

TERMS COMPLETED

ORDER SUMMARY – Case Number: C-08-027

Name(s): Wholesale America Mortgage Inc; Ronald Perkins

Order Number: C-08-027-13-CO01

Effective Date: June 12, 2013

License Number: CL-23671

Or NMLS Identifier [U/L] NMLS ID: 1107897 (company) 92867 (Perkins)

License Effect: (Revoked, suspended, stayed, application denied or withdrawn)
If applicable, you must specifically note the ending dates of terms.
Surrender w/in 14 days

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

Investigation Costs	\$6,188.22	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 5/31/2013
Fine	\$25,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 5/31/2013
Assessment(s) 2008 Includes \$3000 late penalty	\$6,530.66	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 5/31/2013
Restitution	\$6,092.82	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: 06/10/13
Judgment	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?	<input type="checkbox"/> Y <input type="checkbox"/> N n/a			
No. of Victims:	8			

Comments: Exam fee of \$10,382.32 paid 05/31/13.

Final Order C-08-027-09-FO01 withdrawn by Final Order C-08-027-13-FO02

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

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

NO. C-08-027-13-CO01

WHOLESALE AMERICA MORTGAGE INC,
dba CALIFORNIA FINANCIAL GROUP,
dba NORTHPOINT FINANCIAL GROUP,
fka RDP CAPITAL INC, and
RONALD D. PERKINS, JR., President,

CONSENT ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Wholesale America Mortgage Inc. and Ronald D. Perkins, President (collectively Respondents), 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 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 Respondents have agreed upon a basis for resolution of the matters alleged in Amended Statement of Charges No. C-08-027-09-SC02 (Amended Statement of Charges), entered June 18, 2009, (copy attached hereto). Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act) and RCW 34.05.060 of the Administrative Procedure Act, Respondents hereby agree to the Department's entry of this Consent Order and further agree that the issues raised in the above-captioned matter may be economically and

1 efficiently settled by entry of this Consent Order. The parties intend this Consent Order to fully resolve
2 the Amended Statement of Charges.

3 Based upon the foregoing:

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

6 **B. Waiver of Hearing.** It is AGREED that Respondents are no longer entitled to a hearing
7 before an administrative law judge concerning the matters set forth in the Amended Statement of
8 Charges, and that Respondents waive any right to administrative and judicial review of the issues raised
9 in this matter and of the resolution reached herein.

10 **C. No Admission of Liability.** It is AGREED that Respondents do not admit to any
11 wrongdoing by entry of this Consent Order.

12 **D. License Surrender.** It is AGREED that the consumer loan license of Respondent
13 Wholesale America shall be surrendered by Respondent Perkins within 14 days of the entry of this
14 Consent Order in the manner required by the Act.

15 **E. Fine.** It is AGREED that Respondents shall pay the Department a fine in the amount of
16 \$25,000 in the form of a cashier's check payable to the "Washington State Treasurer" upon entry of
17 this Consent Order.

18 **F. Restitution.** It is AGREED that Respondents will pay restitution totaling \$6,092.82 to those
19 borrowers and in those amounts more specifically set forth in the Restitution Schedule on page 7 of
20 this Consent Order. Prior to the entry of this Consent Order, the total restitution amount will be
21 deposited into the trust account of an escrow company licensed by the Department, with which
22 Respondents have no current or previous business, personal, or financial interests, for distribution to
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1 the specified borrowers. Respondents will also provide the Department with the identity of the escrow
2 company and will provide proof to the Department that the funds have been deposited, both prior to
3 the entry of this Consent Order. Such proof will include a copy of a cashier's check in the amount of
4 \$6,092.82 made payable to the escrow company's trust account and a representation from the
5 Designated Escrow Officer that the funds have been deposited. Following deposit of said funds into
6 the escrow company's trust account, Respondents will not be permitted to receive any portion of the
7 \$6,092.82. Respondents will instruct the escrow company to mail restitution checks to the specified
8 borrowers within 15 days of entry of this Consent Order. In the event that a borrower cannot be found
9 or restitution checks are not cashed within 60 days of issuance, Respondents will instruct the escrow
10 company to submit the relevant funds to the Department of Revenue as unclaimed property within 120
11 days of entry of this Consent Order. Respondents will bear the cost of all related expenses such as
12 escrow company fees, costs of mailing, and stopping payment on outstanding checks that are not
13 returned or cashed separately from the funds deposited into the escrow company's trust account.
14 Within 130 days of entry of this Consent Order, Respondents will provide the Department with proof
15 of all payments in the form of copies of the front and back of cancelled restitution checks and any
16 checks to the Department of Revenue, and a copy of any unclaimed property forms submitted to the
17 Department of Revenue.
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20 **G. Examination Fee.** It is AGREED that Respondents shall pay the Department an examination
21 fee in the amount of \$10,382.32 in the form of a cashier's check payable to the "Washington State
22 Treasurer" upon entry of this Consent Order.

23 **H. Annual Assessment Fee and Penalty.** It is AGREED that Respondents shall pay the
24 Department the 2008 annual assessment in the amount of \$3,530.66 and a late penalty of \$3,000 in the
25

1 form of a cashier's check payable to the "Washington State Treasurer" upon entry of this Consent
2 Order.

3 **I. Investigation Fee.** It is AGREED that Respondents shall pay the Department an
4 investigation fees in the amount of \$6,118.22 in the form of a cashier's check payable to the
5 "Washington State Treasurer" upon entry of this Consent Order. Respondents may pay the fine,
6 examination fee, annual assessment fee and penalty, and investigation fee in the form of one cashier's
7 check in the amount of \$48,031.20 payable to the "Washington State Treasurer" upon entry of this
8 Consent Order.

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10 **J. Withdrawal of Final Order.** Respondents represent that the reason they failed to appear at
11 the hearing which resulted in their default was due to stress factors outside their immediate control; and
12 that but for those factors they would not have failed to appear. The Department accepts this
13 representation and agrees to withdraw Final Order C-08-027-09-FO01 upon entry of this Consent Order.

14 **K. Authority to Execute Order.** It is AGREED that the undersigned Respondents have
15 represented and warranted that they have the full power and right to execute this Consent Order on behalf
16 of the parties represented.

