

ORDER SUMMARY – Case Number: C-17-2204**Name:** Joel John Sarysz**Order Number:** C-17-2204-17-CO01**Effective Date:** 09/21/17**License Number:** 1134506**License Effect:** Surrender within seven (7) days of the CO's entry**Not Apply Until:****Not Eligible Until:****Prohibition/Ban Until:** Seven (7) years

Investigation Costs	\$1,670.04	Due 09/20/17	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/20/2017
Fine	\$5,000.00	Due 09/20/17	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/20/2017
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
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:				

Comments: Respondent will update his NMLS account to reflect all outstanding events that require disclosure and associated explanation, as necessary.

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Consumer Loan Act of Washington by:

No.: C-17-2204-17-CO01

CONSENT ORDER

JOEL JOHN SARYSZ,
Mortgage Loan Originator
NMLS No. 1134506

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director),
through her designee Charles E. Clark, Division Director, Division of Consumer Services, and
Joel John Sarysz (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 31.04 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-17-2204-17-SC01 (Statement of Charges), entered June 20, 2017, (copy
attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan 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. Respondent
agrees not to contest the Statement of Charges in consideration of the terms of this Consent
Order.

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1 Based upon the foregoing:

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

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

9 C. **No Admission of Liability.** The parties intend this Consent Order to fully
10 resolve the Statement of Charges and agree that Respondent does not admit to any wrongdoing
11 by its entry.

12 D. **Agreement to Cease and Desist.** It is AGREED that Respondent shall Cease
13 and Desist from violations of RCW 31.04.027(2) and RCW 31.04.027(8).

14 E. **License Surrender.** It is AGREED that Respondent will surrender his mortgage
15 loan originator (MLO) license within one week (7 days) of entry of this Order.

16 F. **Prohibition from Industry.** It is AGREED that, for a period of seven years
17 from the date of entry of this Consent Order, Respondent is prohibited from participating, in
18 any capacity, in the conduct of the affairs of any consumer loan or mortgage broker company
19 licensed by the Department or subject to licensure or regulation by the Department. This
20 provision will only apply to business activities within the State of Washington.

21 G. **Update NMLS Disclosures.** It is AGREED that Respondent shall update his
22 NMLS account - No. 1134506 - to reflect all outstanding events that require disclosure and
23 associated explanations if necessary. It is further AGREED that Respondent shall update his
24 NMLS account within one week (7 days) of entry of this Order.

1 **H. Fine and Stayed Fine.** It is AGREED that Respondent shall pay a fine to the
2 Department in the amount of \$10,000.00. It is further AGREED that \$5,000.00 of the fine shall
3 be stayed (“Stayed Fine”) during the prohibition period as stated in Paragraph F. It is further
4 AGREED that the Stayed Fine may be lifted in accordance with the terms stated in Paragraph I.
5 It is further AGREED that Respondent shall pay to the Department the remaining fine amount
6 of \$5,000.00 pursuant to Paragraph J.

7 **I. Lifting of Stay and Imposing Stayed Fine.** It is AGREED that:

- 8 1. If the Department determines that Respondent has not complied with the
9 terms of this Consent Order to a degree sufficient to warrant imposition
10 of a Stayed Fine, and the Department accordingly seeks to lift the stay and
 impose the Stayed Fine set forth in Paragraph H above, the Department
 will first notify Respondent in writing of its determination.
- 11 2. The Department’s notification will include:
 - 12 a) A description of the alleged noncompliance;
 - 13 b) A statement that because of the noncompliance, the Department
14 seeks to lift the stay and impose the Stayed Fine;
 - 15 c) The opportunity for Respondent to contest the Department’s
16 determination of noncompliance in an administrative hearing
 before an Administrative Law Judge (ALJ) of the Office of
 Administrative Hearings (OAH); and
 - 17 d) A copy of this Consent Order. The notification and hearing
18 process provided in this Consent Order applies only to this
19 Consent Order. It is solely provided in the event Respondent
 chooses to contest the Department’s determination of
 noncompliance.
- 20 3. Respondent will be afforded ten (10) business days from the date of
21 receipt of the Department’s notification to submit a written request to the
22 Department for an administrative hearing to be held before an ALJ from
 the OAH.
- 23 4. Respondent, in addition to its request for hearing, may provide a written
24 response to include any information pertaining to the alleged
 noncompliance.

