

TERMS COMPLETED

ORDER SUMMARY – Case Number: C-11-0603

Name(s): Keith Koichi Akada

Order Number: C-11-0603-12-CO01

Effective Date: June 28, 2012

License Number: DFI # 31808 / NMLS #112443
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: n/a

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: May 6, 2012, to May 16, 2012 (10 days)

| | | | | |
|--|--|-----|--|--------------------|
| Investigation Costs | \$ | Due | Paid <input type="checkbox"/> Y <input type="checkbox"/> N | Date |
| Fine | \$5,000 | Due | Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date 12/17/2012 |
| 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 (Confession of Judgment) | \$5,000 | Due | Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date 12/17/2012 |
| Satisfaction of Judgment Filed? | <input checked="" type="checkbox"/> Y <input type="checkbox"/> N | | Date 1/3/2013 | |
| No. of Victims: | 2 | | | |

Comments: Cooperation Agreement

1 EXPEDITE
2 No Hearing is Set
3 Hearing is Set
4 Date:
5 Time:

JAN - 3 2013

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7 **STATE OF WASHINGTON
THURSTON COUNTY SUPERIOR COURT**

8 STATE OF WASHINGTON,
9 DEPARTMENT OF FINANCIAL
INSTITUTIONS,

10 Plaintiff,

11 v.

12 KEITH K. AKADA,

13 Defendant.

NO. 12-2-01448-2

SATISFACTION OF JUDGMENT

(CLERK'S ACTION REQUIRED)

14
15 **JUDGMENT SUMMARY**

16 **Judgment Creditor:** State of Washington,
Department of Financial Institutions
17 **Attorneys for Judgment Creditor:** Robert M. McKenna
Attorney General
18 Lisa K. Elley
19 Assistant Attorney General
20 **Judgment Debtor:** Keith K. Akada
21 **Principal Judgment Amount:** \$5,000 fine owed to the Department of
22 Financial Institutions
23 **Total Judgment Amount:** \$5,000
24 **Post-Judgment Interest (Per Annum):** Twelve percent (12%)

25 WHEREAS Plaintiff, State of Washington Department of Financial Institutions
26 (Department), the judgment creditor in the above-described action, obtained a judgment in the

SATISFACTION OF JUDGMENT

1

ATTORNEY GENERAL OF WASHINGTON
1125 Washington Street SE
PO Box 40100
Olympia, WA 98504-0100
(360) 664-9006

COPY

1 amount of \$5,000 against Defendant Keith K. Akada on July 12, 2012, and the judgment has
2 been fully satisfied by payment to the Department on December 14, 2012.

3 NOW THEREFORE, full satisfaction of judgment is hereby acknowledged and the
4 clerk of the court is authorized and directed to cancel, satisfy and discharge the judgment.

5 Dated this 27th day of December, 2012.

6
7 [REDACTED]
8 Charles Clark
9 Enforcement Program Manager
10 Division of Consumer Services
11 Department of Financial Institutions
12 Judgment Creditor

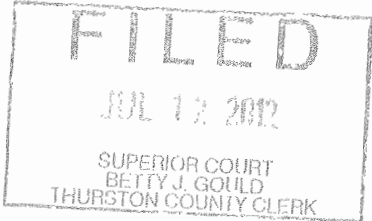
11 STATE OF WASHINGTON)
12) ss.
13 COUNTY OF THURSTON)

14 I certify that I know or have satisfactory evidence that CHARLES CLARK
15 signed this instrument, on oath and stated that he was authorized to execute the instrument and
16 acknowledged it pursuant to his authority delegated from the Director of the Division of
17 Consumer Services of the Washington State Department of Financial Institutions.

18 GIVEN under my hand and official seal this 27th day of DECEMBER, 2012.



17 [REDACTED]
18 NOTARY PUBLIC, My Commission
19 Expires: 3/21/16



STATE OF WASHINGTON
THURSTON COUNTY SUPERIOR COURT

STATE OF WASHINGTON, DEPARTMENT
OF FINANCIAL INSTITUTIONS,

Plaintiff,

v.

KEITH K. AKADA,

Defendant.

NO.