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

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22 **M. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily
23 entered into this Consent Order, which is effective when signed by the Director's designee.

1 **N. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read
2 this Consent Order in its entirety and fully understand and agree to all of the same.

3
4 **RESPONDENTS:**

5 **Wholesale America Mortgage Company, Inc.**

6 By:

7 /S/
8 Ronald D. Perkins
9 President

 5/20/2013
Date

10 /S/
11 Ronald D. Perkins
12 Individually

 5/20/2013
Date

13 Approved for Entry:

14 /S/
15 John L. Bley, WSBA No. 15230
16 Attorney for Respondents

 5/29/2013
Date

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RESTITUTION SCHEDULE

<u>Loan Number(s)</u>	<u>Amount of Refund</u>
[REDACTED]	\$1,420.00
[REDACTED]	\$ 745.00
[REDACTED]	\$ 495.00
[REDACTED]	\$ 856.87
[REDACTED]	\$ 250.00
[REDACTED]	\$ 370.44
[REDACTED]	\$1,460.51
[REDACTED]	\$ 495.00
[REDACTED]	\$6,092.82



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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

No.: C-08-027-13-FO02

WHOLESALE AMERICA MORTGAGE, INC.,
dba CALIFORNIA FINANCIAL GROUP,
dba NORTHPOINT FINANCIAL GROUP,
fka RDP CAPITAL, INC., and
RONALD D. PERKINS, JR., President,

FINAL ORDER WITHDRAWING FINAL
ORDER C-08-027-09-FO01

Respondents.

I. DIRECTOR'S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director) pursuant to RCW 31.04.165 and RCW 34.05.060 based upon a request by Respondents for withdrawal of Final Order C-08-027-09-FO01 and entry of Consent Order C-08-027-13-CO01. Respondents have represented that circumstances outside of their control caused them to miss a telephonic hearing on September 9, 2009, which resulted in the issuance of Final Order C-08-027-09-FO01; and that but for those circumstances, Respondents would not have missed the hearing. The Director notes the following relevant circumstances:

1. On July 28, 2008, the Department issued a Statement of Charges against Respondents. In August 2008, Respondents timely filed Applications for Administrative Hearing and obtained local counsel for representation.

2. The case was referred to the Office of Administrative Hearings in October 2008, and Respondents thereafter attended telephonic prehearing conferences on November 24, 2008, February 5, 2009, and May 11, 2009.

1 3. On June 18, 2009, the Department issued an Amended Statement of Charges.
2 Thereafter, Respondents attended telephonic prehearing conferences on June 22, 2009, and July 27,
3 2009. During the July 27, 2009, hearing the parties represented to the court that a settlement
4 agreement was imminent; so the court set a status conference for September 9, 2009. On September
5 4, 2009 (a Friday), however, Respondents' attorney withdrew as counsel for Respondents.
6 Respondents thereafter failed to appear for the status conference on September 9, 2009, and were
7 found to be in default.

8 4. Respondents have agreed to pay all restitution set forth in Final Order C-08-
9 027-09-FO01.

10 5. The underlying examination did not reveal any fraud by Respondents.

11 B. Record Presented. The record presented to the Director for his review and for entry of
12 this Final Order included the following:

- 13 1. Statement of Charges, cover letter dated July 28, 2008, Notice of Opportunity to Defend
14 and Opportunity for Hearing, with documentation of service;
- 15 2. Applications for Adjudicative Hearing for Wholesale America Mortgage, Inc., and
16 Ronald D. Perkins, Jr.;
- 17 3. Request to OAH for Assignment of Administrative Law Judge (ALJ), dated October 28,
18 2008;
- 19 4. Notice of Prehearing Conference by Telephone with assignment of ALJ, dated
20 November 13, 2008 ;
- 21 5. Order on Second Prehearing Conference, dated April 8, 2009;
- 22 6. Amended Statement of Charges dated June 18, 2009;
- 23 7. Order on Third Prehearing Conference, dated May 11, 2009;
- 24 8. Order on Fourth Prehearing Conference, dated July 7, 2009;
9. Order on Fifth Prehearing Conference, dated July 28, 2009;
10. Corrected Order on Fifth Prehearing Conference, dated August 4, 2009;

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11. Notice of Withdrawal, dated September 4, 2009;
 12. Order of Dismissal by Default against Wholesale America Mortgage, Inc, dated September 15, 2009;
 13. Order of Dismissal by Default against Ronald D. Perkins, Jr., dated October 9, 2009.

5 C. Factual Findings and Grounds for Order. Pursuant to RCW 31.04.164, and
6 considering the relevant circumstances set forth above, the Director has determined in the exercise of
7 his discretion to accept Respondents' representations and finds that the withdrawal of Final Order C-
8 08-027-09-FO01 is in the interests of justice.

9 II. FINAL ORDER

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

12 A. IT IS HEREBY ORDERED, that:

13 1. Final Order C-08-027-09-FO01 is WITHDRAWN.

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

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

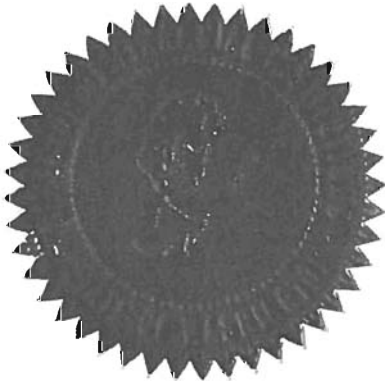
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C. Stay of Order. The Director has determined not to consider a Petition to Stay the effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

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

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

DATED this 12th day of June, 2013



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS


SCOTT JARVIS
Director



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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

NO. C-08-027-09-FO01

WHOLESALE AMERICA MORTGAGE, INC
d/b/a CALIFORNIA FINANCIAL GROUP,
d/b/a NORTHPOINT FINANCIAL GROUP,
d/b/a DG CAPITAL GROUP,
f/k/a RDP CAPITAL INC,
and RONALD D. PERKINS, JR., PRESIDENT,
Respondents.

