

Terms Completed

ORDER SUMMARY – Case Number: C-17-2284

Name(s): Directors Mortgage, Inc.

Order Number: C-17-2284-20-AG01

Effective Date: September 30, 2020

License Number: NMLS No. 3240

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$5,000		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/29/30
Fine	\$15,000 (stayed)	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
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
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:			

Comments: _____

1 and any and all administrative and judicial review of the issues raised in this matter or the resolution
2 reached herein.

3 **C. Factual Allegations.** It is AGREED that Respondent understands and acknowledges that this
4 Consent Agreement is intended to resolve the following Factual Allegation by the Department:
5 Between at least September 2016 and November 2017, Respondent employed loan originators who
6 reduced the interest rate offered to borrowers. In some cases, the interest rate reduction may have
7 inappropriately caused Respondent to change the compensation it paid loan originators for
8 originating the loan. During this time, Respondent failed to maintain complete and accurate records
9 documenting loan originator compensation.

10 **D. No Admission of Liability.** The parties intend this Consent Agreement to fully resolve the
11 Factual Allegations set forth above and agree that Respondent neither admits nor denies any
12 wrongdoing by its entry.

13 **E. Cease and Desist.** It is AGREED that Respondent will cease and desist from engaging in
14 activity in a manner that is injurious to the public or that violates the Act, including inadequate record
15 keeping.

16 **F. Fine (Stayed).** It is AGREED that Respondent shall pay a fine to the Department in the
17 amount of \$15,000. It is FURTHER AGREED that, contingent upon Respondent's compliance with
18 this Consent Agreement, the entire fine (the "stayed fine") shall be stayed for two years from the date
19 of this Consent Agreement unless lifted pursuant to Paragraph G. If the Department does not seek to
20 lift the stay and impose the stayed fine pursuant to Paragraph G, the stayed fine shall expire without
21 further notice or action by the Department. It is FURTHER AGREED that, if Respondent fails to
22 comply with this Consent Agreement, the Department may lift the stay and impose the \$15,000 fine
23 pursuant to Paragraph G, at which time Respondent shall pay the fine in the form of a cashier's check

1 made payable to the “Washington State Treasurer.”

2 **G. Lifting of Stay and Imposition of Stayed Fine.** It is AGREED that:

- 3 1. If, during the two-year stay, the Department determines that Respondent has not
4 complied with this Consent Agreement and the Department seeks to lift the stay and
5 impose the stayed fine, the Department will first serve Respondent with a written
6 notice of alleged noncompliance.
- 7 2. The notice will include:
- 8 i. A description of the alleged noncompliance;
 - 9 ii. A statement that the Department seeks to lift the stay and impose the stayed
10 fine;
 - 11 iii. Notice that Respondent can contest the notice of alleged noncompliance by
12 either requesting an adjudicative hearing before an administrative law judge
13 (ALJ) from the Office of Administrative Hearings or by submitting a written
14 response to the Department contesting the alleged noncompliance; and
 - 15 iv. Notice that the process for lifting the stay applies only to this Consent
16 Agreement.
- 17 3. Respondent has 20 days from the date of service of the notice of alleged
18 noncompliance to submit a written request to the Department for an adjudicative
19 hearing.
- 20 4. The scope and issues of the adjudicative hearing are limited solely to whether or not
21 Respondent is in violation of the terms of this Consent Agreement.
- 22 5. At the conclusion of the adjudicative hearing, the ALJ will issue an initial decision.
23 Any party may file a Petition for Review of that initial decision with the Director of

1 the Department.

2 6. **DEFAULT.** If Respondent does not timely request an adjudicative hearing or submit a
3 written response contesting the notice of alleged noncompliance, the Department may
4 lift the stay and impose the stayed fine without further notice.

5 **H. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the
6 Department in the amount of \$5,000 in the form of a cashier's check made payable to the
7 "Washington State Treasurer" upon delivery of this Consent Agreement to the Department, properly
8 dated and signed.

9 **I. Records Retention.** It is AGREED that Respondent, its officers, employees, and agents shall
10 maintain records in compliance with the Act and provide the Director with the location of the books,
11 records and other information relating to Respondent's consumer loan business conducted prior to
12 licensure, and the name, address and telephone number of the individual responsible for maintenance
13 of such records in compliance with the Act.

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

18 **K. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this
19 Consent Agreement, which is effective when signed by the Director's designee.

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

22 **M. Authority to Execute Agreement.** It is AGREED that the undersigned authorized
23 representative has represented and warranted that he has the full power and right to execute this

1 Consent Agreement on behalf of Respondent.

2 **N. Counterparts.** This Consent Agreement may be executed by Respondent in any number of
3 counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed
4 to be an original, but all of which, taken together, shall constitute one and the same Consent
5 Agreement.

6 **RESPONDENT:**
7 Directors Mortgage, Inc.
8 By:

9 /s/
Mark Hanna
Chairman/CEO

9/21/2020
Date

10 **DO NOT WRITE BELOW THIS LINE**

11 THIS AGREEMENT ENTERED THIS 30th DAY OF September, 2020.

12
13 /s/
14 LUCINDA FAZIO, Director
15 Division of Consumer Services
16 Department of Financial Institutions

17 Presented by:

18 /s/
19 DREW STILLMAN
Financial Legal Examiner

20 Approved by:

21 /s/
22 STEVEN C. SHERMAN
23 Enforcement Chief