Agency Case No. C-11-0603-12-SC01

CONFESSION OF JUDGMENT

(Clerk's Action Required)

Judgment Summary

| | |
|--|--|
| Judgment Creditor: | Department of Financial Institutions (DFI) |
| Attorneys for Department of Financial Institutions: | Robert M. McKenna, Washington Attorney General Lisa K. Elley, Assistant Attorney General |
| Judgment Debtor: | Keith K. Akada |
| Principal Judgment Amount: | \$5,000 fine owed to the Department of Financial Institutions |
| Total Judgment Amount: | \$5,000 |
| Post-Judgment Interest (per annum) | Twelve percent (12%) |
| Other Costs and Fees: | Each party shall otherwise bear their own costs and fees. |

Pursuant to Chapter 4.60 of the Revised Code of Washington, Judgment by Confession,
Defendant Keith K. Akada hereby authorizes entry of a judgment under the following terms:

COPY

Factual Basis for Judgment

The State of Washington, Department of Financial Institutions and Defendant Keith K. Akada have agreed upon a basis for resolution of the matters alleged in the Statement of Charges No. C-11-0603 (Statement of Charges), entered March 29, 2012, solely as they relate to Defendant Akada. Defendant Akada has agreed to enter into a Confession of Judgment pursuant to chapter 4.60 RCW, under which the obligations and liabilities of each of them shall be joint and several, in the amount of \$5,000, which will be paid to the State of Washington, Department of Financial Institutions. Each party shall otherwise bear their own costs and fees.

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Authorization for Entry of Judgment

I, Keith K. Akada, individually, being duly sworn upon oath, acknowledge the debt owed by Keith K. Akada in the amount of \$5,000 to the State of Washington, Department of Financial Institutions, and authorize entry of judgment against Keith K. Akada, for the amount set forth in the judgment summary above. I understand each party shall otherwise bear their own costs and fees, including attorney's fees.

DATED this 11th day of JUNE, 2012.

[Redacted Signature]

Keith K. Akada
Individual

SUBSCRIBED AND SWORN TO before me in Seattle,
WA this 11th day of June, 2012.

[Redacted Signature]

SARAH ROSENBERGER
Notary Public in and for the State of
WASHINGTON, residing at Mountlake Terrace
WA
My Commission

expires: April 20, 2015



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Order for Entry

The above Confession of Judgment having been presented to this Court for entry in accordance with RCW 4.60.070, the Court having found said Confession of Judgment to be sufficient, now, therefore, it is hereby

ORDERED that the Clerk of this Court shall forthwith enter Judgment against Keith K. Akada, in accordance with the terms of the Confession of Judgment.

DONE IN OPEN COURT this 12 day of July, 2012.



JUDGE/COMMISSIONER
LISA L. SUTTON

Presented by:

ROBERT M. MCKENNA
Attorney General



LISA K. ELLEY, WSBA No. 26846
Assistant Attorney General
Attorneys for State of Washington
Department of Financial Institutions

RECEIVED

JUN 27 2012

CONSUMER SERVICES DIVISION
DEPT OF FINANCIAL INSTITUTIONS
OLYMPIA, WASHINGTON

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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:

No.: C-11-0603-12-CO01

CONSENT ORDER

SEATTLE PACIFIC MORTGAGE, INC.,
LINCOLN A. LOUIE, President and Designated
Broker,
ELAINE HO, Loan Originator,
KEITH K. AKADA, Loan Originator, and
YINQUN "CHRISTINA" CHEN, Loan
Originator,

KEITH K. AKADA,
NMLS #112443

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Deborah Bortner, Division Director, Division of Consumer Services, and Keith K. Akada
(Respondent Akada), loan originator, and finding that the issues raised in the above-captioned matter
may be economically and efficiently settled solely as they relate to Respondent Akada, 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 Akada have agreed upon a basis for resolution of the matters alleged in Statement of
Charges No. C-11-0603-12-SC01 (Statement of Charges), entered March 29, 2012, (copy attached
hereto), solely as they relate to Respondent Akada. Pursuant to chapter 19.146 RCW, the Mortgage
Broker Practices Act (Act), and RCW 34.05.060 of the Administrative Procedure Act, Respondent
Akada hereby agrees to the Department's entry of this Consent Order and further agrees that the
issues raised in the above-captioned matter may be economically and efficiently settled by entry of

CONSENT ORDER
C-11-0603-12-CO01
Keith K. Akada

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
1501 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 this Consent Order, solely as they relate to Respondent Akada. The parties intend this Consent Order
2 to fully resolve the Statement of Charges. Respondent Akada is agreeing not to contest the Statement
3 of 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 Akada has been informed of the
8 right to a hearing before an administrative law judge, and hereby waives his 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 Akada by his signature below, withdraws his appeal to the
11 Office of Administrative Hearings.

12 C. **No Admission of Liability.** It is AGREED that Respondent Akada does not admit to any
13 wrongdoing by entry of this Consent Order.

14 D. **Prohibition from Industry.** It is AGREED that Respondent Akada will be prohibited
15 from conducting business as a loan originator for a period of 10 business days. It is further AGREED
16 that Respondent Akada has provided a Declaration of Inactivity to the Department certifying that he
17 conducted no business as a loan originator for at least 10 consecutive business days prior to entry of
18 this Consent Order.

19 E. **Confession of Judgment for Fine.** It is AGREED that Respondent Akada has entered
20 into a Confession of Judgment for a fine in the amount of \$5,000 owed to the Department.

21 F. **Complete Cooperation with the Department.** It is AGREED that, upon written request
22 by the Department, Respondent Akada shall cooperate fully, truthfully, and completely with the
23 Department and provide any and all information known to him, in any medium requested, relating in


1 any manner to all of the above-captioned Respondents and any and all persons involved or in any
2 way associated with said Respondents, including but not limited to owners, employees, independent
3 contractors, agents, businesses and persons with whom Respondents dealt, communicated, or
4 otherwise related. It is further AGREED that, upon written request by the Department, Respondent
5 Akada shall provide any and all documents, writings or materials, or objects or things of any kind in
6 his possession or under his care, custody, or control that he is authorized to possess, obtain, or
7 distribute relating directly or indirectly to all areas of inquiry and investigation. It is further
8 AGREED that Respondent Akada shall testify fully, truthfully, and completely at any and all
9 proceedings related to any Department investigation or enforcement action or both related to any and
10 all persons involved or in any way associated with the above-captioned Respondents. A failure to
11 cooperate fully, truthfully, and completely is a breach of this Consent Order.

12 **G. Non-Compliance with Order.** It is AGREED that Respondent Akada understands that
13 failure to abide by the terms and conditions of this Consent Order may result in further legal action
14 by the Director. In the event of such legal action, Respondent Akada may be responsible to
15 reimburse the Director for the cost incurred in pursuing such action, including but not limited to,
16 attorney fees.

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

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

21 **RESPONDENT:**

22 
23 Keith K. Akada
Loan Originator

6/11/2012
Date

24 CONSENT ORDER
C-11-0603-12-CO01
Keith K Akada

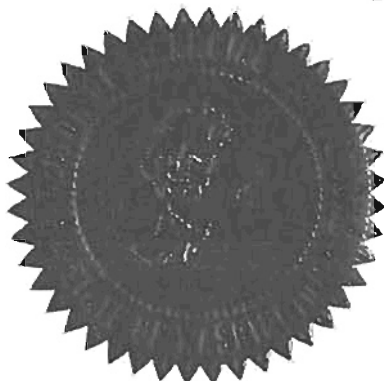
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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 28th DAY OF June, 2012



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:



Steven C. Sherman
Financial Legal Examiner

Approved by:



Charles E. Clark
Enforcement Chief

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 DIVISION OF CONSUMER SERVICES

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

7 SEATTLE PACIFIC MORTGAGE, INC.,
8 LINCOLN A. LOUIE, President and Designated
9 Broker,
10 ELAINE HO, Loan Originator,
11 KEITH K. AKADO, Loan Originator, and
12 YINQUN "CHRISTINA" CHEN, Loan
13 Originator,

14 Respondents.

No. C-11-0603-12-SC01

15 STATEMENT OF CHARGES and
16 NOTICE OF INTENTION TO ENTER AN
17 ORDER TO REVOKE LICENSES,
18 PROHIBIT FROM INDUSTRY, ORDER
19 RESTITUTION, IMPOSE FINES, AND
20 COLLECT INVESTIGATION FEE

21 INTRODUCTION

22 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of
23 Financial Institutions of the State of Washington (Director) is responsible for the administration of
24 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 the date of this
Statement of Charges, the Director, through his designee, Division of Consumer Services Director
Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Seattle Pacific Mortgage, Inc. (Seattle Pacific) was licensed by the Department of
Financial Institutions of the State of Washington (Department) to conduct business as a mortgage
broker on or about December 30, 1996, and continues to be licensed to date.²

¹ All references to RCW 19.146 are to that version in effect at the time of the alleged violation.