FINAL ORDER

I. DIRECTOR'S CONSIDERATION

A. Procedural History. 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(2). On July 25, 2008, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Revoke or Suspend License, Collect Restitution, Impose Fines, Collect Costs of Examination, and Collect Costs of Investigation (Statement of Charges). A copy of the Statement of Charges was accompanied by a cover letter dated July 28, 2008, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Wholesale America Mortgage, Inc., and Ronald Perkins, Jr., (Respondents). The Department served the Statement of Charges, cover letter dated July 28, 2008, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents by

FINAL ORDER --
WHOLESALE AMERICA MORTGAGE, INC
d/b/a CALIFORNIA FINANCIAL GROUP,
d/b/a NORTHPOINT FINANCIAL GROUP,
d/b/a DG CAPITAL GROUP,
f/k/a RDP CAPITAL INC,
and RONALD D. PERKINS, JR.

DEPARTMENT OF FINANCIAL INSTITUTIONS
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200

1 First-Class mail and Federal Express overnight delivery. On July 29, 2008, the documents sent via
2 Federal Express overnight delivery were delivered to Respondents at 6200 Stoneridge Mall Road,
3 Suite 200, Pleasanton, California, 94566, and signed for by P. Blanco. The documents sent via First-
4 Class mail were not returned to the Department by the United States Post Office.

5 On August 13, 2008, Respondents each filed an Application for Adjudicative Hearing.
6 Respondents indicated on the Applications for Adjudicative Hearing that Respondents were being
7 represented by John L. Bley, Attorney At Law.

8 On October 20, 2008, the Department made a request to the Office of Administrative Hearings
9 (OAH) to assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the
10 Statement of Charges.
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12 On November 13, 2008, ALJ Mary Ellen Goodwin issued a Notice of Prehearing Conference
13 by Telephone scheduling a prehearing conference on Monday, November 24, 2008, at 11:00 a.m. to be
14 held before ALJ Robert Krabill.

15 On November 24, 2008, all parties attended a telephonic prehearing conference. On November
16 24, 2008, ALJ Krabill scheduled a Status Conference for February 5, 2009, a witness and exhibit list
17 deadline of March 31, 2009, and a Hearing date for April 20 through April 22, 2009, at 9:00 a.m.

18 On or about April 8, 2009, the OAH issued an Order on Second Prehearing Conference. The
19 Order Summary stated that a telephonic status conference would convene on May 11, 2009, at 8:15
20 a.m.; that all parties were to file marked exhibits, witness lists, and exhibit lists scheduled by June 29,
21 2009; and that the In-Person Hearing would be held at 2420 Bristol Court SW, Olympia, WA, on July
22 13 through July 15, 2009, at 9:00 a.m.
23

1 On or about May 11, 2009, the OAH issued an Order on Third Prehearing Conference. The
2 Order Summary stated that a telephonic status conference would convene on June 22, 2009, at 8:15
3 a.m.

4 On June 18, 2009, the Director, through Consumer Services Division Director Deborah
5 Bortner, entered an Amended Statement of Charges and Notice of Intention to Enter an Order to
6 Revoke or Suspend License, Collect Restitution, Impose Fines, Collect Costs of Examination, and Collect
7 Costs of Investigation (Amended Statement of Charges). A copy of the Amended Statement of Charges
8 is attached and incorporated into this order by this reference. The Amended Statement of Charges was
9 accompanied by a cover letter dated June 22, 2009. The Department served the Amended Statement
10 of Charges, cover letter dated June 22, 2009, Notice of Opportunity to Defend and Opportunity for
11 Hearing, and blank Applications for Adjudicative Hearing for Respondents on Respondents and on
12 Respondents' attorney, John Bley, on June 22, 2009, by First-Class mail and Federal Express
13 overnight delivery. On June 23, 2009, the documents sent to Respondents' attorney via Federal
14 Express overnight delivery were delivered to the Respondents' attorney at 1111 Third Avenue, Suite
15 3400, Seattle, Washington, 98101, and signed for by F. Croce. The documents sent via First-Class
16 mail were not returned to the Department by the United States Post Office. On July 7, 2009, the
17 documents sent to Respondents via Federal Express overnight delivery were delivered to Respondents
18 at 73 Ray Street, Pleasanton, California, 94566, and signed for by D. Robertson. The documents sent
19 via First-Class mail were not returned to the Department by the United States Post Office.
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22 On June 22, 2009, the parties attended a status conference. Respondents' attorney requested a
23 continuance as he indicated that he had been called upon to testify in a hearing in Florida on July 13,

1 2009. The Department's counsel indicated to the ALJ that he could not commit to a continuance without
2 consulting with the Department; therefore, the hearing dates remained on the calendar.

3 On July 7, 2009, the OAH issued an Order on Fourth Prehearing Conference. ALJ Krabill
4 granted the request from Respondents' attorney for a continuance of the hearing. The hearing set for
5 July 13 through July 15, 2009, was stricken, and the hearing was to be rescheduled at a status
6 conference to be held on July 27, 2009, at 8:15 a.m.

7 On July 27, 2009, the OAH issued an Order on Fifth Prehearing Conference. ALJ Krabill
8 indicated to the parties that a status conference would convene by telephone conference call on
9 September 29, 2009, at 8:15 a.m. Pacific Time. This Order also indicated, "The prehearing conference
10 orders entered in this matter November 24, 2008, April 8, 2009, May 11, 2009, and July 7, 2009,
11 continue to control this matter except where expressly superseded herein."

12 Additionally, on July 27, 2009, the OAH issued a Corrected Order on Fifth Prehearing
13 Conference. Because of an imminent settlement agreement, the parties agreed to a continuance of this
14 matter and the associated procedural deadlines. The Order Summary stated that a telephonic status
15 conference would convene on September 9, 2009, at 8:15 a.m. This Order indicated, "On the day of the
16 status conference at least 10 minutes before 8:15 AM [sic], each party must call the Office of
17 Administrative Hearings and provide a telephone number at which it can be reached. If any party fails to
18 provide a telephone number at which that party can be reached at the time of the hearing, that party will
19 be defaulted under RCW 34.05.440(2). The parties should retain this prehearing conference order for
20 future reference, since there will be no additional written notice of the date of the status conference."
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1 On September 4, 2009, John Bley, Attorney at Law, withdrew as counsel for Respondents.

