

ORDER SUMMARY – Case Number: C-15-1824

Names: Miguel Flores; Gold Trust Mortgage Company

Order Number: C-15-1824-20-FO01

Effective Date: 12/9/20

License Number: U/L
Or NMLS Identifier [U/L]

License Effect:

Not Apply Until: N/A

Not Eligible Until:

Prohibition/Ban Until: 5 years from date of entry

Investigation Costs	\$1,732.80		Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$18,000	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Restitution	\$6,776	Due	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Financial Literacy and Education	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Cost of Prosecution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:	2		

Comments: Cease and Desist engaging in business of a mortgage broker

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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:

GOLD TRUST MORTGAGE COMPANY, and
MIGUEL FLORES, Officer

Respondents.

No.: C-15-1824-20-FO01

FINAL ORDER

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I. DIRECTOR'S CONSIDERATION

A. Default. 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 Lucinda Fazio (Director's designee), pursuant to RCW 34.05.440(1). On July 24, 2017, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit From Industry, Order Restitution, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) against Gold Trust Mortgage Company and Miguel Flores (Respondents). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated July 18, 2017, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On July 25, 2017, the Department served Respondent with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On July 27, 2017, the documents sent by Federal Express overnight delivery were delivered. The documents sent by First-Class mail were returned to the Department as undeliverable.

1 Respondents did not request an adjudicative hearing within twenty calendar days after the
2 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for
3 in WAC 208-08-050(2).

4 B. Record Presented. The record presented to the Director's designee for his review and
5 for entry of a final decision included the following: Statement of Charges, cover letter dated July 18,
6 2017, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for
7 Adjudicative Hearing for Respondents, with documentation for service.

8 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the
9 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

10 II. FINAL ORDER

11 Based upon the foregoing, and the Director's designee having considered the record and being
12 otherwise fully advised, NOW, THEREFORE:

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondents Miguel Flores and Gold Trust Mortgage Company cease and desist
15 engaging in the business of a mortgage broker.
- 16 2. Respondent Gold Trust Mortgage Company is prohibited from participation in the
17 conduct of the affairs of any mortgage broker subject to licensure by the Director
18 for a period of five years.
- 19 3. Respondent Miguel Flores is prohibited from participation in the conduct of the
20 affairs of any mortgage broker subject to licensure by the Director for a period of
21 five years
- 22 4. Respondents Miguel Flores and Gold Trust Mortgage Company jointly and
23 severally pay a fine of \$18,000.
- 24 5. Respondents Miguel Flores and Gold Trust Mortgage Company jointly and
severally pay \$6,776 in restitution to the borrowers identified in Paragraph 1.2 of
the attached Statement of Charges.
6. Respondents Miguel Flores and Gold Trust Mortgage Company jointly and
severally pay an investigation fee of \$1,732.80.

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
4 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
5 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
6 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
7 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

17 E. Non-compliance with Order. If you do not comply with the terms of this order,
18 **including payment of any amounts owed within 30 days of receipt of this order**, the Department
19 may seek its enforcement by the Office of the Attorney General to include the collection of the fines,
20 fees, and restitution imposed herein. The Department also may assign the amounts owed to a
21 collection agency for collection.

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

4 DATED this 9th day of December, 2020.

5 STATE OF WASHINGTON
6 DEPARTMENT OF FINANCIAL INSTITUTIONS

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8 /s/
9 Lucinda Fazio, Director
10 Division of Consumer Services

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

4 IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:
5 **GOLD TRUST MORTGAGE COMPANY, and**
MIGUEL FLORES, Officer
6
7 Respondents.

