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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:

FIDELITY LEGAL SERVICES NETWORK LLC
a/k/a FIDELITY LEGAL SERVICES LLC and
SAMMY LAKHANY, Director,

Respondents.

NO. C-09-272-10-FO01

FINAL ORDER

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 Deborah Bortner, pursuant to RCW 34.05.440(1). On February 5, 2010, the Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of Charges). 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 February 10, 2010, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Fidelity Legal Services Network LLC a/k/a Fidelity Legal Services LLC, (Fidelity Legal Services) and Sammy Lakhany, Director. The Department served the Statement of Charges, cover letter dated February 10, 2010, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Fidelity Legal Services and Sammy Lakhany, Director, on February 10, 2010, by First-Class mail and Federal Express overnight delivery. On February 11, 2010, the documents sent via Federal Express overnight delivery were delivered. The documents sent via First-Class mail were not returned to the Department by the United States Postal Service.

1 Respondents Fidelity Legal Services and Sammy Lakhany, Director, did not request an
2 adjudicative hearing within twenty calendar days after the Department served them with the Notice of
3 Opportunity to Defend and Opportunity for Hearing, as provided for in WAC 208-08-050(2).

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

- 6 1. Statement of Charges;
- 7 2. Cover letter dated February 10, 2010;
- 8 3. Notice of Opportunity to Defend and Opportunity for Hearing; and
- 9 4. Blank Applications for Adjudicative Hearing for Fidelity Legal Services
Network LLC and Sammy Lakhany, with documentation of service.

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

12 II. FINAL ORDER

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

15 A. IT IS HEREBY ORDERED, That:

- 16 1. Respondents Fidelity Legal Services Network LLC and Sammy Lakhany
17 cease and desist offering loan modification services or otherwise conducting
18 the business of a mortgage broker or loan originator in the State of
19 Washington; and
- 20 2. Respondent Fidelity Legal Services Network LLC is prohibited from
21 participation in the conduct of the affairs of any mortgage broker subject to
22 licensure by the Director, in any manner, for a period of five (5) years; and
- 23 3. Respondent Sammy Lakhany is prohibited from participation in the conduct
24 of the affairs of any mortgage broker subject to licensure by the Director, in
25 any manner, for a period of five (5) years; and
- 26 4. Respondents Fidelity Legal Services Network LLC and Sammy Lakhany
jointly and severally pay a fine of \$12,000; and

- 1 5. Respondents Fidelity Legal Services Network LLC and Sammy Lakhany
2 jointly and severally pay restitution of \$2,750 to borrower D.S.; and
3 6. Respondents Fidelity Legal Services Network LLC and Sammy Lakhany
4 jointly and severally pay an investigation fee of \$544.80; and
5 7. Respondents Fidelity Legal Services Network LLC and Sammy Lakhany
6 maintain records in compliance with the Act and provide the Department
7 with the location of the books, records and other information relating to
8 Respondents Fidelity Legal Services Network LLC's mortgage broker
9 business, and the name, address and telephone number of the individual
10 responsible for maintenance of such records in compliance with the Act.

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

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

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

24 D. Judicial Review. Respondents have the right to petition the superior court for
25 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements
26 for filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

1 E. Non-compliance with Order. If you do not comply with the terms of this order, the
2 Department may seek its enforcement by the Office of Attorney General to include the collection of the
3 fines, fees, and restitution imposed herein.

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

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8 DATED this 2nd day of April, 2010.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS


DEBORAH BORTNER
DIRECTOR
DIVISION OF CONSUMER SERVICES

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Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

FIDELITY LEGAL SERVICES NETWORK LLC
a/k/a FIDELITY LEGAL SERVICES LLC and
SAMMY LAKHANY, Director,

Respondents.

NO. C-09-272-10-SC01

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

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 Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Fidelity Legal Services Network LLC a/k/a Fidelity Legal Services LLC (Fidelity Legal Services)** is known to have conducted business at 1651 East Edinger Avenue, Suite 102, Santa Ana, California, 92705, and 1801 East Edinger Avenue, Suite 215, Santa Ana, California, 92705. Respondent Fidelity Legal Services has never been licensed to conduct the business of a Mortgage Broker by the Department of Financial Institutions.

B. **Sammy Lakhany (Lakhany)** is the Director of Fidelity Legal Services. Respondent Lakhany has never been licensed to conduct the business of a Mortgage Broker by the Department of Financial Institutions.

1 **1.2 Unlicensed Activity.** On or about December 5, 2008, Respondent Fidelity Legal Services assisted
2 borrower D.S. in applying to obtain a residential mortgage loan modification on property located in the State of
3 Washington from the unlicensed location discussed in paragraph 1.1. Borrower D.S. applied for a residential
4 mortgage loan modification and paid fees totaling \$2,750 to Respondent Fidelity Legal Services.

5 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
6 Respondents continues to date.