2 On September 9, 2009, the telephonic status conference was convened by ALJ Krabill at 8:15
3 a.m. Respondents failed to appear and did not request postponement and ALJ Krabill was unable to
4 contact Respondents at the last telephone number provided by Respondents. The Department moved
5 for an Order of Default based on Respondents' failure to appear.

6 On September 15, 2009, ALJ Krabill issued an Order of Dismissal by Default against
7 Wholesale America Mortgage, Inc.

8 On October 9, 2009, ALJ Krabill issued an Order of Dismissal by Default against Ronald D.
9 Perkins, Jr. Also on or about October 9, 2009, ALJ Krabill sent the Order of Dismissal by Default to
10 the address in Respondents' Applications for Adjudicative Hearing.
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12 Pursuant to RCW 34.05.440(3), Respondents had seven days from the date of service of the
13 Order of Default and Initial Order to file a written motion with OAH requesting that the Order of
14 Default and Initial Order be vacated, and stating the grounds relied upon. Respondents did not make a
15 request to vacate during the statutory period. Pursuant to RCW 34.05.464 and WAC 10-08-211,
16 Respondents had 20 days from the date of service of the Order of Default and Initial Order to file a
17 Petition for Review of the Order of Default and Initial Order with the Director. Respondents did not
18 file a Petition for Review during the statutory period.

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25 FINAL ORDER --
WHOLESALE AMERICA MORTGAGE, INC
d/b/a CALIFORNIA FINANCIAL GROUP,
d/b/a NORTHPOINT FINANCIAL GROUP,
d/b/a DG CAPITAL GROUP,
f/k/a RDP CAPITAL INC,
and RONALD D. PERKINS, JR.

1 B. Record Presented. The record presented to the Director for his review and for entry of
2 a final decision included the following:

- 3 1. Statement of Charges, cover letter dated July 28, 2008, Notice of Opportunity to
4 Defend and Opportunity for Hearing, with documentation of service;
- 5 2. Applications for Adjudicative Hearing for Wholesale America Mortgage, Inc., and
6 Ronald D. Perkins, Jr.;
- 7 3. Request to OAH for Assignment of Administrative Law Judge (ALJ), dated October
8 28, 2008;
- 9 4. Notice of Prehearing Conference by Telephone with assignment of ALJ, dated
10 November 13, 2008 ;
- 11 5. Order on Second Prehearing Conference, dated April 8, 2009;
- 12 6. Amended Statement of Charges dated June 18, 2009;
- 13 7. Order on Third Prehearing Conference, dated May 11, 2009;
- 14 8. Order on Fourth Prehearing Conference, dated July 7, 2009;
- 15 9. Order on Fifth Prehearing Conference, dated July 28, 2009;
- 16 10. Corrected Order on Fifth Prehearing Conference, dated August 4, 2009;
- 17 11. Order of Dismissal by Default against Wholesale America Mortgage, Inc, dated
18 September 15, 2009;
- 19 12. Order of Dismissal by Default against Ronald D. Perkins, Jr., dated October 9, 2009.

20 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(2), the
21 Director hereby adopts the Amended Statement of Charges, which is attached hereto.

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25 FINAL ORDER –
WHOLESALE AMERICA MORTGAGE, INC
d/b/a CALIFORNIA FINANCIAL GROUP,
d/b/a NORTHPOINT FINANCIAL GROUP,
d/b/a DG CAPITAL GROUP,
f/k/a RDP CAPITAL INC,
and RONALD D. PERKINS, JR.

1 II. FINAL ORDER

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

4 A. IT IS HEREBY ORDERED, that:

- 5 1. Respondents Wholesale America Mortgage, Inc, and Ronald Douglas Perkins, Jr.'s
6 license to conduct the business of a Consumer Loan Company is revoked;
7
8 2. Respondents Wholesale America Mortgage, Inc., and Ronald Douglas Perkins, Jr.,
9 shall jointly and severally pay restitution to injured borrowers in the amount of
10 \$6,092.82 as set forth in appendix A;
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12 3. Respondents Wholesale America Mortgage, Inc, and Ronald Douglas Perkins, Jr.,
13 shall jointly and severally pay a fine in the amount of \$25,000;
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15 4. Respondents Wholesale America Mortgage, Inc, and Ronald Douglas Perkins, Jr.,
16 shall jointly and severally pay an examination fee in the amount of \$10,382.32,
17 consisting of \$6,921.70, calculated at \$69.01 per hour for 100.30 staff hours
18 devoted to the examination and \$3,460.62, for related expenses;
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20 5. Respondents Wholesale America Mortgage, Inc, and Ronald Douglas Perkins, Jr.,
21 shall jointly and severally pay an investigation fee in the amount of \$4,485.65,
22 calculated at \$69.01 per hour for 65 staff hours devoted to the investigation; and
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24 6. Respondents Wholesale America Mortgage, Inc, and Ronald Douglas Perkins, Jr.,
25 shall jointly and severally pay a 2008 Annual Assessment fee of \$3,530.66 and a 2008
Annual Assessment late penalty which continues to accrue at the rate of \$100 per day.

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

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

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

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

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

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

DATED this 15th day of December, 2009.



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS



SCOTT JARVIS
DIRECTOR

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

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

NO. C-08-027-09-SC02

WHOLESALE AMERICA MORTGAGE INC,
dba CALIFORNIA FINANCIAL GROUP,
dba NORTHPOINT FINANCIAL GROUP,
fka RDP CAPITAL INC, and
RONALD D. PERKINS, JR., PRESIDENT,

AMENDED
STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE OR SUSPEND
LICENSE, COLLECT RESTITUTION, IMPOSE
FINES, COLLECT COSTS OF EXAMINATION,
AND COLLECT COSTS OF INVESTIGATION

Respondents.

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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 chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an examination and investigation pursuant to RCW 31.04.145, and based upon the facts available at the time, the Director, through his designee, Division of Consumer Services Director Deborah Bortner issued a Statement of Charges, No. C-08-027-08-SC01. Thereafter, the Director's designee determined to amend the Statement of Charges, No. C-08-027-09-SC02. Now, then, the Director, through his designee, Division of Consumer Services Director Deborah Bortner issues this Amended Statement of Charges, No. C-07-539-09-SC02. Amendments include the addition of paragraphs 1.11, 1.12, 2.9, 2.10, 3.5, and 4.6 and two changes to paragraph 4.5.

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1 **I. FACTUAL ALLEGATIONS**

2 **1.1 Respondents.**

3 **A. Wholesale America Mortgage Inc.** (Respondent) was licensed by the Department of
4 Financial Institutions of the State of Washington (Department) to conduct business as a Consumer
5 Loan Company on or about October 25, 2002, and has continued to be licensed to date. Respondent is
6 licensed to conduct the business of a Consumer Lender at:

7 6200 Stoneridge Mall Road, Ste 200
8 Pleasanton, CA 94588

9 **B. Ronald Douglas Perkins Jr.** (Perkins) is the President of record for Wholesale America
10 Mortgage, Inc. Respondent Perkins was appointed on or about March 6, 2002.

11 **1.2 Examination and Examination Fee:** In June 2007, the Department conducted an
12 examination of the Respondents' books and records. During the course of the examination, the
13 Department reviewed 36 loan files and discovered violations of the Act. The Department's costs for
14 the examination total \$10,382.32.

15 **1.3 Failure to Disclose Fees and Costs to Borrowers.** Respondents did not provide to borrowers
16 within three business days following the receipt of a loan application the required written disclosures:

- 17 • disclosure containing an itemized estimation and explanation of all fees and costs that
18 the borrower is required to pay in connection with obtaining a loan
- 19 • disclosure containing an estimate of the Annual Percentage Rate for the loan
- 20 • whether or not a loan contains a prepayment penalty

21 Failure to disclose fees and costs to borrowers was found in four transactions, or eleven percent of the
22 thirty-six loans examined. This is a repeat violation from Respondents' 2005 examination. A copy of
23 the report of examination was provided to Respondents on December 7, 2005.

1 **1.4 Charging and Collecting Unauthorized Fees.** Respondents charged unauthorized fees on
2 junior lien mortgages. The administrative fees and underwriting fees that were charged by
3 Respondents are not authorized by the Act. These unauthorized fees were found in five transactions,
4 or fourteen percent of the thirty-six loans examined. This is a repeat violation from Respondents'
5 2005 examination. A copy of the report of examination was provided to the Respondents on
6 December 7, 2005.

7 **1.5 Failure to Disclose a Yield Spread Premium.** Respondents did not disclose a Yield Spread
8 Premium (YSP) on the Good Faith Estimate (GFE) in which the Respondent acted as the broker.
9 Respondents failed to disclose the YSP on two loans, or five percent of the thirty-six loans examined.

10 **1.6 Failure to Provide Variable Rate Mortgage Disclosure.** Respondents did not provide an
11 initial variable rate loan program disclosure within three business days following the receipt of a loan
12 application in seven transactions, or fourteen percent of the thirty-six loans examined. This is a repeat
13 violation from Respondents' 2005 examination. A copy of the report of examination was provide to
14 Respondents on December 7, 2005.

15 **1.7 Failure to Provide Initial Home Equity Plan Disclosures.** Respondents did not provide
16 initial disclosures describing important home equity plan information within three business days of
17 application for five transactions, or fourteen percent of the thirty-six loans examined.

18 **1.8 Failure to Provide Loan Servicing Disclosures.** Respondents did not provide the loan
19 servicing disclosure statement within the required time period for three transactions, or eight percent
20 of the thirty-six loans examined.

21 **1.9 Failure to Accurately Disclose (Understatement) of Finance Charges.** Respondents did not
22 accurately disclose finance charges on the Truth in Lending document in four transactions, or eleven
23 percent of the thirty-six loans examined. In addition, Respondent did not accurately disclose the

1 Annual Percentage Rate in one of these four transactions, or three percent of the thirty-six loans
2 examined. This is a repeat violation from Respondents' 2005 examination. A copy of the report of
3 examination was provided to Respondents on December 7, 2005.

4 **1.10 Failure to Properly Label Broker and Lender Fees.** Respondents did not properly disclose
5 broker fees and lender discount points paid to lender on the HUD-1 as required in four transactions, or
6 eleven percent of the thirty-six loans examined.

7 **1.11 Failure to Submit 2008 Consolidated Annual Report and Worksheet and pay Annual**
8 **Assessment Fee.** Respondents were required to submit their 2008 Consolidated Annual Report and
9 worksheet, and pay any resulting annual assessment fee to the Department by March 3, 2009. To date,
10 Respondents have not submitted the report or worksheet or paid an annual assessment for 2008.

11 **1.12 Failure to Maintain Surety Bond.** On or about March 20, 2008, the Department received
12 information from Respondent's surety provider that Respondent's surety bond would be cancelled
13 effective April 27, 2008.

14 **1.13 On-Going Investigation.** The Department's investigation into the alleged violations of the Act
15 by Respondents continues to date.

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

17 **2.1 Failure to Disclose Fees and Costs to Borrowers.** Based on Factual Allegations set forth in
18 Section I above, Respondents are in apparent violation of RCW 31.04.027(6) and (10), RCW
19 31.04.102(2) and (3), WAC 208-620-505, WAC 208-620-510, WAC 208-620-512, 24 C.F.R. §
20 3500.21(b)(1) [Regulation X] and 12 C.F.R. § 226.5b [Regulation Z], for failing to disclose fees and
21 costs to borrowers within three business days following receipt of a loan application.

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1 **2.2 Charging and Collecting Unauthorized Fees.** Based on the Factual Allegations set forth in
2 Section I above, Respondents are in apparent violation of RCW 31.04.105(2) for charging and
3 collecting fees which are not authorized by the Act.

4 **2.3 Failure to Disclose a Yield Spread Premium.** Based on the Factual Allegations set forth in
5 Section I above, Respondents are in apparent violation of RCW 31.04.027(6) and (7), WAC 208-620-
6 505, 24 C.F.R. § 3500.7(c)(1) and (2), and Appendix B [Regulation X], for failing to disclose the
7 Yield Spread Premium on the Good Faith Estimate document.