² Seattle Pacific Mortgage, Inc. was issued an interim license on December 30, 1996. The regular license was issued March 25, 1997.

STATEMENT OF CHARGES)
C-11-0603-12-SC01
Seattle Pacific Mortgage, Inc.
Lincoln A. Louie
Elaine Ho
Keith K. Akada
Yiqun "Christina" Chen

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902.8703

1 B. **Lincoln A. Louie (Louie)** is President and Designated Broker of Respondent Seattle
2 Pacific. Respondent Louie was named Designated Broker of Respondent Seattle Pacific on or about
3 December 30, 1996, and continues to be Designated Broker to date.

4 C. **Elaine Ho (Ho)** was licensed by the Department of Financial Institutions of the State
5 of Washington (Department) to conduct business as a loan originator on or about April 5, 2007, and
6 continues to be licensed to date. At all times relevant to this Statement of Charges, Respondent Ho
7 was a loan originator for Respondent Seattle Pacific.

8 D. **Keith K. Akada (Akada)** was licensed by the Department of Financial Institutions of
9 the State of Washington (Department) to conduct business as a loan originator on or about January
10 30, 2007, and continues to be licensed to date. At all times relevant to this Statement of Charges,
11 Respondent Akada was a loan originator for Respondent Seattle Pacific.

12 E. **Yiqun "Christina" Chen (Chen)** was licensed by the Department of Financial
13 Institutions of the State of Washington (Department) to conduct business as a loan originator on or
14 about June 28, 2007, and continues to be licensed to date. At all times relevant to this Statement of
15 Charges, Respondent Chen was a loan originator for Respondent Seattle Pacific

16 **1.2 Examination.** Between December 13, 2010, and January 7, 2011, the Department conducted
17 an examination of the books and records of Respondent Seattle Pacific. The Department reviewed at
18 least 59 residential mortgage loan files.

19 **1.3 Misrepresentation of Borrower Information.**

20 A. On or about December 11, 2008, borrower [REDACTED] applied with Respondent Seattle
21 Pacific to refinance a residence located in Bellevue, Washington. On the same day, [REDACTED] applied
22 with Respondent Seattle Pacific to purchase a residence in Kent, Washington. Respondent Ho
23 assisted [REDACTED] and prepared both the refinance application and the purchase application. On both

1 applications, Respondent Ho stated that the residence would be [REDACTED]'s primary residence. On the
2 purchase application, however, Respondent Ho stated that the Bellevue residence would be a rental.
3 On or about February 12, the purchase of the Kent residence as [REDACTED]'s primary residence closed
4 with table-funding by U.S. Bank. In spite of that, on or about March 27, 2009, Respondent HO
5 completed a second application for [REDACTED] to refinance the Bellevue residence as a primary
6 residence. Additionally, Respondent Ho did not disclose on this application that [REDACTED] had
7 purchased the Kent residence in February 2009. The refinance of the Bellevue residence
8 subsequently closed with table-funding by Amtrust Bank.

9 B. On or about October 2, 2009, borrower [REDACTED] applied with Respondent Seattle Pacific
10 to refinance a residence located in Bellevue, Washington. On the same day, [REDACTED] applied with
11 Respondent Seattle Pacific to purchase a residence located in Issaquah, Washington. Respondent
12 Chen assisted [REDACTED] and prepared both the refinance application and the purchase application. On
13 both applications, Respondent Chen stated that the residence would be [REDACTED]'s primary residence.
14 The refinance of the Bellevue residence subsequently closed as [REDACTED]'s primary residence on or about
15 November 10, 2009, with table-funding by Bank of America. The purchase of the Issaquah
16 residence subsequently closed as [REDACTED]'s primary residence on or about December 3, 2009, with
17 table-funding by U.S. Bank.

