricio Muguira Alfaro d/b/a Real Estate Solutions, Inc., and d/b/a JL Financial

Order Number: C-15-1637-16-FO02

Effective Date: 6/17/2016

License Number: U/L
Or NMLS Identifier [U/L] NMLS ID# 1530729; Real Estate Solutions #1507920;
JL Financial #1508490

License Effect: Cease and Desist

Not Apply Until: 6/18/2021

Not Eligible Until:

Prohibition/Ban Until: 6/18/2021

Investigation Costs	\$4,939.20	Due 30 days from receipt of final order	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$6,000	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	\$9,800	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	\$	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:		4		

Comments:



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-15-1637-16-FO02

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,

FINAL ORDER RE: MAURICIO MUGUIRA
ALFARO

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 April 20, 2015, the Director, through his designee, Consumer Services Division Director Charles E. Clark, 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 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 ("Respondent Brown"); and Mauricio Muguirra Alfaro d/b/a Real Estate Solutions, Inc., and d/b/a JL Financial ("Respondent Muguirra"). On April 20, 2015, the Department of Financial Institutions ("Department") served Respondents with the Statement of Charges and accompanying documents, sent by First-Class mail to Respondent Brown, and Certified mail and Federal Express overnight delivery to Respondent Muguirra. 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 April 20, 2015, Notices of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents Brown and Muguira.

On May 8, 2015, Respondent Muguira filed an Application for Adjudicative Hearing. On May 13, 2015, Respondent Muguira filed a second Application for Adjudicative Hearing. On July 23, 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. On August 5, 2015, OAH issued a Notice of Prehearing Conference assigning ALJ Lisa N. W. Dublin ("ALJ Dublin") to preside over prehearing and hearing proceedings and issue an Initial Decision.

The Notice of Prehearing Conference scheduled a prehearing conference on Wednesday, August 19, 2015, at 10:00 a.m. That Notice stated: **"You must call in to the conference. If you fail to call in, the administrative law judge may hold you in default and dismiss your appeal. RCW 34.05.440(2)."** A copy of the notice was mailed to Respondent Muguira at the address provided on his Application for Administrative Hearing filed May 8, 2015.¹ On August 14, 2015, the notice sent by First-Class mail was returned to OAH by the United States Postal Service as undeliverable.

On August 19, 2015, the prehearing conference was convened by ALJ Dublin at 10:00 a.m. Respondent Muguira failed to appear the prehearing conference. On August 25, 2015, OAH issued a second Notice of Prehearing Conference. The second Notice of Prehearing Conference scheduled a prehearing conference on Thursday, September 10, 2015, at 10:00 a.m. That Notice stated: **"You must call in to the conference. If you fail to call in, the administrative law judge may hold you**

¹ The address section on Respondent Muguira's Application for Adjudicative Hearing filed May 13, 2015, was left blank.

1 **in default and dismiss your appeal. RCW 34.05.440(2)."** A copy of the second Notice of
2 Prehearing Conference was mailed to Respondent Muguira at the address provided on his Application
3 for Administrative Hearing filed May 8, 2015. There is no indication in the OAH record that the
4 second Notice of Prehearing Conference was returned by the United States Postal Service as
5 undeliverable.

6 On September 10, 2015, the prehearing conference was convened by ALJ Dublin at 10:00
7 a.m. Respondent Muguira failed to appear and the Department moved for an order of default
8 dismissing the administrative appeal. On September 16, 2015, ALJ Dublin issued an Order
9 Dismissing Appeal ("Order of Default") dismissing Respondent Muguira's administrative appeal.
10 On September 16, 2015, ALJ Dublin sent the Order of Default to Respondent Muguira via First-Class
11 mail.² On September 30, 2015, the Order of Default sent by First-Class mail was returned to OAH by
12 the United States Postal Service as undeliverable.

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

17 Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondent Muguira had twenty (20) days
18 from the date of service of the Order of Default to file a Petition for Review of the Order of Default.
19 Respondent Muguira did not file a Petition for Review during the statutory period.

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

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23 ² OAH mailed the Order of Default to the address provided by Respondent Muguira on his Application for Adjudicative Hearing filed May 8, 2015, and
included an apartment number identified on Respondent Muguira's envelope accompanying his Application for Adjudicative Hearing filed May 13,
2015.

1. Statement of Charges, cover letter dated April 20, 2015, and Notices of Opportunity to Defend and Opportunity for Hearing, with documentation of service.
2. Application for Adjudicative Hearing for Respondent Muguira dated April 29, 2015.
3. Application for Adjudicative Hearing for Respondent Muguira dated May 7, 2015, with envelope.
4. Request to OAH for Assignment of Administrative Law Judge dated July 23, 2015.
5. Notice of Prehearing Conference dated August 5, 2015, with documentation of service.
6. Notice of Prehearing Conference dated August 25, 2015, with documentation of service.
7. Order Dismissing Appeal, dated September 16, 2015, with documentation of service.

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

II. FINAL ORDER

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

A. IT IS HEREBY ORDERED, That:

1. Respondent Muguira cease and desist engaging in the business of a mortgage broker or loan originator.
2. Respondent Muguira 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 Muguira shall pay to the Washington State Department of Financial Institutions, within thirty (30) days of receipt of this order, Nine Thousand Eight Hundred Dollars (\$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 Muguira 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 Muguira shall pay to the Washington State Department of Financial Institutions, within thirty (30) days of receipt of this order, a fine of Six Thousand Dollars (\$6,000).
5. Respondent Muguira shall pay to the Washington State Department of Financial Institutions, within thirty (30) days of receipt of this order, an investigation fee of Four Thousand Nine Hundred Thirty Nine Dollars and Twenty Cents (\$4,939.20).³
6. Respondent Muguira will 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 Muguira'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 Muguira 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 Muguira. 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.

³ The combined restitution, fine, and investigation fee may be paid together in the form of a cashier's check in the amount of \$20,739.20 made payable to the "Washington State Treasurer."

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

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

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

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16 DATED this 17th day of June, 2016.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

24
[Redacted Signature]
SCOTT JARVIS
Director

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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).¹ 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 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.

¹ 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 \$6,800.² 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 ² Consumer R.F. paid Respondents for services relating to R.F.'s primary residence and an investment property located in Washington State.

II. GROUNDS FOR ENTRY OF ORDER

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

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

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

2.4 Requirement to Obtain and Maintain Loan Originator License. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1) and WAC 208-660-155 for engaging in the business of a loan originator for Washington residents 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)³ 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 ³ 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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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 20th day of April, 2015.



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[Redacted Signature]
CHARLES E. CLARK
Director, Division of Consumer Services
Department of Financial Institutions

15 Presented by:

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[Redacted Signature]
RACHELLE VILLALOBOS
Financial Legal Examiner

19 Approved by:

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[Redacted Signature]
STEVEN C. SHERMAN
Enforcement Chief

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