No. C-15-1824-17-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER AN
ORDER TO CEASE AND DESIST,
PROHIBIT FROM INDUSTRY, ORDER
RESTITUTION, IMPOSE FINE, COLLECT
INVESTIGATION FEE, AND RECOVER
COSTS AND EXPENSES

8 **INTRODUCTION**

9 Pursuant to RCW 19.146.220 and RCW 19.146.223, the Director of the Department of
10 Financial Institutions of the State of Washington (Director) is responsible for the administration of
11 chapter 19.146 RCW, the Mortgage Broker Practices Act (Act)¹. After having conducted an
12 investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this
13 Statement of Charges, the Director, through her designee, Division of Consumer Services Director
14 Charles E. Clark, institutes this proceeding and finds as follows:

15 **I. FACTUAL ALLEGATIONS**

16 **1.1 Respondents.**

17 A. **Gold Trust Mortgage Company (Respondent Gold Trust Mortgage)** is a business
18 with a mailing address located at 3940 Laurel Canyon Blvd. #1487, Studio City, California.
19 Respondent Gold Trust Mortgage has never been licensed by the Department to conduct the business
20 of a mortgage broker.

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24 ¹ Citations to RCW 19.146 are to the version in effect at the time of the violations.

1 B. **Miguel Flores (Respondent Flores)** is an officer of Respondent Gold Trust
2 Mortgage. Respondent Flores has never been licensed by the Department as a mortgage broker or
3 loan originator.

4 **1.2 Unlicensed Activity.** Between approximately July 1, 2015, and August 24, 2015,
5 Respondent Gold Trust Mortgage offered to assist at least two Washington borrowers in obtaining
6 residential mortgage loans. Borrower L.R. paid Respondent Gold Trust Mortgage \$1,500 in order to
7 obtain a residential mortgage loan. Borrower A.K.C. paid Respondent Gold Trust Mortgage \$5,276
8 in order to obtain a residential mortgage loan. Respondent Gold Trust Mortgage never provided a
9 residential mortgage loan to either borrower.

10 **1.3 Prohibited Acts.** On or about July 21, 2015, Respondent Gold Trust Mortgage stated to
11 borrower L.R. that it would refund its fee of \$1,500 after failing to provide a residential mortgage
12 loan to L.R. To date, Respondent Gold Trust Mortgage has not paid this refund.

13 **1.4 Failure to Respond to Subpoena.** On or about August 7, 2015, the Department issued a
14 subpoena to Respondent Gold Trust Mortgage. Response to the subpoena was due no later than
15 August 21, 2015. To date, Respondent Gold Trust Mortgage has not responded to the subpoena.

16 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
17 Act by Respondents continues to date.

18 II. GROUNDS FOR ENTRY OF ORDER

19 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed
20 mortgage broker is liable for any conduct violating the Act by the designated broker or a loan
21 originator while employed or engaged by the licensed mortgage broker.

22 **2.2 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(14) and WAC 208-660-006,
23 "Mortgage broker" means any person who, for compensation or gain, or in the expectation of

1 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage
2 loan or (b) holds himself or herself out as being able to assist a person in obtaining or applying to
3 obtain a residential mortgage loan.

4 **2.3 Definition of Loan Originator.** Pursuant to RCW 19.146.010(11) and WAC 208-660-006,
5 “Loan originator” means a natural person who for direct or indirect compensation or gain, or in the
6 expectation of direct or indirect compensation or gain: takes a residential mortgage loan application
7 for a mortgage broker; offers or negotiates terms of a mortgage loan; performs residential mortgage
8 loan modification services; or holds themselves out to the public as able to perform any of these
9 activities.

10 **2.4 Definition of Borrower.** Pursuant to RCW 19.146.010(3) and WAC 208-660-006,
11 “Borrower” means any person who consults with or retains a mortgage broker or loan originator in an
12 effort to obtain or seek advice or information on obtaining or applying to obtain a residential
13 mortgage loan for himself, herself, or persons including himself or herself, regardless of whether the
14 person actually obtains such a loan.

