

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Unlicensed Activity of:

No. 12F-BD008-SBD

3 **HUEY HOANG, a/k/a MINH-HIEU, d/b/a**
4 **AZ FINANCIAL SERVICES, AZ LOAN**
5 **MODIFICATION SERVICES, and/or**
6 **LYNDA'S NAILS REFLEXOLOGY &**
7 **COFFEE,**

ORDER TO CEASE AND DESIST;
NOTICE OF OPPORTUNITY FOR
HEARING; CONSENT TO ENTRY OF
ORDER

6 7410 N. 51st Avenue
Phoenix, Arizona 85301,

7 Respondent.

8
9 The Superintendent of Financial Institutions for the State of Arizona (the "Superintendent")
10 makes the following Findings of Fact and Conclusions of Law and enters the following Order
11 pursuant to Arizona Revised Statutes ("A.R.S.") § 6-137(A).

12 Pursuant to Titles 6 and 41 of the Arizona Revised Statutes and Title 20, Chapter 4 of the
13 Arizona Administrative Code ("A.A.C."), Respondent is hereby notified that he is entitled to request
14 a hearing to contest the allegations set forth in this Order. The Request for Hearing shall be filed
15 with the Arizona Department of Financial Institutions (the "Department") pursuant to A.R.S. § 6-
16 137(D) within **thirty (30) days** of service of this Order and shall identify with specificity the action
17 or order being appealed in accordance with A.R.S. § 41-1092.03(B).

18 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or
19 her own behalf or by counsel. If Respondent is represented by counsel, the information required by
20 A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a Request
21 for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for hearing in
22 accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request reasonable**
23 **accommodations such as interpreters, alternative formats, or assistance with physical**
24 **accessibility.** Requests for special accommodations must be made as early as possible to allow time
25 to arrange the accommodations. If accommodations are required, call the Office of Administrative
26 Hearings at (602) 542-9826.

1 Respondent has the right to request an Informal Settlement Conference, pursuant to A.R.S. §
2 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled hearing.
3 The conference will be held within **fifteen (15) days** after receipt of your request. If an Informal
4 Settlement Conference is requested, a person with the authority to act on behalf of the Department
5 will be present (the "Department Representative"). Please note that in requesting an Informal
6 Settlement Conference, Respondent waives any right to object to the participation of the Department
7 Representative in the final administrative decision of this matter, if it is not settled. In addition, any
8 written or oral statement made by Respondent at such informal settlement conference, including
9 written documentation created or expressed solely for purposes of settlement negotiations, are
10 inadmissible in any subsequent administrative hearing. (*See* A.R.S. § 41-1092.06 for rules regarding
11 informal settlement conferences.) Conversely, any written or oral statement made by Respondent
12 outside an Informal Settlement Conference is not barred from being admitted by the Department in
13 any subsequent hearing.

14 If Respondent does not request a hearing, this Order shall become final. If Respondent
15 requests a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the
16 issuance of an order pursuant to A.R.S. § 6-137 directing Respondent to cease and desist from the
17 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time
18 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,
19 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-
20 132; (3) an order to pay restitution of any fees earned in violation of A.R.S. § 6-901 *et seq.*, pursuant
21 to A.R.S. §§ 6-131(A)(3) and 6-137; and (4) an order or any other remedy necessary or proper for
22 the enforcement of statutes and rules regulating mortgage brokers pursuant to A.R.S. §§ 6-123 and
23 6-131.

24 **FINDINGS OF FACT**

25 1. Respondent Huey Hoang aka Minh-Hieu ("Mr. Hoang") is an individual and a sole proprietor
26 doing business as AZ Financial Services, AZ Loan Modification Services, and/or Lynda's Nails

1 Reflexology & Coffee, who has engaged in the business of a mortgage broker within the meaning of
2 A.R.S. § 6-901(11) and A.A.C. R20-4-102, and/or in the business of a loan originator within the
3 meaning of A.R.S. § 6-991(12).

4 2. Mr. Hoang is not and was not, at any time material herein, authorized to transact business in
5 Arizona as a mortgage broker, A.R.S. § 6-903(A), or as a loan originator, A.R.S. § 6-991.03(A).

6 3. Mr. Hoang is not exempt from licensure as a mortgage broker pursuant to A.R.S. § 6-902, or
7 from licensure as a loan originator pursuant to A.R.S. § 6-991.01.

