

**ORDER SUMMARY – Case Number: C-12-1091**

**Name(s):** Pacific Trust Home Loans Inc; Mason, Daniel  
 \_\_\_\_\_  
 \_\_\_\_\_

**Order Number:** C-12-1091-13-CO01  
 \_\_\_\_\_

**Effective Date:** August 12, 2013  
 \_\_\_\_\_

**License Number or NMLS Identifier:** DFI: 45826 NMLS ID: 88604 (Daniel Mason)  
 DFI: 45825 NMLS ID: 88363 (Pacific Trust Home Loans Inc.)  
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**License Effect:** License surrendered as to Pacific Trust Home Loans Inc. only  
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**Not Apply Until:** August 12, 2018 as to Pacific Trust Home Loans Inc. only  
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**Not Eligible Until:** August 12, 2018 as to Pacific Trust Home Loans Inc. only  
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**Prohibition/Ban Until:** August 12, 2018 as to Pacific Trust Home Loans Inc. only  
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<b>Investigation Costs</b>	\$192	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 8/8/13
<b>Fine</b>	\$3,500	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 8/8/13
<b>Assessment(s)</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>	<input type="checkbox"/> Y <input type="checkbox"/> N			
No. of Victims:				

**Comments:**  
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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  
Mortgage Broker Practices Act of Washington by:

No.: C-12-1091-13-CO01

CONSENT ORDER

PACIFIC TRUST HOME LOANS, INC., and  
DANIEL MASON, 100% Owner and Designated  
Broker,

Respondents.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his  
designee Deborah Bortner, Division Director, Division of Consumer Services, and Pacific Trust  
Home Loans, Inc. (Respondent Pacific Trust) and Daniel Mason, 100% owner and Designated  
Broker (Respondent Mason), 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 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  
Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges  
No. C-12-1091-12-SC01 (Statement of Charges), entered November 2, 2012, (copy attached hereto).  
Pursuant to chapter 19.146 RCW, the Mortgage Broker Practices 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 efficiently settled by entry of this Consent Order. The parties intend this Consent  
Order to fully resolve the Statement of Charges.

Based upon the foregoing:

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

3           **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a  
4 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all  
5 administrative and judicial review of the issues raised in this matter, or of the resolution reached  
6 herein. Accordingly, Respondents, by their signatures below, withdraw their appeal to the Office of  
7 Administrative Hearings.

8           **C. No Admission of Liability.** The parties intend this Consent Order to fully resolve the  
9 Statement of Charges and agree that Respondents do not admit to any wrongdoing by its entry.

10           **D. Mortgage Broker License Surrender.** It is AGREED that Respondent Pacific Trust's  
11 mortgage broker license is surrendered.

12           **E. Application for License.** It is AGREED that, for a period of five (5) years from the date  
13 of entry of this Consent Order, Respondent Pacific Trust shall not apply to the Department for a  
14 mortgage broker or consumer loan company license under any name. It is further AGREED that,  
15 should Respondent Pacific Trust apply to the Department for any license under any name at any time  
16 later than five (5) years from the date of entry of this Consent Order, such applying Respondent shall  
17 be required to meet any and all application requirements in effect at that time.

18           **F. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of  
19 \$3,500, in the form of a cashier's check made payable to the "Washington State Treasurer," upon  
20 entry of this Consent Order.

21           **G. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an  
22 investigation fee of \$192, in the form of a cashier's check made payable to the "Washington State  
23 Treasurer," upon entry of this Consent Order. The Fine and Investigation Fee may be paid together  
24 in one \$3,692 cashier's check made payable to the "Washington State Treasurer."

1 H. **Authority to Execute Order.** It is AGREED that the undersigned have represented and  
2 warranted that they have the full power and right to execute this Consent Order on behalf of the  
3 parties represented.

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

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

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


12 **RESPONDENTS:**

13 **Pacific Trust Home Loans, Inc.**

14 By:

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Daniel Mason  
16 100% Owner and Designated Broker

8/2/13  
Date

17   
Daniel Mason  
18 Individually

8/2/13  
Date

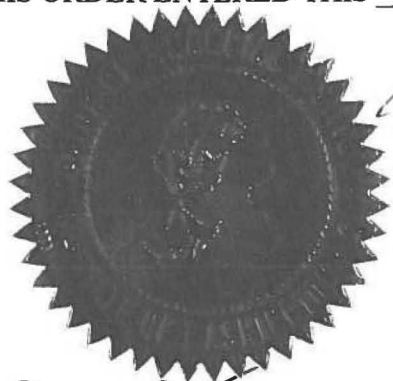
19 **Approved for Entry by:**


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21 *Approved electronically*  
Chad C. Wilcox, Calbar No. 198498  
22 Wilcox | Benumof  
Attorney for Respondents