- 1 5. The scope and issues of the hearing are limited solely to whether or not
2 Respondent is in violation of the terms of this Consent Order to a degree
3 sufficient to warrant imposition of the Stayed Fine.
- 4 6. At the conclusion of the hearing, the ALJ will issue an initial decision.
5 Either party may file a Petition for Review with the Director of the
6 Department.
- 7 7. If Respondent does not request the hearing within the stated time, the
8 Department will impose the Stayed Fine and pursue whatever action it
9 deems necessary to enforce the Stayed Fine.

10 **J. Investigation Fee.** It is AGREED that Respondent shall pay to the Department
11 an investigation fee of \$1,670.04. The \$5,000 Fine and Investigation Fee shall be paid together
12 in one \$6,670.04 cashier's check made payable to the "Washington State Treasurer."
13 Respondent's payment shall be delivered to the Department on or before September 15, 2017.

14 **K. Change of Address.** It is AGREED that for the duration of the period this
15 Consent Order is in effect, unless otherwise agreed to in writing by the Department, Respondent
16 shall provide the Department with a mailing address and telephone number at which
17 Respondent can be contacted and Respondent shall notify the Department in writing of any
18 changes to his mailing address or telephone number within 15 days of any such change.

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

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

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

RESPONDENT:

/s/
Joel John Sarysz
Mortgage Loan Originator
NMLS No.

9/15/17
Date

Approved By:

/s/
Edward P. Jursek, WSBA No. 28621
Attorney at Law
J&S Law Group, PLLC
Attorney for Respondents

9/15/17
Date

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 21st DAY OF September, 2017.

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

Presented by:

/s/
IGOR VOLOSHIN
Financial Legal Examiner

Approved by:

/s/
STEVEN C. SHERMAN
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
Consumer Loan Act of Washington by:

JOEL JOHN SARYSZ,
NMLS No. 1134506

Respondent.

No. C-17-2204-17-SC01

STATEMENT OF CHARGES AND
NOTICE OF INTENT TO ENTER AN
ORDER TO REVOKE LICENSE, PROHIBIT
FROM THE INDUSTRY, IMPOSE FINE,
COLLECT INVESTIGATION FEE, AND
RECOVER COSTS AND EXPENSES

INTRODUCTION

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of RCW 31.04, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director, through her designee, Division of Consumer Services Director Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Joel John Sarysz (Respondent) was licensed by the Washington State Department of Financial Institutions (Department) to conduct business as a mortgage loan originator on or about August 13, 2015, and continues to be licensed to the present.

1.2 Discovery of Violation. As part of two mortgage transactions with the same borrowers, Respondent engaged in inappropriate conduct resulting in his termination of employment from Fairway Independent Mortgage Corporation (FIMC). In the course of these transactions, Respondent had informed the prospective co-borrowers of a Washington State Housing Commission program known commonly as the Mortgage Credit Certificate Program (Program). The Program in

1 part facilitates eligible consumers to qualify for mortgage products that they would not otherwise.
2 The Program has several requirements. As relevant here, applicants must complete a Commission
3 sponsored homebuyer education course and receive a certificate memorializing the completion in
4 order to be eligible for the Program. The course could be completed online at that time. Respondent
5 informed his clients that they would be eligible for the Program.