18 C. On or about October 26, 2009, borrower [REDACTED] applied with Respondent Seattle Pacific
19 to refinance a residence located in Bothell, Washington. Respondent Akada assisted [REDACTED] and
20 prepared the application, stating therein that the residence would be [REDACTED]'s primary residence. The
21 refinance subsequently closed on or about December 1, 2009, with table-funding by U.S. Bank. The
22 Deed of Trust for the refinance included a provision that [REDACTED] occupy the Bothell residence for one
23 year. In spite of this provision, on or about December 2, 2009, Respondent Akada assisted [REDACTED] with

1 applying to Respondent Seattle Pacific for a loan to purchase a residence in Clyde Hill, Washington.
2 Respondent Akada completed the application and stated that the Clyde Hill residence would be
3 ■■■■■s primary residence and that the Bothell residence, refinanced the previous day, would be a
4 rental. Additionally, Respondent Akada did not list the refinance loan by U.S. Bank as a liability on
5 the purchase application. The purchase loan was subsequently closed on or about December 29,
6 2009, with table-funding by Bank of America.

7 **1.4 Failure to Provide Variable Rate Loan Program Disclosures.** In at least six loans,
8 Respondent Seattle Pacific did not provide borrowers with an initial loan program disclosure
9 identifying the terms of a variable rate mortgage.

10 **1.5 Failure to Provide Washington One-Page Disclosure Summary.** In at least 19 loans,
11 Respondent Seattle Pacific did not provide borrowers with the Washington One-Page Disclosure
12 Summary.

13 **1.6 Failure to Provide Complete and Timely Rate Lock Disclosures.** In at least 13 loans,
14 Respondent Seattle Pacific did not provide borrowers with a complete rate lock disclosure within
15 three business days of application. In at least 8 of these loans there was no evidence that the rate
16 lock disclosure had been provided at all.

17 **1.7 Failure to Provide Complete and Timely Rate Lock Agreements.** In at least 25 loans,
18 Respondent Seattle Pacific did not provide borrowers with a complete rate lock agreement within
19 three business days of locking the rate. In at least 13 of these loans there was no evidence that the
20 rate lock agreement had been provided at all.

21 **1.8 Failure to Properly Disclose the Yield Spread Premium.** In at least 29 loans, Respondent
22 Seattle Pacific did not properly disclose the Yield Spread Premium by either not identifying it by
23 that name or by not representing it as a dollar amount or dollar range, or both.

1 **1.9 Failure to Specify Fees Inuring to the Benefit of the Mortgage Broker.** In at least 31
2 loans, Respondent Seattle Pacific did not disclose to the borrower with three business days of
3 application all fees inuring to Respondent Seattle Mortgage's benefit.

4 **1.10 Failure to Provide Complete and Accurate Truth-in-Lending Disclosures.** In at least 25
5 loans, Respondent Seattle Pacific did not provide the borrowers with complete and accurate Truth-
6 in-Lending Disclosures.

7 **1.11 Failure to Display Loan Originator License Numbers.** In at least 11 loans, the borrowers
8 received a 1003 application that did not include the license number of the loan originator.

9 **1.12 Failure to Disclose a Yield Spread Premium.** In at least one loan, the Department was
10 unable to find any evidence in the loan file that Respondent Seattle Pacific had disclosed a yield
11 spread premium of \$3,043.04 to the borrower prior to the loan closing.

12 **1.13 Failure to Provide National Credit Disclosure and Notice to Home Loan Applicant**
13 **Disclosure.** In at least 21 loans, Respondent Seattle Pacific did not provide a copy of the National
14 Credit Disclosure and Notice to Home Loan Applicant Disclosure.

15 **1.14 Failure to Maintain Books and Records.** To the extent that Respondents Seattle Pacific
16 and Louie may claim to have provided certain disclosures which the Department did not find in the
17 loan file, Respondents Seattle Pacific and Louie did not properly maintain those records.

18 **1.6 On-Going Investigation.** The Department's investigation into the alleged violations of the
19 Act by Respondents continues to date.

20 II. GROUNDS FOR ENTRY OF ORDER

21 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed
22 mortgage broker is liable for any conduct violating the Act by the designated broker or a loan
23 originator while employed or engaged by the licensed mortgage broker.

1 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(4), every licensed
2 mortgage broker must at all times have a designate broker responsible for all activities of the
3 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or
4 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,
5 employee's, or independent contractor's violations of the Act if the designated broker, principal, or
6 owner by the exercise of reasonable care and inquiry should have known of the conduct, at a time
7 when its consequences can be avoided or mitigated and fails to take reasonable remedial action.