15 **2.5 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
16 are in apparent violation of RCW 19.146.0201(1), (2), (3), and (13) for directly or indirectly
17 employing a scheme, device or artifice to defraud or mislead borrowers or lenders or any person,
18 engaging in an unfair or deceptive practice toward any person, obtaining property by fraud or
19 misrepresentation, and collecting any fee prohibited by RCW 19.146.030 or RCW 19.146.070.

20 **2.6 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
21 Allegations set forth in Section I above, Respondent Gold Trust Mortgage is in apparent violation of
22 RCW 19.146.200(1) and WAC 208-660-155 for engaging in the business of a mortgage broker
23 without first obtaining and maintaining a license under the Act.

1 **2.7 Requirement to Comply with Investigation Authority.** Based on the Factual Allegations
2 set forth in Section I above, Respondents are in apparent violation of RCW 19.146.235 for failing to
3 comply with a subpoena issued by the Department.

4 **III. AUTHORITY TO IMPOSE SANCTIONS**

5 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
6 Director may issue orders directing a licensee, its employee, loan originator, independent contractor,
7 agent, or other person subject to the Act to cease and desist from conducting business.

8 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
9 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
10 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
11 mortgage broker or any person subject to licensing under the Act for: any violation of RCW
12 19.146.0201(1) through (9) or (13), RCW 19.146.030 through RCW 19.146.080, or RCW
13 19.146.200; or failure to comply with any directive or order of the Director.

14 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
15 restitution against licensees or other persons subject to the Act for any violation of the Act.

16 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
17 against a licensee or other persons subject to the Act for: failure to comply with any directive, order,
18 or subpoena of the Director or any violation of the Act. Pursuant to RCW 19.146.220(3), the
19 Director may impose fines on an employee, loan originator, independent contractor, or agent of the
20 licensee, or other person subject to the Act, for: any violations of RCW 19.146.0201(1) through (9) or
21 (13), RCW 19.146.030 through RCW 19.146.080, or RCW 19.146.200; or failure to comply with any
22 directive or order of the Director.

1 **3.5 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 will charge forty-eight dollars per hour
3 for an examiner's time devoted to an investigation of a licensee or other person subject to the Act.

4 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director
5 may recover the state's costs and expenses for prosecuting violations of the Act.

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

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

- 11 **4.1** Respondents Gold Trust Mortgage Company and Miguel Flores cease and desist
12 engaging in the business of a mortgage broker.
- 13 **4.2** Respondent Gold Trust Mortgage Company be prohibited from participation in the
14 conduct of the affairs of any mortgage broker subject to licensure by the Director, in
15 any manner, for a period of five years.
- 16 **4.3** Respondent Miguel Flores be prohibited from participation in the conduct of the
17 affairs of any mortgage broker subject to licensure by the Director, in any manner, for
18 a period of five years.
- 19 **4.4** Respondents Gold Trust Mortgage Company and Miguel Flores jointly and severally
20 pay a fine. As of the date of this Statement of Charges, the fine totals \$18,000.
- 21 **4.5** Respondents Gold Trust Mortgage Company and Miguel Flores jointly and severally
22 pay restitution totaling \$6,776 to the two borrowers identified in paragraph 1.2 of this
23 Statement of Charges.
- 24 **4.6** Respondents Gold Trust Mortgage Company and Miguel Flores jointly and severally
pay an investigation fee. As of the date of this Statement of Charges, the investigation
fee totals \$1,732.80.
- 4.7** Respondents Gold Trust Mortgage Company and Miguel Flores jointly and severally
pay the Department's costs and expenses for prosecuting violations of the Act in an
amount to be determined at hearing or by declaration with supporting documentation
in event of default by Respondents.

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 24th day of July, 2017

9
10 /s/ _____
11 CHARLES E. CLARK
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:

16 /s/ _____
17 ROBERT E. JONES
18 Financial Legal Examiner Supervisor

19 Approved by:

20 /s/ _____
21 STEVEN C. SHERMAN
22 Enforcement Chief