8 **2.4 Failure to Provide Variable Rate Mortgage Disclosure.** Based on the Factual Allegations
9 set forth in Section I above, Respondents are in apparent violation RCW 31.04.027(6) and (10), WAC
10 208-620-505, and 12 C.F.R. § 226.19(b) [Regulation Z], for not providing an initial variable rate loan-
11 program disclosure within three business days following the receipt of a loan application.

12 **2.5 Failure to Provide Initial Home Equity Plan Disclosure.** Based on the Factual Allegations
13 set forth in Section I above, Respondents are in apparent violation RCW 31.04.027(6) and (10), WAC
14 208-620-505, and 12 C.F.R. § 226.5b [Regulation Z], for failing to provide initial disclosures
15 describing important home-equity plan information within three business days of application.

16 **2.6 Failure to Provide Loan Servicing Disclosures.** Based on the Factual Allegations set forth in
17 Section I above, Respondents are in apparent violation of RCW 31.04.027(6) and (10), WAC 208-620-
18 505, and 24 C.F.R. § 3500.21(b)(1) [Regulation X], for failing to provide the loan servicing disclosure
19 statement within the required period.

20 **2.7 Failure to Accurately Disclose (Understatement) of Finance Charges.** Based on the
21 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
22 31.04.027(6) and (10), RCW 31.04.102(2), WAC 208-620-505, and 12 C.F.R. § 226.18(d)(1), and
23

1 226.22(a) [Regulation Z], for understating finance charges and understating the Annual Percentage
2 Rate.

3 **2.8 Failure to Properly Label Broker and Lender Fees.** Based on the Factual Allegations set
4 forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(6) and (10), WAC
5 208-620-505, and 24 C.F.R. § 3500 and Appendix A [Regulation X], and for failing to properly
6 disclose broker fees and lender discount points paid to lender on the HUD-1 as required.

7 **2.9 Requirement to Submit 2008 Consolidated Annual Report and Worksheet and Pay**
8 **Annual Assessment Fee.** Based on the Factual Allegations set forth in Section I above, Respondents
9 are in apparent violation of RCW 31.04.085, WAC 208-620-430, WAC 208-620-440, and WAC 208-
10 620-460 for failing to submit their 2008 Consolidated Annual Report and worksheet, and pay the
11 associated annual assessment fee.

12 **2.10 Requirement to Maintain Adequate Surety Bond.** Based on the Factual Allegations set
13 forth in Section I above, Respondent is in apparent violation of RCW 31.04.045(3) for failure to
14 maintain a surety bond in the required amount.

15 III. AUTHORITY TO IMPOSE SANCTIONS

16 **3.1 Authority to Revoke or Suspend License.** Pursuant to RCW 31.04.093(3)(b), the Director
17 may revoke or suspend a license if a licensee knowingly or without the use of due care violates any
18 provision of the Act or any rule adopted under the Act.

19 **3.2 Authority to Issue Orders to Pay Restitution.** Pursuant to RCW 31.04.093(5), the Director
20 may issue an order directing a licensee, its employee, or any other person subject to the Act to make
21 restitution to a borrower or other person who is damaged as a result of a violation of the Act.

22 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of up
23 to one hundred dollars per day upon the licensee for any violation of the Act.

1 **3.4 Authority to Charge Examination and Investigation Fees.** Pursuant to RCW 31.04.145(3),
2 WAC 208-620-590, every licensee examined or investigated by the Director or the Director's designee
3 shall pay for the cost of the examination or investigation, calculated at the rate of sixty-nine dollars
4 and one cent (\$69.01) per staff hour for time incurred, plus expenses.

5 **3.5 Authority to Collect Annual Assessment Fee.** Pursuant to RCW 31.04.085, WAC 208-620-
6 430, WAC 208-620-440, and WAC 208-620-460, the Director may collect an annual assessment fee from
7 all licensees and an annual assessment late penalty of \$100 per day for late annual assessments.

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

9 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as
10 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
11 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW
12 31.04.205. Therefore, it is the Director's intention to ORDER that:

13 **4.1** Respondents Wholesale America Mortgage, Inc., and Ronald Douglas Perkins Jr. license to
14 conduct the business of a Consumer Loan Company be revoked or suspended; and

15 **4.2** Respondents Wholesale America Mortgage Inc., and Ronald Douglas Perkins Jr. jointly and
16 severally pay restitution to injured borrowers in the amount of \$6,092.82 as set forth in
17 appendix A; and

18 **4.3** Respondents Wholesale America Mortgage Inc., and Ronald Douglas Perkins Jr. jointly and
19 severally pay a fine which as of the date of the Statement of Charges totals \$25,000; and

20 **4.4** Respondents Wholesale America Mortgage Inc., and Ronald Douglas Perkins Jr. jointly and
21 severally pay an examination fee in the amount of \$10,382.32, consisting of \$6,921.70
22 calculated at \$69.01 per hour for 100.30 staff hours devoted to the examination and \$3,460.62
23 for related expenses; and

24 **4.5** Respondents Wholesale America Mortgage Inc., and Ronald Douglas Perkins Jr. jointly and
25 severally pay an investigation fee which as of the date of the Amended Statement of Charges
totals \$4,485.65 calculated at \$69.01 per hour for 65 staff hours devoted to the investigation; and

4.6 Respondents Wholesale America Mortgage Inc., and Ronald Douglas Perkins Jr. jointly and
severally pay a 2008 Annual Assessment fee of \$3,530.66 and a 2008 Annual Assessment late
penalty which continues to accrue at the rate of \$100 per day.

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V. AUTHORITY AND PROCEDURE

This Amended Statement of Charges and Notice of Intention to Enter an Order to Revoke or Suspend License, Collect Restitution, Impose Fines, Collect Costs Of Examination, and Collect Costs Of Investigation is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, 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 Amended Statement of Charges.

Dated this 10th day of June, 2009.