8/12/13  
Date

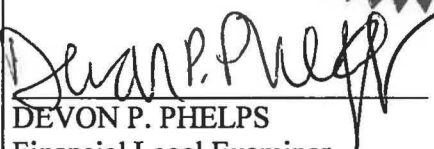
23 **DO NOT WRITE BELOW THIS LINE**

1 THIS ORDER ENTERED THIS 12<sup>th</sup> DAY OF August, 2013



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4 DEBORAH BORTNER  
5 Director, Division of Consumer Services  
6 Department of Financial Institutions

6 Presented by:

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8 DEVON P. PHELPS  
9 Financial Legal Examiner

10 Approved by:

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12 CHARLES E. CLARK  
13 Enforcement Chief

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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  
Mortgage Broker Practices Act of Washington by:  
  
PACIFIC TRUST HOME LOANS, INC., and  
DANIEL MASON, 100% Owner and Designated  
Broker,

No. C-12-1091-12-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER AN  
ORDER TO REVOKE LICENSE, IMPOSE  
FINE, AND COLLECT INVESTIGATION  
FEE

Respondents.

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**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). 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:

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**I. FACTUAL ALLEGATIONS**

**1.1 Respondents.**

A. **Pacific Trust Home Loans, Inc. (Pacific Trust)** was licensed by the Department of  
Financial Institutions of the State of Washington (Department) to conduct business as a mortgage  
broker on or about September 26, 2007, and continues to be licensed to date.

**1.2 Daniel Mason (Mason)** is the 100% owner of Respondent Pacific Trust. Respondent Mason  
was named Designated Broker of Respondent Pacific Trust on September 26, 2007, and continues to  
be Designated Broker to date.

1 **1.3 Failure to Maintain Bond.** On June 19, 2012, the Department received notice from The  
2 Hartford that Respondent Pacific Trust's surety bond would be cancelled, effective July 24, 2012. To  
3 date, Respondents have failed to notify the Department of the cancellation of the surety bond, and  
4 have failed to provide the required surety bond or an approved alternative.

5 **1.4 Failure to Submit Mortgage Broker Closure Form and Annual Report.** On or about July  
6 31, 2012, Respondent Mason orally informed the Department that Respondents were no longer  
7 originating loans under their mortgage broker license. On that same date, the Department notified  
8 Respondents of the requirement to provide the required surety bond or surrender the license. To date,  
9 Respondents have not provided the Department with the Mortgage Broker Closure Form and Annual  
10 Report required within twenty days after a licensed mortgage broker ceases doing business in the  
11 State of Washington.

12 **1.5 Failure to Notify Department of Significant Developments.**

13 **A. Cancellation of Surety Bond.** Respondents failed to notify the Department within ten  
14 business days after the receipt of notification of the cancellation of Respondent Pacific  
15 Trust's surety bond.

16 **B. Ceasing Business in Washington.** Respondents failed to notify the Department within  
17 twenty days after Respondents ceased doing business in the state.

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 of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed  
22 mortgage broker must at all times have a designate broker responsible for all activities of the  
23 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or

1 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,  
2 employee's, or independent contractor's violations of the Act if: the designated broker, principal, or  
3 owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows  
4 the conduct; or the designated broker, principal, or owner who has supervisory authority over the  
5 licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known  
6 of the conduct, at a time when its consequences can be avoided or mitigated and fails to take  
7 reasonable remedial action.

8 **2.2 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in  
9 Section I above, Respondents are in apparent violation of RCW 19.146.0201(2), RCW  
10 19.146.205(6)(a), and WAC 208-660-175 for failing to file and maintain a surety bond or approved  
11 alternative with the Department.

12 **2.3 Requirement to Notify Department of Significant Developments.** Based on the Factual  
13 Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
14 19.146.0201(2) and WAC 208-660-400(7)(b) for failing to notify the Director through the NMLSR or  
15 in writing to the Director within ten days after the receipt of bond cancellation.

16 **2.4 Requirement to Submit a Mortgage Broker Closure Form and Annual Report.** Based on  
17 the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
18 19.146.0201(2), WAC 208-660-163(18), and WAC 208-660-400(12) for failing to update its MUI  
19 record through the NMLSR and submit a mortgage broker closure form and annual report directly  
20 with the Department within twenty days after ceasing operations in Washington.

21 **2.5 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
22 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
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1 location that is on file with and readily available to the Department until at least twenty-five months  
2 have elapsed following the effective period to which the books and records relate.

3 **III. AUTHORITY TO IMPOSE SANCTIONS**

4 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2), the Director may revoke  
5 licenses for failure to maintain the required bond, failure to comply with any directive, order, or  
6 subpoena of the Director, or any violation of the Act.

7 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
8 against a licensee or other persons subject to the Act for failure to maintain the required bond, failure  
9 to comply with any directive, order, or subpoena of the Director, or any violation of the Act.

10 **3.3 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-  
11 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour  
12 for an examiner's time devoted to an investigation of a licensee or other person subject to the Act.