8 4. A person is engaging in the business of a “mortgage broker” if that person “for compensation
9 or in the expectation of compensation either directly or indirectly makes, negotiates or offers to
10 make or negotiate a mortgage loan,” and is not exempt under section 6-902. *See* A.R.S. §§ 6-
11 901(11); 6-901(12) (defining the term “mortgage loan”).

12 5. A natural person is engaging in the business of a “loan originator” if that person for
13 compensation or gain or in the expectation of compensation or gain does any of the following: (i)
14 takes a residential mortgage loan application; (ii) offers or negotiates terms of a residential mortgage
15 loan; (iii) on behalf of a borrower, negotiates with a lender or noteholder to obtain a temporary or
16 permanent modification in an existing residential mortgage loan agreement. *See* A.R.S. §§ 6-
17 901(12).

18 6. On or about September 23, 2010, Mr. Hoang, doing business under the names of AZ
19 Financial Services, AZ Loan Modification Services, and/or Lynda’s Nails Reflexology & Coffee,
20 collected one thousand four hundred ninety-five dollars (\$1,495.00) in fees from Tracy T. promising
21 to perform loan modification services in connection with the property located at 3001 East Morgan
22 Drive, Gilbert, AZ 85296.

23 7. A few days later, on or about September 27, 2010, Tracy T. requested a refund because her
24 lender offered her a better interest rate, which she could afford, and she, therefore, no longer needed
25 the assistance of Mr. Hoang with a loan modification process. Mr. Hoang, however, refused to
26 refund the fee paid by Tracy T.

1 8. In response to the Department's inquiry as to whether Mr. Hoang was possibly involved in an
2 unlicensed operation as a mortgage broker, Mr. Hoang stated that he "represented the Vietnamese
3 families in Phoenix" in connection with loan modifications on their mortgage loans, "which they
4 were falling behind and/or were not able to stay current with their monthly mortgage payments."
5 Mr. Hoang explained that the scope of his services to the Vietnamese families was limited in that the
6 "only reason" for his services was the families' "Language Barriers," i.e., the homeowners were not
7 able to communicate proficiently in English or "competently understand the complexity of the Loan
8 Modification 'Making Home Affordable' program."

9 9. Mr. Hoang engaged in operations as an unlicensed mortgage broker and/or an unlicensed
10 loan originator (not merely as an interpreter). Specifically:

- 11 a. Mr. Hoang's name and signature appear on a payment receipt form of AZ
12 Financial Services, which describes the mortgage loan modification services
13 offered by AZ Financial Service as follows:

14 MORTGAGE LOAN MODIFICATION (PACKAGE # 4)

15 A Mortgage Modification is a permanent change in one or more of the
16 terms of a Mortgagor's Loan to be re-instated, and results in a reduced
17 payments (sic) the borrower(s) can afford to make and to remain in
 their home. Your Lender might not have your best interest in mind.
 We can and will negotiate on your behalf.

- 18 b. Mr. Hoang obtained a signature from Tracy T. on a form titled "Borrower 3rd-
19 Party Authorization," pursuant to which Tracy T. authorized her lender "to
20 negotiate Terms of a Workout Agreement and/or Pay-Off Settlements, Mortgage
21 Payment Reductions with AZ LOANS & FINANCIAL SERVICES [including
22 Mr. Hoang]."

- 23 c. The signature block on emails sent by Mr. Hoang to Tracy T. and others refers to
24 Mr. Hoang as a "Loan-Modification Expert," and "Mortgage Loss-Mitigator,"
25 who handles "Credit Card Debts, Collection Debts, Unsecured Debts."

26 10. These Findings of Fact shall also serve as Conclusions of Law.

1 CONCLUSIONS OF LAW

2 1. Pursuant to A.R.S. §§ 6-901 *et seq.*, the Superintendent has the authority and duty to
3 regulate all persons engaged in activities of a mortgage broker or a loan originator and with the
4 enforcement of statutes, rules and regulations relating to mortgage brokers.

5 2. Mr. Hoang has engaged and/or is engaging in unlicensed activity as a mortgage broker
6 and/or as a loan originator.

7 3. By the conduct set forth in the Findings of Fact, Mr. Hoang has violated the following:

8 a. A.R.S. § 6-903(A), by acting as a mortgage broker in Arizona without having first
9 applied for and obtained a mortgage broker license.

10 b. A.R.S. § 6-909(B), by receiving compensation in connection with arranging for or
11 negotiating a mortgage loan when not licensed pursuant to this article.

12 c. A.R.S. § 6-991.03(1), by acting as a loan originator in Arizona without having
13 first applied for and obtained a loan originator license.

14 d. A.R.S. § 6-991.02(2), by receiving compensation in connection with arranging for
15 or negotiating a mortgage loan when not licensed pursuant to this article.

16 e. A.R.S. § 6-991.02(8), by receiving or disbursing monies in servicing or arranging
17 a mortgage loan.

18 f. A.R.S. § 6-991.02(13), by engaging in activities of a loan originator without
19 having obtained employment as a loan originator with a mortgage broker,
20 mortgage banker or consumer lender.

21 4. The violations set forth above constitute grounds for: (1) the issuance of an order
22 pursuant to A.R.S. § 6-137 directing Respondent to cease and desist from the violative conduct and
23 to take the appropriate affirmative actions, within a reasonable period of time prescribed by the
24 Superintendent to correct the conditions resulting from the unlawful acts, practices, and transactions;
25 (2) the imposition of a monetary civil penalty pursuant to A.R.S. § 6-132; (3) an order to pay
26 restitution of any fees earned in violation of A.R.S. § 6-901 *et seq.*, pursuant to A.R.S. §§ 6-

1 131(A)(3) and 6-137; and (4) an order or any other remedy necessary or proper for the enforcement
2 of statutes and rules regulating mortgage brokers pursuant to A.R.S. §§ 6-123 and 6-131.

3
4 **ORDER**

5 1. Respondent shall immediately stop the violations set forth in the Findings of Fact and
6 Conclusions of Law.

7 2. Mr. Hoang shall immediately cease all mortgage broker business in Arizona until
8 such time as he has obtained a mortgage broker license from the Superintendent as prescribed by
9 A.R.S. § 6-903.

10 3. Mr. Hoang shall immediately cease all loan originator business in Arizona until such
11 time as he has obtained a loan originator license from the Superintendent as prescribed by A.R.S. §
12 6-991.02 and is employed by a licensed mortgage broker, mortgage banker or consumer lender.

13 4. Mr. Hoang shall immediately pay to the Department a civil money penalty in the
14 amount of **twenty five thousand dollars (\$25,000.00)**.

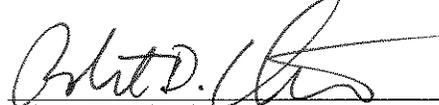
15 5. Mr. Hoang shall immediately refund all compensation he received from Tracy T. and
16 any other individuals while operating without a license.

17 7. The provisions of this Order shall be binding upon Respondent, his employees, agents
18 and other persons participating in the conduct of the affairs of Respondent.

19 8. This Order shall become effective upon service, and shall remain effective and
20 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated
21 or set aside.

22 SO ORDERED this 15th day of August, 2011.

23 Lauren W. Kingry
24 Superintendent of Financial Institutions

25 By: 
26 Robert D. Charlton
Assistant Superintendent

1 ORIGINAL of the foregoing filed this 15th
2 day of August, 2011, in the office of:

3 Lauren W. Kingry
4 Superintendent of Financial Institutions
5 Arizona Department of Financial Institutions
6 ATTN: June Beckwith
7 2910 N. 44th Street, Suite 310
8 Phoenix, Arizona 85018

9 COPY mailed/delivered same date to:

10 Robert D. Charlton, Assistant Superintendent
11 Tammy Seto, Senior Examiner
12 ATTN: Sabrina Hampton
13 Arizona Department of Financial Institutions
14 2910 N. 44th Street, Suite 310
15 Phoenix, Arizona 85018

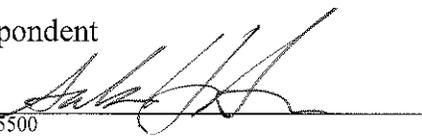
16 Natalia A. Garrett
17 Assistant Attorney General
18 Office of the Attorney General
19 1275 W. Washington
20 Phoenix, Arizona 85007

21 AND COPY MAILED SAME DATE
22 By Certified Mail, Return Receipt Requested, to:

23 Huey Hoang
24 7410 N. 51st Avenue
25 Phoenix, Arizona 85301

26 Huey Hoang
333 S. Federal Blvd., Suite 203
Denver, Colorado 80219

Respondent

By: 
2225500