[Redacted Signature]

DEBORAH BORTNER
Director
Division of Consumer Services

Presented by:

[Redacted Signature]

WILMA M. NEPSUND
Financial Examiner



Approved by:

[Redacted Signature]

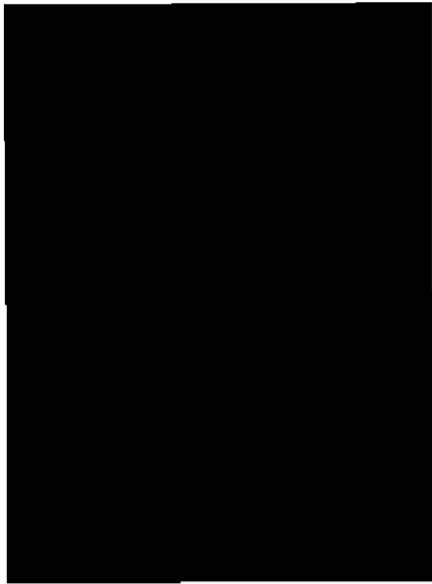
JAMES R. BRUSSELBACK
Enforcement Chief

RESTITUTION SCHEDULE

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Loan Number(s)

Amount of Refund



\$1,420.00

\$ 745.00

\$ 495.00

\$ 856.87

\$ 250.00

\$ 370.44

\$1,460.51

\$ 495.00

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

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

WHOLESALE AMERICA MORTGAGE, INC.,
dba CALIFORNIA FINANCIAL GROUP,
dba NORTHPOINT FINANCIAL GROUP,
dba DG CAPITAL GROUP,
fka RDP CAPITAL INC,
and RONALD D. PERKINS, JR., PRESIDENT,

Respondents.

NO. C-08-027-08-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE OR SUSPEND
LICENSE, COLLECT RESTITUTION, IMPOSE
FINES, COLLECT COSTS OF EXAMINATION,
AND COLLECT COSTS OF INVESTIGATION

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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 chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an examination and investigation pursuant to RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director, by and through his designee Division of Consumer Services Director Deborah Bortner institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Wholesale America Mortgage, Inc. was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a Consumer Loan Company on or about October 25, 2002, and has continued to be licensed to date. Respondent is licensed to conduct the business of a Consumer Lender at:

6200 Stoneridge Mall Road, Ste 200
Pleasanton, CA 94588

1 **B. Ronald Douglas Perkins Jr.** (Perkins) is the President of record for Wholesale America
2 Mortgage, Inc. Respondent Perkins was appointed on or about March 6, 2002.

3 **1.2 Examination and Examination Fee:** In June 2007, the Department conducted an
4 examination of the Respondents' books and records. During the course of the examination, the
5 Department reviewed 36 loan files and discovered violations of the Act. The Department's costs for
6 the examination total \$10,382.32.

7 **1.3 Failure to Disclose Fees and Costs to Borrowers.** Respondents did not provide to borrowers
8 within three business days following the receipt of a loan application the required written disclosures:

- 9 • disclosure containing an itemized estimation and explanation of all fees and costs that
- 10 the borrower is required to pay in connection with obtaining a loan
- 11 • disclosure containing an estimate of the Annual Percentage Rate for the loan
- 12 • whether or not a loan contains a prepayment penalty

13 Failure to disclose fees and costs to borrowers was found in four transactions, or eleven percent of the
14 thirty-six loans examined. This is a repeat violation from Respondents' 2005 examination. A copy of
15 the report of examination was provided to Respondents on December 7, 2005.

16 **1.4 Charging and Collecting Unauthorized Fees.** Respondents charged unauthorized fees on
17 junior lien mortgages. The administrative fees and underwriting fees that were charged by
18 Respondents are not authorized by the Act. These unauthorized fees were found in five transactions,
19 or fourteen percent of the thirty-six loans examined. This is a repeat violation from Respondents'
20 2005 examination. A copy of the report of examination was provided to Respondents on December 7,
21 2005.

22 **1.5 Failure to Disclose a Yield Spread Premium.** Respondents did not disclose a Yield Spread
23 Premium (YSP) on the Good Faith Estimate (GFE) in which the Respondent acted as the broker.

1 Respondents failed to disclose a Yield Spread Premium on two loans, or five percent of the thirty-six
2 loans examined.

3 **1.6 Failure to Provide Variable Rate Mortgage Disclosure.** Respondents did not provide an
4 initial variable rate loan program disclosure within three business days following the receipt of a loan
5 application in seven transactions, or fourteen percent of the thirty-six loans examined. This is a repeat
6 violation from Respondents' 2005 examination. A copy of the report of examination was provided to
7 Respondents on December 7, 2005.

8 **1.7 Failure to Provide Initial Home Equity Plan Disclosures.** Respondents did not provide
9 initial disclosures describing important home equity plan information within three business days of
10 application for five transactions, or fourteen percent of the thirty-six loans examined.

11 **1.8 Failure to Provide Loan Servicing Disclosures.** Respondents did not provide the loan
12 servicing disclosure statement within the required time period for three transactions, or eight percent
13 of the thirty-six loans examined.

14 **1.9 Failure to Accurately Disclose (Understatement) of Finance Charges.** Respondents did not
15 accurately disclose finance charges on the Truth in Lending document in four transactions, or eleven
16 percent of the thirty-six loans examined. In addition, Respondents did not accurately disclose the
17 Annual Percentage Rate in one of these four transactions, or three percent of the thirty-six loans
18 examined. This is a repeat violation from Respondents' 2005 examination. A copy of the report of
19 examination was provided to Respondents on December 7, 2005.

20 **1.10 Failure to Properly Label Broker and Lender Fees.** Respondents did not properly disclose
21 broker fees and lender discount points paid to lender on the HUD-1 as required in four transactions, or
22 eleven percent of the thirty-six loans examined.

1 **1.11 On-Going Investigation.** The Department's investigation into the alleged violations of the
2 Act by Respondents continues to date.