8 **2.3 Prohibition against Misrepresentation of Borrower Information.** Based on the Factual
9 Allegations set forth in Section I above, Respondents are in apparent violation of RCW
10 19.146.0201(1), (2), and (3) for directly or indirectly employing a scheme, device, or artifice to
11 defraud or mislead borrowers or lenders or any person, engaging in an unfair or deceptive practice
12 toward any person, and obtaining property by fraud or misrepresentation through the
13 misrepresentation of borrower information on loan applications.

14 **2.4 Requirement to Provide Variable Rate Loan Program Disclosures.** Based on the Factual
15 Allegations set forth in Section I above, Respondents Seattle Pacific and Louie are in apparent
16 violation of RCW 19.146.0201(2), (6), and (15) and RCW 19.146.030(2) for failing to provide
17 borrowers with variable rate loan program disclosures.

18 **2.5 Requirement to Provide Washington One-Page Disclosure Summary.** Based on the
19 Factual Allegations set forth in Section I above, Respondents Seattle Pacific and Louie are in
20 apparent violation of RCW 19.146.020(1) and RCW 19.146.0201(2) for failing to provide borrowers
21 with the Washington One-Page Disclosure Summary.

22 **2.6 Requirement to Provide Complete and Timely Rate Lock Disclosures.** Based on the
23 Factual Allegations set forth in Section I above, Respondents Seattle Pacific and Louie are in

1 apparent violation of RCW 19.146.0201(2), (6), and (15) and RCW 19.146.030(2) for failing to
2 provide borrowers with complete and timely rate lock disclosures.

3 **2.7 Requirement to Provide Complete and Timely Rate Lock Agreements.** Based on the
4 Factual Allegations set forth in Section I above, Respondents Seattle Pacific and Louie are in
5 apparent violation of RCW 19.146.0201(2), (6), and (15) and RCW 19.146.030(2) for failing to
6 provide borrowers with complete and timely rate lock agreements.

7 **2.8 Requirement to Properly Disclose the Yield Spread Premium.** Based on the Factual
8 Allegations set forth in Section I above, Respondents Seattle Pacific and Louie are in apparent
9 violation of RCW 19.146.0201(2) and WAC 208-660-430(5) for failing to identify the Yield Spread
10 Premium by using that term, failing to represent it as a dollar amount or dollar range, or both.

11 **2.9 Requirement to Specify all Fees Inuring to the Benefit of the Mortgage Broker.** Based
12 on the Factual Allegations set forth in Section I above, Respondents Seattle Pacific and Louie are in
13 apparent violation of RCW 19.146.0201(2), (3), (6), (13), and (15) and RCW 19.146.030(1) for
14 failing to disclose to the borrowers within three business days of receiving an application all fees that
15 will inure to the benefit of the mortgage broker.

16 **2.10 Requirement to Provide Complete and Timely Truth-in-Lending Disclosures.** Based on
17 the Factual Allegations set forth in Section I above, Respondents Seattle Pacific and Louie are in
18 apparent violation of RCW 19.146.0201(2), (6), (7), (11), and (15) and RCW 19.146.030(2) for
19 failing to provide borrowers with complete and timely Truth-in-Lending Disclosures.

20 **2.11 Requirement to Display Loan Originator License Numbers.** Based on the Factual
21 Allegations set forth in Section I above, Respondents Seattle Pacific and Louie are in apparent
22 violation of RCW 19.146.0201(2) and WAC 208-660-350(23) for failing to ensure that loan
23 originator numbers are displayed on all loan applications.

1 **2.12 Requirement to Disclose the Yield Spread Premium.** Based on the Factual Allegations set
2 forth in Section I above, Respondents Seattle Pacific and Louie are in apparent violation of RCW
3 19.146.0201(2), (3), and (11) for failing to disclose the Yield Spread Premium to the borrower prior
4 to closing.

5 **2.13 Requirement to Provide National Credit Disclosure and Notice to Home Loan**

6 **Applicant Disclosure.** Based on the Factual Allegations set forth in Section I above, Respondents
7 Seattle Pacific and Louie are in apparent violation of RCW 19.146.0201(2) and (11) for failing to
8 provide borrowers with the National Credit Disclosure and Notice to Home Loan Applicant.

9 **2.14 Requirement to Maintain Accurate and Current Books and Records.** Based on the

10 Factual Allegations set forth in Section I above, to the extent Respondents Seattle Pacific and Louie
11 may claim to have provided borrowers with any documents the Department was unable to locate in
12 the loan file, Respondents are in apparent violation of RCW 19.146.060 and WAC 208-660-450 for
13 failing to keep all books and records until at least 25 months have elapsed following the effective
14 period to which the books and records relate.