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

8 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(12) and WAC 208-660-006,
9 "Mortgage Broker" means any person who for compensation or gain, or in the expectation of compensation or
10 gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or
11 herself out as being able to assist a person in obtaining or applying to obtain a residential mortgage loan.

12 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(10) and WAC 208-660-006, means a
13 natural person who for direct or indirect compensation or gain, or in the expectation of direct or indirect
14 compensation or gain (i) takes a residential mortgage loan application for a mortgage broker, or (ii) offers or
15 negotiates terms of a mortgage loan. "Loan originator" also includes a person who holds themselves out to the
16 public as able to perform any of these activities. "Loan originator" does not mean persons performing purely
17 administrative or clerical tasks for a mortgage broker. For the purposes of this subsection, "administrative or
18 clerical tasks" means the receipt, collection, and distribution of information common for the processing of a
19 loan in the mortgage industry and communication with a borrower to obtain information necessary for the
20 processing of a loan. A person who holds himself or herself out to the public as able to obtain a loan is not
21 performing administrative or clerical tasks.

22 **2.3 Definition of Borrower.** Pursuant to RCW 19.146.010(3), a "Borrower" is defined as any person who
23 consults with or retains a mortgage broker or loan originator in an effort to obtain or seek advice or information
24 on obtaining or applying to obtain a residential mortgage loan for himself, herself, or persons including himself
25 or herself, regardless of whether the person actually obtains such a loan.

1 on obtaining or applying to obtain a residential mortgage loan for himself, herself, or persons including himself
2 or herself, regardless of whether the person actually obtains such a loan.

3 **2.4 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in Section
4 I above, Respondents are in apparent violation of RCW 19.146.200 for engaging in the business of a mortgage
5 broker without first obtaining and maintaining a license under the Act. Individuals negotiating residential
6 mortgage loan terms act as mortgage brokers or loan originators and must be licensed under the Act unless
7 specifically exempt from the Act.

8 III. AUTHORITY TO IMPOSE SANCTIONS

9 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the Director may
10 issue orders directing a licensee, its employee or loan originator, independent contractor, agent, or other person
11 subject to the Act to cease and desist from conducting business.

12 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a), the Director may issue
13 orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed
14 mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker
15 or any person subject to licensing under the Act for any violation of RCW 19.146.200.

16 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and (3) and WAC 208-660-530, the
17 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to
18 the Act for any violations of RCW 19.146.200.

19 **3.4 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may issue orders directing
20 a licensee or other person subject to the Act to pay restitution.

21 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-550(4) and
22 WAC 208-660-520(9), upon completion of any investigation of the books and records of a licensee or other person
23 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover
24 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per
25 hour that each staff person devoted to the investigation.

1 **IV. NOTICE OF INTENTION TO ENTER ORDER**

2 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
3 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis
4 for the entry of an Order under RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the
5 Director's intention to ORDER that:

- 6 **4.1** Respondents Fidelity Legal Services Network LLC and Sammy Lakhany cease and desist offering loan
7 modification services or otherwise conducting the business of a mortgage broker or loan originator in the
8 State of Washington; and
- 9 **4.2** Respondent Fidelity Legal Services Network LLC be prohibited from participation in the conduct of the
10 affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five (5)
11 years; and
- 12 **4.3** Respondent Sammy Lakhany be prohibited from participation in the conduct of the affairs of any mortgage
13 broker subject to licensure by the Director, in any manner, for a period of five (5) years; and
- 14 **4.4** Respondents Fidelity Legal Services Network LLC and Sammy Lakhany jointly and severally pay a fine
15 which as of the date of this Statement of Charges is \$12,000; and
- 16 **4.5** Respondents Fidelity Legal Services Network LLC and Sammy Lakhany jointly and severally pay
17 restitution of \$2,750 to borrower D.S.; and
- 18 **4.6** Respondents Fidelity Legal Services Network LLC and Sammy Lakhany jointly and severally pay an
19 investigation fee that as of the date of this Statement of Charges is \$544.80, calculated at \$48.00 per hour
20 for the eleven point three five (11.35) staff hours devoted to the investigation; and
- 21 **4.7** Respondents Fidelity Legal Services Network LLC and Sammy Lakhany maintain records in compliance
22 with the Act and provide the Department with the location of the books, records and other information
23 relating to Respondents Fidelity Legal Services Network LLC's mortgage broker business, and the name,
24 address and telephone number of the individual responsible for maintenance of such records in compliance
25 with the Act.

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V. AUTHORITY AND PROCEDURE

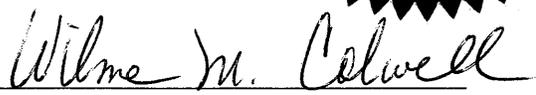
This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Impose Fine, Order Restitution, Prohibit from Industry and Collect Investigation Fee (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 5th day of February, 2010.




DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:


WILMA M. COLWELL
Financial Examiner

Approved by:


JAMES R. BRUSSELBACK
Enforcement Chief