

ORDER SUMMARY – Case Number: C-16-2048

Name(s): Truong Quoc Luu

Order Number: C-16-2048-18-CO01

Effective Date: 8/15/2018

License Number: NMLS # 86278
Or NMLS Identifier [U/L] _____

License Effect: Surrendered

Not Apply Until: 8/15/2023
N/A

Not Eligible Until: _____
N/A

Prohibition/Ban Until: _____

Investigation Costs	\$4,661.63	Due 8/15/2018	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$30,000.00	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	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Financial Literacy and Education	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$47,557.46	Due 8/15/2018	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

Comments: Fine is contingent on Respondent complying with consent order for two years. Fine will be waived upon Respondent's compliance with consent order for two years. Respondent entered confession of judgment regarding investigation and prosecution costs and the Department may enter confession of judgment at any time.

1 Based upon the foregoing:

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

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

9 C. **No Admission of Liability.** The parties intend this Consent Order to fully resolve the
10 Statement of Charges and agree that Respondent neither admits nor denies any wrongdoing by its
11 entry.

12 D. **Mortgage Loan Originator Surrender.** It is AGREED that Respondent's mortgage loan
13 originator license is surrendered.

14 E. **Application for License.** It is AGREED that, for a period of five years from the date of
15 entry of this Consent Order, Respondent shall not apply to the Department for any license under any
16 name. It is further AGREED that, should Respondent apply to the Department for any license under
17 any name at any time later than five years from the date of entry of this Consent Order, Respondent
18 shall be required to meet any and all application requirements in effect at that time.

19 F. **Declaration of Financial Condition and Confession of Judgment.** It is AGREED that
20 Respondent has provided the Department with a Declaration comprehensively describing his current
21 financial condition and representing current inability to pay the investigation fee and prosecution
22 costs agreed to in Paragraph H of this Consent Order. It is further AGREED that, based on this
23 Declaration, the Department has accepted a Confession of Judgment from Respondent for the

1 investigation fee and prosecution cost obligations agreed to in Paragraphs K of this Consent Order. A
2 copy of this Confession of Judgment is attached and incorporated into this Consent Order by this
3 reference. Consistent with chapter 4.60 RCW, the Department may immediately seek entry of the
4 judgment without further notice to Respondent. Respondent shall, upon the Department's request,
5 fully and promptly cooperate with the Department in its efforts to get the judgment entered by the
6 superior court.

7 **G. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of
8 \$30,000.00. It is further AGREED that the fine shall be suspended for a period of two years after
9 entry of this Consent Order and shall be waived upon Respondent complying with this Consent Order
10 for a period of two years after entry of this Consent Order.

11 **H. Investigation Fee and Prosecution Costs.** It is AGREED that Respondent shall pay to
12 the Department an investigation fee of \$4,661.63 and costs of prosecution of \$47,557.46.

13 **I. Confession of Judgment for Investigation Fee and Prosecution Costs.** It is AGREED
14 that Respondent has entered into a Confession of Judgment for the investigation fee and prosecution
15 costs in the amount of \$52,219.09 owed to the Department.

16 **J. Change of Address.** It is AGREED that for the duration of the period this Consent Order
17 is in effect, unless otherwise agreed to in writing by the Department, Respondent shall provide the
18 Department with a mailing address and telephone number at which Respondent can be contacted and
19 Respondent shall notify the Department in writing of any changes to his mailing address or telephone
20 number within fifteen days of any such change.

21 **K. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to
22 abide by the terms and conditions of this Consent Order may result in further legal action by the
23

1 Director. In the event of such legal action, Respondent may be responsible to reimburse the Director
2 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

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

5 M. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read
6 this Consent Order in its entirety and fully understand and agree to all of the same.

7 **RESPONDENT**

8
9 /s/
10 Truong Quoc Luu

8-7-18
Date

11 Approved for Entry:

12 /s/
13 Seth A. Rosenberg, WSBA No. 41660
14 The Rosenberg Law Group, PLLC
15 Attorneys for Respondent

8-7-18
Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 15th DAY OF August, 2018.

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

Presented by:

/s/
AMANDA J. HERNDON
Financial Legal Examiner

Approved by:

/s/
STEVEN C. SHERMAN
Enforcement Chief

1 **1.3 2015 Auburn Property Loan Application.** On or about March 20, 2015, Respondent
2 applied for a VA loan to purchase real property at 218 F Street SE, Auburn, Washington 98002
3 (Auburn Property). The loan closed on or about May 6, 2015. Throughout the loan process,
4 Respondent certified, acknowledged, or otherwise represented that he intended the property to be his
5 primary residence and that he had not made misrepresentations in his loan application.

6 **1.4 Respondent's Intent to Reside at the Auburn Property.** During the loan process,
7 Respondent did not intend for the Auburn Property to be his primary residence.

8 **1.5 2016 Auburn Property Loan Application.** On or about August 19, 2016, Respondent
9 applied for a VA loan to refinance the Auburn Property. The loan closed on or about September 26,
10 2016. Throughout the loan process, Respondent certified, acknowledged, or otherwise represented
11 that he previously occupied the Auburn Property as his home and that he had not made
12 misrepresentations in his loan application.

13 **1.6 Respondent's Place of Residence.** At no time between May 6, 2015, and September 26,
14 2016, did Respondent occupy the Auburn Property as his home.

15 **1.7 False Information in Loan Application.** In his loan applications, Respondent made false
16 statements about his intent to reside at the Auburn Property, whether he had previously lived at the
17 Auburn property, and the accuracy of the information he provided in his loan application.

18 **1.8 Disclosure Questions.** Licensed MLOs must use the Nationwide Mortgage Licensing
19 System (NMLS) to periodically answer disclosures questions and swear or affirm that their answers
20 are current, true, and complete. The disclosure questions include Disclosure Questions (K) and (N),
21 which ask:

- 22 (K) Has any State or federal regulatory agency or foreign financial regulatory
23 authority or self-regulatory organization (SRO) ever:
24 (1) found you to have made a false statement or omission or been dishonest,
unfair or unethical?

- 1 (2) found you to have been involved in a violation of a financial services-
2 related business regulation(s) or statute(s)?
3 . . .
4 (4) entered an order against you in connection with a financial services-related
5 activity?
6 (5) revoked your registration or license?
7 (6) denied or suspended your registration or license or application for
8 licensure, disciplined you, or otherwise by order, prevented you from
9 associating with a financial services-related business or restricted your
10 activities?
11 (7) barred you from association with an entity regulated by such commissions,
12 authority, agency, or officer, or from engaging in a financial services-
13 related business?
14 (8) issued a final order against you based on violations of any law or
15 regulations that prohibit fraudulent, manipulative, or deceptive conduct?
16 (9) entered an order concerning you in connection with any license or
17 registration?

18 (N) Is there a pending regulatory action proceeding against you for any alleged
19 violation described in (K) through (L)?

20 On or about June 1, 2017, Respondent answered “No” to Disclosure Question (N) and swore or
21 affirmed that the answers to his disclosure questions were current, true, and complete.

22 **1.9 Pending Enforcement Action.** On or about June 7, 2017, the Department issued Statement
23 of Charges and Notice of Intent to Enter an Order to Cease and Desist, Revoke License, Prohibit from
24 Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses No. C-16-2048-
17-SC01 (Statement of Charges) against Respondent. In the Statement of Charges, the Department
alleged that Respondent engaged in violations described in Disclosure Question (K). The Statement
of Charges was served on Respondent on or about June 8, 2017, and the matter has been pending
since that date.

1.10 License Renewal. Each MLO must apply to renew their MLO licenses annually in order to
maintain an MLO license. During the renewal process, an MLO must submit an attestation in
support of the renewal application. On or about November 27, 2017, Respondent submitted his
annual application to renew his MLO license. In the attestation, Respondent swore or affirmed as
follows:

1 I, Truong Luu, swear (or affirm) on 11/27/2017 that to the best of my knowledge and
2 belief the information contained in my online record, including jurisdiction specific
3 requirements where I am licensed or registered, is true, accurate and complete in
4 accordance with the appropriate jurisdiction's law. Additionally, I acknowledge that I
5 have a duty and agree to expediently update and correct the information as it changes.

6 I understand that submitting any false or misleading information, or omitting
7 pertinent or material information, may be grounds for administrative action and/or
8 criminal action.

9 As part of this request for license/registration renewal, I swear (or affirm) to the
10 following:

11 . . .

12 4. I acknowledge that I understand and will comply with the laws and regulations
13 pertaining to the conduct of the business for which the Licensee/Registrant is
14 requesting the renewal of such license or registration.

15 5. I affirm/attest that I have updated the documents on file with the jurisdiction(s)
16 to disclose any new event or proceeding requiring an affirmative answer to
17 any Disclosure Question which has occurred since submission of my
18 license/registration application or renewal application to the applicable
19 jurisdiction(s). Any documents explaining affirmative answers to any
20 Disclosure Questions previously submitted to each jurisdiction(s) remain true
21 and accurate.

22 **1.11 Failure to Update Disclosure Questions.** As of November 27, 2017, Respondent's most
23 current response to the Disclosure Question (N) was the "No" answer submitted on or about June 1,
24 2017. Between at least June 8, 2017, and January 24, 2018, Respondent failed to update his answer
to Disclosure Question (N).

1.12 False Information in Application for License Renewal. In his application to renew his
MLO license, Respondent made false statements to the Department about the accuracy, truthfulness,
and completeness of the information he submitted to the Department.

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

II. GROUNDS FOR ENTRY OF ORDER

2.1 Employing Scheme, Device, or Artifice to Defraud or Mislead. Based on the Factual

Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1) for

1 directly or indirectly employing any scheme, device, or artifice to defraud or mislead any lender or
2 any person.

3 **2.2 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,
4 Respondent is in apparent violation of RCW 31.04.027(2) for directly or indirectly engaging in any
5 unfair or deceptive practice toward any person.

6 **2.3 Obtaining Property by Fraud or Misrepresentation.** Based on the Factual Allegations set
7 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(3) for directly or
8 indirectly obtaining property by fraud or misrepresentation.

9 **2.4 Character and Fitness.** Based on the Factual Allegations set forth in Section I above,
10 Respondent does not demonstrate the financial responsibility, character, and general fitness such as to
11 command the confidence of the community and to warrant a determination that he will operate
12 honestly, fairly, and efficiently within the purposes of chapter 120, Laws of 2009.

13 **2.5 Failing to Comply with Reporting Requirements.** Based on the Factual Allegations set
14 forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(2) and WAC 208-
15 620-710(27)(e) for not notifying the director through amendment to the NMLS within ten business
16 days to a change to his response to a disclosure question within NMLS and uploading any document
17 that is the basis for the changed response.

18 **III. AUTHORITY TO IMPOSE SANCTIONS**

19 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3), the Director may revoke a
20 license for knowingly or without the exercise of due care, violations any provision of the Act or if a
21 fact or condition exists that, if it had existed at the time of the original application for the license,
22 clearly would have allowed the director to deny the application for the original license.

1 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
2 issue an order prohibiting from participation in the affairs of any licensee, any mortgage loan
3 originator for a violation of RCW 31.04.027.

4 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
5 up to one hundred dollars per day, per violation, upon a loan originator or any violation of the Act or
6 failure to comply with any order or subpoena issued by the Director under the Act.

7 **3.4 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
8 590, WAC 208-620-610(7), every licensee investigated by the Director or the Director's designee
9 shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour devoted to the
10 investigation.

11 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
12 may recover the state's costs and expenses for prosecuting violations of the Act.

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

14 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
15 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
16 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
17 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

18 **4.1** Respondent Truong Quoc Luu's license to conduct the business of a mortgage loan
19 originator be revoked.

20 **4.2** Respondent Truong Quoc Luu be prohibited from participation in the
21 conduct of the affairs of any consumer loan company subject to licensure by the
22 Director, in any manner, for a period of ten years.

23 **4.3** Respondent Truong Quoc Luu pay a fine. As of the date of this Statement of
24 Charges, the fine totals \$30,000.00.

4.4 Respondent Truong Quoc Luu pay an investigation fee. As of the date of this
Statement of Charges, the investigation fee totals \$4,661.63.

1 **1.3 Auburn Property Loan Application.** On or about March 20, 2015, Respondent applied for
2 a VA loan to purchase real property at 218 F Street SE, Auburn, Washington 98002 (Auburn
3 Property). The loan closed on or about May 6, 2015. Throughout the loan process, Respondent
4 certified, acknowledged, or otherwise represented that he intended the property to be his primary
5 residence and that he had not made misrepresentations in his loan application. Respondent paid off
6 the loan and obtained a refinance loan on or about October 12, 2016.

7 **1.4 Respondent's Intent to Reside at the Auburn Property.** During the loan process,
8 Respondent did not intend for the Auburn Property to be his primary residence.

9 **1.5 False Information in Loan Application.** In his loan application, Respondent made false
10 statements about his intent to reside at the Auburn Property and about the accuracy of the information
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9 Charges, the fine totals \$30,000.00.

10 **4.4** Respondent Truong Quoc Luu pay an investigation fee. As of the date of this
11 Statement of Charges, the investigation fee totals \$4,661.63.

12 **4.5** Respondent Truong Quoc Luu pay the Department's costs and expenses
13 for prosecuting violations of the Act in an amount to be determined at hearing or by
14 declaration with supporting documentation.

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