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

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

- 18 **4.1** Respondent Pacific Trust Home Loans, Inc.'s license to conduct the business of a  
19 mortgage broker be revoked.
- 20 **4.2** Respondents Pacific Trust Home Loans, Inc. and Daniel Mason jointly and severally  
21 pay a fine. As of the date of this Statement of Charges, the fine totals \$9,000.
- 22 **4.3** Respondents Pacific Trust Home Loans, Inc. and Daniel Mason jointly and severally  
23 pay an investigation fee. As of the date of this Statement of Charges, the investigation  
24 fee totals \$192.
- 4.4** Respondents Pacific Trust Home Loans, Inc. and Daniel Mason maintain records in  
compliance with the Act and provide the Department with the location of the books,

1 records and other information relating to Respondent Pacific Trust Home Loans, Inc.'s  
2 mortgage broker business, and the name, address and telephone number of the  
individual responsible for maintenance of such records in compliance with the Act.

3 **V. AUTHORITY AND PROCEDURE**

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

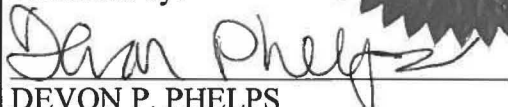
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10 Dated this 2nd day of November, 2012



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13 DEBORAH BORTNER  
14 Director  
15 Division of Consumer Services  
16 Department of Financial Institutions

17 Presented by:

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20 DEVON P. PHELPS  
21 Financial Legal Examiner

22 Approved by:

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24 \_\_\_\_\_  
CHARLES E. CLARK  
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:

PACIFIC TRUST HOME LOANS, INC., and  
DANIEL MASON, 100% Owner and Designated  
Broker,

Respondents.

C-12-1091-12-SC01

NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING

**THE STATE OF WASHINGTON TO:**

Pacific Trust Home Loans, Inc.  
Daniel Mason

You are notified that a Statement of Charges has been filed against you by the Department of Financial Institutions (Department), a true and correct copy is attached.

**APPLICATION FOR ADJUDICATIVE HEARING**

You are further notified that you may file an application for adjudicative hearing before the Department on the Statement of Charges. Service of this notice is deemed complete upon deposit in the United States mail. Your application for adjudicative hearing must be received by the Department within twenty (20) days from the date you received this notice.

**ADJUDICATIVE HEARING**

If you request an adjudicative hearing, you will be notified of the time and place for the hearing at least seven (7) days in advance of the hearing date. In most cases, a conference ("prehearing conference") will be conducted before the hearing to discuss preliminary matters and select mutually convenient hearing dates. At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the Statement of Charges is concerned. Technical rules of evidence will not be binding at the hearing except for the rules or privilege recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-examine those witnesses presented in support of the Statement of Charges. You may require the attendance of witnesses by subpoena.

1 **INTERPRETER AVAILABILITY**

2 If you or a witness for you is a person who, because of non-English-speaking cultural background, cannot  
3 readily speak or understand the English language, you have the right to have an interpreter appointed at no cost to  
4 you.

5 If you or a witness for you is a person who, because of a hearing or speech impairment, cannot readily  
6 understand or communicate in spoken language, you have the right to have an interpreter appointed at no cost to you.

7 IF YOU NEED AN INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the  
8 witness. You may request the appointment of a qualified interpreter by indicating your request on the attached  
9 Application for Adjudicative Hearing form.

10 **WARNING**

11 You are further notified that if the Department does not RECEIVE the completed Application for  
12 Adjudicative Hearing form within twenty (20) days from the date you received this notice, this will constitute a  
13 waiver of your right to a hearing and the Department will find that you do not contest the allegations in the Statement  
14 of Charges. Upon such a finding, a final order will be immediately entered disposing of this matter as described in  
15 the Statement of Charges. If you desire a hearing in this matter, you must complete and return the attached  
16 Application for Adjudicative Hearing to:

17 Department of Financial Institutions  
18 Division of Consumer Services  
19 Attn: Steve Sherman  
20 PO Box 41200  
21 Olympia, Washington 98504-1200

22 Dated this 2<sup>nd</sup> day of November, 2012



23 *Deborah Bortner*

24 DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

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**STATE OF WASHINGTON  
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IN THE MATTER OF DETERMINING:  
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PACIFIC TRUST HOME LOANS, INC., and  
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Respondents.

C-12-1091-12-SC01

NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING

**THE STATE OF WASHINGTON TO:**

Daniel Mason  
Pacific Trust Home Loans, Inc.

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NOTICE OF OPPORTUNITY TO DEFEND  
AND OPPORTUNITY FOR HEARING

1

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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18 Division of Consumer Services  
19 Attn: Steve Sherman  
20 PO Box 41200  
21 Olympia, Washington 98504-1200

22 Dated this 2<sup>nd</sup> day of November, 2012



23 *Deborah Bortner*

24 DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions