

Terms Completed

ORDER SUMMARY – Case Number: C-08-104

Name(s): West Horizon Financial Inc

Order Number: C-08-104-11-CO01

Effective Date: October 20, 2011

License Number: DFI: 24616 [NMLS: MB-2958]
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: None

Not Apply Until: N/A

Not Eligible Until: _____

Prohibition/Ban Until: N/A

Investigation Costs	\$1,536	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 10/19/11
Fine	\$15,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 10/19/11
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: Cooperation Agreement is Pending

RECEIVED

OCT 19 2011

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

ENFORCEMENT UNIT
DIVISION OF CONSUMER SERVICES
DEPT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF DETERMINING:
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

No.: C-08-104-11-CO01

CONSENT ORDER

WEST HORIZON FINANCIAL, INC.,
MOHAMED W. DAOUD, Loan Originator,
KARL A. HACKETT, Loan Originator, and
VINCENT P. VINCENT, Loan Originator,

WEST HORIZON FINANCIAL, INC.

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and West Horizon Financial, Inc. (Respondent West Horizon), and finding that the issues raised in the above-captioned matter may be economically and efficiently settled solely as they relate to Respondent West Horizon, agree to the entry of this Consent Order. This Consent Order is entered pursuant to chapter 19.146 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 West Horizon have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-08-104-11-SC01 (Statement of Charges), entered August 22, 2011 (copy attached hereto), solely as they relate to Respondent West Horizon. Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent West Horizon hereby agrees to the Department's entry of this Consent Order and further agrees that the issues raised in the above-captioned matter, solely as they relate to Respondent West Horizon, may be economically and efficiently settled by entry of this Consent Order. The parties

1 intend this Consent Order to fully resolve the Statement of Charges solely as they relate to
2 Respondent West Horizon. Respondent West Horizon is agreeing not to contest the Statement of
3 Charges in consideration of the terms of this Consent Order.

4 Based upon the foregoing:

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

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

12 C. **No Admission of Liability.** It is AGREED that Respondent West Horizon does not admit
13 to any wrongdoing by entry of this Consent Order and no violations of the Act should be presumed
14 by its entry.

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

18 E. **Investigation Fee.** It is AGREED that Respondent West Horizon shall pay an
19 investigation fee to the Department in the amount of \$1,536 in the form of a cashier's check made
20 payable to the "Washington State Treasurer" upon entry of this Consent Order. The Fine and
21 Investigation Fee may be paid together in one \$16,536 cashier's check made payable to the
22 "Washington State Treasurer."

1 **F. Complete Cooperation with the Department (Statements).** It is AGREED that, upon
2 written request by the Department (including emails), Respondent West Horizon and its officers shall
3 provide the Department truthful and complete sworn statements outlining their activities with respect
4 to West Horizon Financial, Inc. and any and all persons involved or in any way associated with West
5 Horizon Financial, Inc. including, but not limited to, owners, employees, independent contractors,
6 agents, businesses and persons with whom West Horizon Financial, Inc. dealt, communicated, or
7 otherwise related. The “sworn statements” may take the form of affidavits, declarations, or
8 deposition testimony, at the Department’s discretion. A failure to cooperate fully, truthfully, and
9 completely is a breach of this Consent Order.

10 **G. Complete Cooperation with the Department.** In addition to providing the sworn
11 statements as described in Paragraph F, it is AGREED that, upon written request by the Department,
12 Respondent West Horizon and its officers shall cooperate fully, truthfully, and completely with the
13 Department and provide any and all information known relating in any manner to West Horizon
14 Financial, Inc. and any and all persons involved or in any way associated with West Horizon
15 Financial, Inc. including, but not limited to, owners, employees, independent contractors, agents,
16 businesses and persons with whom West Horizon Financial, Inc. dealt, communicated, or otherwise
17 related. It is further AGREED that, upon written request by the Department, Respondent West
18 Horizon and its officers shall provide any and all documents, writings or materials, or objects or
19 things of any kind in their possession or under their care, custody, or control that they are authorized
20 to possess, obtain, or distribute relating directly or indirectly to all areas of inquiry and investigation.
21 It is further AGREED that Respondent West Horizon and its officers shall testify fully, truthfully, and
22 completely at any and all proceedings related to any Department investigation or enforcement action
23 or both related to any and all persons involved or in any way associated with West Horizon Financial,

1 Inc. and any respondents named therein. A failure to cooperate fully, truthfully, and completely is a
2 breach of this Consent Order.