6 Subsequently, on or about February 17, 2016, Respondent received an email from one of the
7 co-borrowers requesting information about their mortgage application. On or about February 18,
8 2016, Respondent replied, “[y]ou’re not locked into an interest rate yet. I am waiting to see if the one
9 certificate will work for you guys. I can’t lock it until we have the certificates I am just about done
10 with that class.” Prior to this communication, Respondent had already received the password and
11 username of at least one of the co-borrowers. When FIMC became aware of these facts and
12 investigated them, Respondent admitted that he had completed the homebuyer training course on
13 behalf of both borrowers, obtained the Program’s accompanying homebuyer education class, and
14 submitted the certificates as part of the loan file.

15 As a result of the forgoing, Respondent was terminated from his employment in April 2016.

16 **1.3 Submission of False Loan Documents.** Respondent submitted the co-borrowers
17 loan documentation, that contained the Program’s homebuyers course certificates, on or around
18 February 2016.

19 **1.4 Misstatement to the Department.** Respondent updated his employment status via
20 NMLS using the Uniform Individual Mortgage License/Registration & Consent form (Form MU4),
21 which consists of a series of questions. The following questions are included in the Form MU4
22 under the Termination Disclosure section:

23 Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations
24 made that accused you of:

(1) violating statute(s), regulation(s), or industry standards of conduct?

(2) fraud, dishonesty, theft, or the wrongful taking of property?

Respondent answered “no” to both questions. Respondent was obligated by statute to answer questions on Form MU4 truthfully and to provide the Department with complete details of all events or proceedings. On or about May 3, 2017, Respondent attested, under penalty of perjury, that the information and statements contained within the Form MU4 are “current, true, accurate, and complete[.]”

1.5 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 Submission of Fraudulent Loan Documents. Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(1) and (2) for directly or indirectly employing any scheme, device or artifice to defraud or mislead any person and engaging in an unfair or deceptive practice toward any person.

2.2 False Statements and Omissions of Material Facts. Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.027(8) and WAC 208-620-550(6) for negligently making any false statements or knowingly and willfully making any statements that omitted material facts in connection with any report filed with the Department by a licensee or in connection with any investigation conducted by the Department.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Revoke or Suspend License. Pursuant to RCW 31.04.093(3)(a) and (b), the Director may revoke a license for violating any provision of the Act or the rules adopted thereunder.

3.2 Authority to Prohibit from the Industry. Pursuant to RCW 31.04.093(6)(e), in relevant part, “the director may issue an order . . . prohibiting from participation in the affairs of

any licensee, or both, any officer, principal, employee or mortgage loan originator, or any person subject to this chapter for . . .violate[ing] RCW 31.04.027”

3.3 Authority to Impose Fine. Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or any other person subject to the Act for any violation of the Act.

3.4 Authority to Collect Investigation Fee. Pursuant to RCW 31.04.145(3) and WAC 208-620-590(1), every licensee examined by the Director or the Director’s designee shall pay for the cost of the investigation, collected at the rate of \$69.01 per staff hour devoted to the investigation.

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

IV. NOTICE OF INTENTION TO ENTER ORDER

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

4.1 Respondent Joel John Sarysz’s license to conduct business as a mortgage loan originator be revoked.

4.2 Respondent Joel John Sarysz be prohibited from participation in the conduct of the affairs of any consumer loan company subject to licensure by the Director, in any manner.

4.3 Respondent Joel John Sarysz pay a fine. As of the date of this Statement of Charges, the fine totals \$15,000.00.

4.4 Respondent Joel John Sarysz pay an investigation fee. As of the date of this Statement of Charges, the investigation fee totals \$621.09.

4.5 Respondent Joel John Sarysz 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.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent to Enter an Order to Revoke License,
3 Prohibit from the Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses
4 (Statement of Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165,
5 RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of RCW 34.05 (The
6 Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in
7 the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND
8 accompanying this Statement of Charges.

9 Dated this 6th day of June, 2017.

10 /s/
11 CHARLES E. CLARK
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions
15

16 Presented by:

17
18 /s/
19 Igor Voloshin
20 Financial Legal Examiner

21 Approved by:

22 /s/
23 STEVEN C. SHERMAN
24 Enforcement Chief