15 **III. AUTHORITY TO IMPOSE SANCTIONS**

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

18 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
19 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
20 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any
21 licensed mortgage broker or any person subject to licensing under the Act for any violation of RCW
22 19.146.0201(1) through (9) or (13) or RCW 19.146.030.

1 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
2 restitution against licensees or other persons subject to the Act for any violation of the Act.

3 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
4 against a licensee or other persons subject to the Act for any violation of the Act. Pursuant to RCW
5 19.146.220(3), the Director may impose fines on an employee, loan originator, independent
6 contractor, or agent of the licensee, or other person subject to the Act, for any violations of RCW
7 19.146.0201(1) through (9) or (13) or RCW 19.146.030.

8 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
9 520(9) & (11), and WAC 208-660-550(4)(a), the Department may collect the costs of investigation.
10 The Department will charge \$48 per hour for an examiner's time devoted to an investigation of a
11 licensee or other person subject to the Act.

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

13 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660
14 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to
15 Impose Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW
16 19.146.221, and RCW 19.146.223. Therefore, it is the Director's intention to ORDER that:

- 17 **4.1** Respondent Seattle Pacific Mortgage, Inc.'s license to conduct the business of a
18 mortgage broker be revoked.
- 19 **4.2** Respondent Lincoln A. Louie's authority to act as a designated broker be revoked.
- 20 **4.3** Respondent Seattle Pacific Mortgage, Inc. be prohibited from participation in the
21 conduct of the affairs of any mortgage broker subject to licensure by the Director, in
22 any manner, for a period of five years.
- 23 **4.4** Respondents Seattle Pacific Mortgage, Inc. and Lincoln A. Louie jointly and
24 severally pay a fine which as of the date of this Statement of Charges totals \$100,000.

- 1 **4.5** Respondents Seattle Pacific Mortgage, Inc. and Lincoln A. Louie jointly and
2 severally pay restitution totaling \$3,043.04 to the borrower identified in Appendix A
3 of this Statement of Charges.
- 3 **4.6** Respondents Seattle Pacific Mortgage, Inc. and Lincoln A. Louie jointly and
4 severally pay an investigation fee which as of the date of this Statement of Charges
5 totals \$1,728.
- 5 **4.7** Respondents Seattle Pacific Mortgage, Inc. and Lincoln A. Louie maintain records in
6 compliance with the Act and provide the Department with the location of the books,
7 records and other information relating to Respondents' mortgage broker business, and
8 the name, address and telephone number of the individual responsible for
9 maintenance of such records in compliance with the Act.
- 8 **4.8** Respondent Elaine Ho's license to conduct the business of a loan originator be
9 revoked.
- 9 **4.9** Respondent Elaine Ho be prohibited from participation in the conduct of the affairs of
10 any mortgage broker subject to licensure by the Director, in any manner, for a period
11 of five years.
- 11 **4.10** Respondent Elaine Ho pay a fine which as of the date of this Statement of Charges
12 totals \$5,000.
- 12 **4.11** Respondent Keith K. Akada's license to conduct the business of a loan originator be
13 revoked.
- 13 **4.12** Respondent Keith K. Akada be prohibited from participation in the conduct of the
14 affairs of any mortgage broker subject to licensure by the Director, in any manner, for
15 a period of five years.
- 14 **4.13** Respondent Keith K. Akada pay a fine which as of the date of this Statement of
16 Charges totals \$5,000.
- 15 **4.14** Respondent Yiqun "Christina" Chen's license to conduct the business of a loan
17 originator be revoked.
- 16 **4.15** Respondent Yiqun "Christina" Chen be prohibited from participation in the conduct
18 of the affairs of any mortgage broker subject to licensure by the Director, in any
19 manner, for a period of five years.
- 17 **4.16** Respondent Yiqun "Christina" Chen pay a fine which as of the date of this Statement
20 of Charges totals \$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.

7
8 Dated this 29th day of March, 2012.



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

15 Presented by:



16 STEVEN C. SHERMAN
17 Financial Legal Examiner

18 Approved by:



19 JAMES R. BRUSSELBACK
20 Enforcement Chief