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

4 **2.1 Failure to Disclose Fees and Costs to Borrowers.** Based on the Factual Allegations set forth
5 in Section I above, Respondents are in apparent violation of RCW 31.04.027(6) and (10), RCW
6 31.04.102(2) and (3), WAC 208-620-505, WAC 208-620-510, WAC 208-620-512, 24 C.F.R. §
7 3500.21(b)(1) [Regulation X] and 12 C.F.R. § 226.5b [Regulation Z], for failing to disclose fees and
8 costs to borrowers within three business days following receipt of a loan application.

9 **2.2 Charging and Collecting Unauthorized Fees.** Based on the Factual Allegations set forth in
10 Section I above, Respondents are in apparent violation of RCW 31.04.105(2) for charging and
11 collecting fees which are not authorized by the Act.

12 **2.3 Failure to Disclose a Yield Spread Premium.** Based on the Factual Allegations set forth in
13 Section I above, Respondents are in apparent violation of RCW 31.04.027(6) and (7), WAC 208-620-
14 505, 24 C.F.R. § 3500.7(c)(1) and (2), and Appendix B [Regulation X], for failing to disclose the Yield
15 Spread Premium on the Good Faith Estimate document.

16 **2.4 Failure to Provide Variable Rate Mortgage Disclosure.** Based on the Factual Allegations
17 set forth in Section I above, Respondents are in apparent violation RCW 31.04.027(6) and (10), WAC
18 208-620-505, and 12 C.F.R. § 226.19(b) [Regulation Z], for not providing an initial variable rate loan-
19 program disclosure within three business days following the receipt of a loan application.

20 **2.5 Failure to Provide Initial Home Equity Plan Disclosure.** Based on the Factual Allegations
21 set forth in Section I above, Respondents are in apparent violation RCW 31.04.027(6) and (10), WAC
22 208-620-505, and 12 C.F.R. § 226.5b [Regulation Z], for failing to provide initial disclosures
23 describing important home-equity plan information within three business days of application.

1 **2.6 Failure to Provide Loan Servicing Disclosures.** Based on the Factual Allegations set forth in
2 Section I above, Respondents are in apparent violation of RCW 31.04.027(6) and (10), WAC 208-620-
3 505, and 24 C.F.R. § 3500.21(b)(1) [Regulation X], for failing to provide the loan servicing disclosure
4 statement within the required period.

5 **2.7 Failure to Accurately Disclose (Understatement) of Finance Charges.** Based on the
6 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW
7 31.04.027(6) and (10), RCW 31.04.102(2), WAC 208-620-505, and 12 C.F.R. § 226.18(d)(1), and
8 226.22(a) [Regulation Z], for understating finance charges and understating the Annual Percentage
9 Rate.

10 **2.8 Failure to Properly Label Broker and Lender Fees.** Based on the Factual Allegations set
11 forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(6) and (10), WAC
12 208-620-505, and 24 C.F.R. § 3500 and Appendix A [Regulation X], and for failing to properly
13 disclose broker fees and lender discount points paid to lender on the HUD-1 as required.

14 III. AUTHORITY TO IMPOSE SANCTIONS

15 **3.1 Authority to Revoke or Suspend License.** Pursuant to RCW 31.04.093(3)(b), the Director
16 may revoke or suspend a license if a licensee knowingly or without the use of due care violates any
17 provision of the Act or any rule adopted under the Act.

18 **3.2 Authority to Issue Orders to Pay Restitution.** Pursuant to RCW 31.04.093(5), the Director
19 may issue an order directing a licensee, its employee, or any other person subject to the Act to make
20 restitution to a borrower or other person who is damaged as a result of a violation of the Act.

21 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
22 up to one hundred dollars per day upon the licensee for any violation of the Act.

1 **3.4 Authority to Charge Examination and Investigation Fees.** Pursuant to RCW 31.04.145(3),
2 WAC 208-620-590, every licensee examined or investigated by the Director or the Director's designee
3 shall pay for the cost of the examination or investigation, calculated at the rate of sixty-nine dollars
4 and one cent (\$69.01) per staff hour for time incurred, plus expenses.

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

6 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC, as
7 set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
8 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW
9 31.04.205. Therefore, it is the Director's intention to ORDER that:

10 **4.1** Respondents' Wholesale America Mortgage, Inc. and Ronald Douglas Perkins Jr. license to
11 conduct the business of a Consumer Loan Company be revoked or suspended; and

12 **4.2** Respondent Wholesale America Mortgage, Inc. and Respondent Ronald Douglas Perkins Jr.
13 jointly and severally pay restitution to injured borrowers in the amount of \$6,092.82 as set forth
14 in Appendix A; and

15 **4.3** Respondent Wholesale America Mortgage, Inc. and Respondent Ronald Douglas Perkins Jr.
16 jointly and severally pay a fine which as of the date of the Statement of Charges totals \$25,000;
17 and

18 **4.4** Respondent Wholesale America Mortgage, Inc. and Respondent Ronald Douglas Perkins Jr. pay
19 an examination fee in the amount of \$10,382.32, consisting of \$6,921.70 calculated at \$69.01
20 per hour for 100.30 staff hours devoted to the examination and \$3,460.62 for related expenses;
21 and

22 **4.5** Respondent Wholesale America Mortgage, Inc. and Respondent Ronald Douglas Perkins Jr.
23 jointly and severally pay an investigation fee which as of the date of the Statement of Charges
24 totals \$2,342.89 calculated at \$69.01 per hour for 33.95 staff hours devoted to the investigation.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke or Suspend
3 License, Collect Restitution, Impose Fines, Collect Costs Of Examination, and Collect Costs Of
4 Investigation is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW
5 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The
6 Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in
7 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
8 accompanying this Statement of Charges.

9
10 Dated this 25th day of July, 2008.

11 [Redacted Signature]
12 DEBORAH BORTNER
13 Director
14 Division of Consumer Services

14 Presented by:

15 [Redacted Signature]
16 WILMA M. NEPSUND
17 Financial Examiner

18 Approved by:

19 [Redacted Signature]
20 JAMES R. BRUSSELBACK
21 Enforcement Chief



RESTITUTION SCHEDULE

Loan Number(s)

Amount of Refund



\$1,420.00

\$ 745.00

\$ 495.00

\$ 856.87

\$ 250.00

\$ 370.44

\$1,460.51

\$ 495.00

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