3 **H. Authority to Execute Order.** It is AGREED that the undersigned has represented and
4 warranted that he has the full power and right to execute this Consent Order on behalf of Respondent
5 West Horizon.

6 **I. Non-Compliance with Order.** It is AGREED that Respondent West Horizon
7 understands that failure to abide by the terms and conditions of this Consent Order may result in
8 further legal action by the Director. In the event of such legal action, Respondent West Horizon may
9 be responsible to reimburse the Director for the costs incurred in pursuing such action, including, but
10 not limited to, attorney fees.

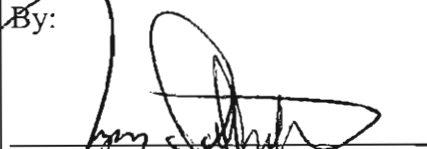
11 **J. Voluntarily Entered.** It is AGREED that Respondent West Horizon has voluntarily
12 entered into this Consent Order, which is effective when signed by the Director's designee.

13 **K. Completely Read, Understood, and Agreed.** It is AGREED that the undersigned
14 representative of Respondent West Horizon has read this Consent Order in its entirety and fully
15 understands and agrees to all of the same.

16 **RESPONDENT:**

17 **West Horizon Financial, Inc.**

18 By:

19 
20 _____
21 Tryg Satterlee
22 President

23 _____
24 Date 10/14/11

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 20th DAY OF October, 2011



Handwritten signature of Deborah Bortner in cursive script.

DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Handwritten signature of Steven C. Sherman in cursive script.

STEVEN C. SHERMAN
Financial Legal Examiner

Approved by:

Handwritten signature of James R. Brusselback in cursive script.

JAMES R. BRUSSELBACK
Enforcement Chief

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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:

WEST HORIZON FINANCIAL, INC.,
MOHAMED W. DAOUD, Loan Originator,
KARL A. HACKETT, Loan Originator, and
VINCENT P. VINCENT, Loan Originator,

Respondents.

No. C-08-104-11-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO REVOKE LICENSES,
PROHIBIT FROM INDUSTRY, IMPOSE
FINE, 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)¹. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of 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. **West Horizon Financial, Inc. (West Horizon)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about June 23, 2003, and continues to be licensed to date.

B. **Mohamed W. Daoud (Daoud)** was licensed by the Department as a loan originator on or about February 7, 2007, and was employed by Respondent West Horizon in that capacity at all

¹ RCW 19.146 (2006)
STATEMENT OF CHARGES
C-08-104-11-SC01
West Horizon Financial, Inc.
Mohamed W. Daoud
Karl A. Hackett
Vincent P. Vincent

1 times relevant to this Statement of Charges. Respondent Daoud's license was cancelled on or about
2 December 31, 2009.

3 C. **Karl A. Hackett (Hackett)** was licensed by the Department as a loan originator on or
4 about April 16, 2007, and was employed by Respondent West Horizon in that capacity at all times
5 relevant to this Statement of Charges. Respondent Hackett continues to be licensed to date in an
6 inactive capacity.

7 D. **Vincent P. Vincent (Vincent)** was licensed by the Department as a loan originator on
8 or about September 24, 2007, and was employed by Respondent West Horizon in that capacity at all
9 times relevant to this Statement of Charges. Respondent Vincent continues to be licensed to date.

10 **1.2 Misrepresentation of Borrower Information.** The Department examined the books and
11 records of Respondent West Horizon and reviewed 35 residential mortgage loan files. The
12 Department identified at least 16 loan files involving misrepresentation of borrower information on
13 the application.

14 A. On or about June 6, 2007, borrower N.N. applied with Respondent West Horizon to
15 purchase a residence in Renton, Washington. An application was prepared by Respondent West
16 Horizon's loan originator Casey Bunce stating that the residence was being purchased as the
17 borrower's primary residence. Respondent Daoud also assisted N.N. with obtaining this loan, which
18 closed on or about July 16, 2007, with First Franklin Financial Corp. On or about July 17, 2007,
19 Respondent West Horizon began assisting borrower N.N. with the refinance of a residence N.N.
20 owned in Everett, Washington. Respondent Daoud prepared a residential loan application for the
21 Everett refinance and stated on the application that the Everett residence would be the borrower's
22 primary residence. Additionally, Respondent Daoud did not disclose on the application that N.N. had
23

1 just completed the purchase of a primary residence on or about July 16, 2007. The refinance loan
2 subsequently closed with lender Homecomings Financial, LLC.

3 **B.** On or about September 13, 2007, borrower G.B. applied with Respondent West
4 Horizon to purchase a residence in Renton, Washington. Also on or about September 13, 2007,
5 borrower G.B. applied with Respondent West Horizon to refinance a residence G.B. owned in
6 Seattle, Washington. Respondent Hackett prepared both applications, and stated on each application
7 that it was to be G.B.'s primary residence, even though the purchase application listed the Seattle
8 residence as a rental. Additionally, Respondent Hackett stated on the refinance application that G.B.'s
9 gross monthly income was \$6,250, but stated on the purchase application that G.B.'s gross monthly
10 income was \$11,832. The purchase loan subsequently closed on or about October 15, 2007, with
11 Suntrust Mortgage, Inc. and the refinance loan closed on or about October 19, 2007, with
12 Homecomings Financial, LLC.

13 **C.** On or about September 19, 2007, borrower D.W. applied with Respondent West
14 Horizon to purchase a residence in Auburn, Washington. Also on or about September 19, 2007,
15 borrower D.W. applied with Respondent West Horizon to refinance a residence D.W. owned in
16 Federal Way, Washington. Respondent Vincent prepared both applications and stated on each
17 application that the residence would be D.W.'s primary residence, even though the purchase
18 application listed the Federal Way residence as a rental. Additionally, Respondent Vincent stated on
19 the refinance application that D.W.'s gross monthly income was \$4,313, but stated on the purchase
20 application that D.W.'s gross monthly income was \$7,112. The refinance loan subsequently closed on
21 or about October 29, 2007, with Washington Mutual Bank, and the purchase subsequently closed on
22 or about October 30, 2007, with Suntrust Mortgage, Inc.

1 D. On or about April 3, 2007, borrower C.F. applied with Respondent West Horizon to
2 purchase a residence on Voss Street in Orting, Washington. On the same day, C.F. applied with
3 Respondent West Horizon to purchase a residence on Roberts Street in Orting, Washington.
4 Respondent West Horizon's loan originator Kevin Dawson assisted C.F. and prepared the
5 applications for both purchases. On both applications, Dawson stated that the residence would be
6 C.F.'s primary residence. Additionally, Dawson stated on the Voss Street application that C.F.'s
7 gross monthly income was \$9,235, but indicated on the Roberts Street application that C.F.'s gross
8 monthly income was \$9,651.23. The Roberts Street purchase subsequently closed on or about April
9 26, 2007, with Indy Mac Bank, and the Voss Street purchase subsequently closed on or about May 1,
10 2007, with Webster Bank.

11 E. On or about May 18, 2007, borrower G.G. applied with Respondent West Horizon to
12 refinance a residence in Renton, Washington. Respondent West Horizon's loan originator Kevin
13 Dawson assisted G.G. and prepared applications for both a first and second mortgage. On the
14 application for the first mortgage, Dawson stated that G.G.'s gross monthly income was \$36,350; and
15 that application was submitted to Washington Mutual Bank. On the application for the second
16 mortgage, however, Dawson stated that G.G.'s gross monthly income was only \$15,264.86; and that
17 application was submitted to Greenpoint Mortgage Funding, Inc. Both loans subsequently closed on
18 or about July 16, 2007, with the above-stated lenders.

19 F. On or about August 27, 2007, borrower P.L. applied with Respondent West Horizon
20 to purchase a residence on Weaver Street in Orting, Washington. On the same day, P.L. applied with
21 Respondent West Horizon to purchase a residence on Nelson Street in Orting, Washington.
22 Respondent West Horizon's loan originator Kevin Dawson assisted C.F. and prepared the
23 applications for both purchases. On both applications, Dawson stated that the residence would be

1 P.L.'s primary residence. Additionally, Dawson stated on the Weaver Street application that P.L.'s
2 gross monthly income was \$6,615, but stated on the Nelson Street application that P.L.'s gross
3 monthly income was \$6,650. The Nelson Street purchase subsequently closed on or about September
4 25, 2007, with Indy Mac Bank, and the Weaver Street purchase subsequently closed on or about
5 September 26, 2007, with Suntrust Mortgage, Inc.

6 **G.** On or about April 2, 2007, borrower T.S. applied with Respondent West Horizon to
7 purchase three residences; one in Renton, Washington, one on Roberts Street in Orting, Washington,
8 and one at 1213 Riddle Avenue in Orting, Washington.² Respondent West Horizon's loan originator
9 Kevin Dawson assisted T.S. and prepared the applications for all three purchases. On each
10 application, Dawson stated that the residence would be T.S.'s primary residence. Additionally,
11 Dawson stated on the Renton application that T.S.'s gross monthly income was \$8,761.16, stated on
12 the Roberts Street application that T.S.'s monthly gross income was \$9,885, and stated on the 1213
13 Riddle Avenue application that T.S.'s gross monthly income was \$9,615.28. The Renton purchase
14 subsequently closed on or about April 27, 2007, with Indy Mac Bank, the Roberts Street purchase
15 subsequently closed the same day with Countrywide Home Loans, and the 1213 Riddle Avenue
16 purchase subsequently closed on or about June 15, 2007, with JP Morgan Chase.

17 On or about May 23, 2007, after the Renton and Roberts Street purchases closed, but before
18 the 1213 Riddle Avenue purchase closed, T.S. applied with Respondent West Horizon to purchase a
19 fourth residence at 909 Riddle Avenue in Orting Washington. Respondent West Horizon's loan
20 originator Kevin Dawson assisted T.S. and prepared the application, again stating that the residence
21 would be T.S.'s primary residence. Dawson did not disclose on this application, however, that T.S.

22
23
24 ² The 1213 Riddle Avenue application bears the date April 3, 2007, but the Good Faith Estimate and Truth-in-Lending
Disclosure are dated April 2, 2007.

1 had purchased two other primary residences on or about April 27, 2007. The 909 Riddle Avenue
2 purchase subsequently closed on or about June 29, 2007, with Homecomings Financial, LLC.

3 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
4 Act by Respondents continues to date.

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

6 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed
7 mortgage broker is liable for any conduct violating the Act by a loan originator while employed or
8 engaged by the licensed mortgage broker.

9 **2.2 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
10 are in apparent violation of RCW 19.146.0201(1), (2), and (3) for directly or indirectly employing a
11 scheme, device, or artifice to defraud or mislead borrowers or lenders or any person, for engaging in
12 an unfair or deceptive practice toward any person, and for obtaining property by fraud or
13 misrepresentation.

14 **III. AUTHORITY TO IMPOSE SANCTIONS**

15 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke
16 licenses for any violation of the Act.

17 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
18 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
19 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
20 mortgage broker or any person subject to licensing under the Act for any violation of RCW
21 19.146.0201(1) through (9).

22 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
23 against a licensee or other persons subject to the Act for any violation of the Act.

1 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
2 520(9) & (11), and WAC 208-660-550(4)(a), the Department may collect the costs of investigation.
3 The Department may charge \$48 dollars per hour for an examiner's time devoted to the investigation
4 of a licensee or other person subject to the Act.

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

6 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,
7 as 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 19.146.220, RCW 19.146.221, and
9 RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

10 **4.1** Respondent West Horizon Financial, Inc. pay a fine which as of the date of these charges
11 totals \$50,000.

12 **4.2** Respondent West Horizon Financial, Inc. pay an investigation fee which as of the date of
13 these charges totals \$1,536, calculated at \$48 per hour for 32 hours.

14 **4.3** Respondent Mohamed W. Daoud's license to conduct the business of a loan originator be
15 revoked.

16 **4.4** Respondent Mohamed W. Daoud be prohibited from participation in the conduct of the affairs
17 of any mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

18 **4.5** Respondent Mohamed W. Daoud pay a fine which as of the date of these charges \$5,000.

19 **4.6** Respondent Karl A. Hackett's license to conduct the business of a loan originator be revoked.

20 **4.7** Respondent Karl A. Hackett be prohibited from participation in the conduct of the affairs of
21 any mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

22 **4.8** Respondent Karl A. Hackett pay a fine which as of the date of these charges \$5,000.

1 **4.9** Respondent Vincent P. Vincent's license to conduct the business of a loan originator be
2 revoked.

3 **4.10** Respondent Vincent P. Vincent be prohibited from participation in the conduct of the affairs
4 of any mortgage broker subject to licensure by the Director, in any manner, for a period of five years.

5 **4.11** Respondent Vincent P. Vincent pay a fine which as of the date of these charges \$5,000.

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1 **V. AUTHORITY AND PROCEDURE**

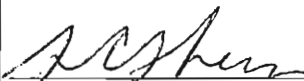
2 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
3 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
4 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
5 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
6 HEARING accompanying this Statement of Charges.

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8 Dated this 22nd day of August, 2011

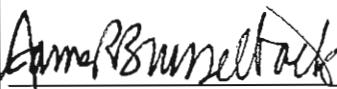


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10 
11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 
17 STEVEN C. SHERMAN
18 Financial Legal Examiner

19 Approved by:

20 
21 JAMES R. BRUSSELBACK
22 Enforcement Chief