

**ORDER SUMMARY – Case Number: C-19-2817**

**Name(s):** All City Mortgage LLC; Liane Rae Gonzalez;  
 \_\_\_\_\_  
 \_\_\_\_\_

**Order Number:** C-19-2817-20-CO01  
 \_\_\_\_\_

**Effective Date:** 10/22/2020  
 \_\_\_\_\_

**License Number:** 107614, 108469  
**Or NMLS Identifier [U/L]**

**License Effect:** Both licenses revoked and revocations stayed two years  
 \_\_\_\_\_  
 \_\_\_\_\_

**Not Apply Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Not Eligible Until:** \_\_\_\_\_  
 \_\_\_\_\_

**Prohibition/Ban Until:** \_\_\_\_\_  
 \_\_\_\_\_

<b>Investigation Costs</b>	\$ 2,300		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 10/20/2020
<b>Fine</b>	\$ 10,000 (5,000 stayed 2 for years) \$5000 paid		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date \$2500-10/20/2020 \$2500-03/11/2021
<b>Assessment(s)</b>	\$		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$		Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Financial Literacy and Education</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Cost of Prosecution</b>	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
	No. of Victims:			

**Comments:** \_\_\_\_\_  
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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-19-2817-20-CO01

CONSENT ORDER

ALL CITY MORTGAGE, LLC.,  
NMLS # 107614, and  
LIANE R. GONZALEZ, President, Owner,  
Designated Broker, and Mortgage Loan  
Originator, NMLS # 108469,

Respondents.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Lucinda Fazio, Division of Consumer Services Director, All City Mortgage, LLC (Respondent All City), and Liane R. Gonzalez, President, Owner, and Designated Broker of Respondent All City (Respondent Gonzalez), 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:

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**AGREEMENT AND ORDER**

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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-19-2817-20-SC01 (Statement of Charges), entered May 27, 2020 (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

1 economically and efficiently settled by entry of this Consent Order. The parties intend this Consent  
2 Order to fully resolve the Statement of Charges.

3 Based upon the foregoing:

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

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

11 **C. Mortgage Broker and Mortgage Loan Originator License Revocations (Stayed).** It is  
12 AGREED that Respondent All City's mortgage broker license and Respondent Gonzalez's loan  
13 originator license are revoked. It is further AGREED that the license revocations shall be stayed for  
14 two years from the date of this Consent Order unless the stays are lifted pursuant to Paragraph E of  
15 this Consent Order. The stayed revocations shall expire without further action or notice by the  
16 Department if the Department does not seek to lift the stays and impose the license revocations  
17 pursuant to Paragraph E.

18 **D. Fine (Partially Stayed).** It is AGREED that Respondents shall pay a fine to the  
19 Department in the amount of \$10,000. It is further AGREED that \$5,000 of the fine amount shall be  
20 stayed for two years from the date of this Consent Order unless the stay is lifted pursuant to  
21 Paragraph E of this Consent Order. The stayed fine shall expire without further action or notice by  
22 the Department if the Department does not seek to lift the stay and impose the stayed fine pursuant to  
23 Paragraph E.

1 **E. Lifting of Stays and Imposition of License Revocations and Stayed Fine.** It is

2 AGREED that:

- 3 1. The Department may conduct a compliance examination of Respondent All City's  
4 business practices within the two year period immediately following entry of this  
5 Consent Order. Respondent All City shall reimburse the Department for the cost of  
6 the compliance examination.
- 7 2. If, during the two year period of the stays, the Department determines that  
8 Respondents have violated RCW 19.146.0201(2), (6), (7), (8), or (11), or have not  
9 complied with this Consent Order, and the Department seeks to lift the stays and  
10 impose the license suspensions and stayed fine, the Department will first serve  
11 Respondents with a written notice of alleged noncompliance.
- 12 3. The notice will include:
- 13 i. A description of the alleged noncompliance;
  - 14 ii. A statement that the Department seeks to lift the stays and impose the license  
15 suspensions and stayed fine;
  - 16 iii. Notice that Respondents can contest the notice of alleged noncompliance by  
17 either requesting an adjudicative hearing before an administrative law judge  
18 (ALJ) from the Office of Administrative Hearings or by submitting a written  
19 response to the Department contesting the alleged noncompliance; and
  - 20 iv. Notice that the process for lifting the stays applies only to this Consent Order.
- 21 4. Respondents have 20 days from the date of service of the notice of alleged  
22 noncompliance to submit a written request to the Department for an adjudicative  
23 hearing.

1           **5.** The scope and issues of the adjudicative hearing are limited solely to whether or not  
2           Respondents are in violation of the terms of this Consent Order.

3           **6.** At the conclusion of the adjudicative hearing, the ALJ will issue an initial decision.  
4           Any party may file a Petition for Review of that initial decision with the Director of  
5           the Department.

6           **7. DEFAULT.** If Respondents do not timely request an adjudicative hearing or submit a  
7           written response contesting the notice of alleged noncompliance, the Department may  
8           lift the stays and impose the license suspensions and stayed fine without further notice.

9           **F. Investigation Fee.** It is AGREED that Respondents shall pay an investigation fee to the  
10          Department in the amount of \$2,300.

11          **G. Payments.** Respondents shall pay \$2,500 of the non-stayed portion of the fine and the  
12          investigation fee together in the form of one cashier's check for \$4,800, made payable to the  
13          "Washington State Treasurer" upon entry of this Consent Order. Respondents shall pay \$2,500 of the  
14          non-stayed portion of the fine in the form of one cashier's check for \$2,500, made payable to the  
15          "Washington State Treasurer" within six months of entry of this Consent Order.

16          **H. Records Retention.** It is AGREED that Respondent All City, its officers, employees, and  
17          agents shall maintain records in compliance with the Act and provide the Director with the location  
18          of the books, records and other information relating to Respondent All City's mortgage broker  
19          business, and the name, address and telephone number of the individual responsible for maintenance  
20          of such records in compliance with the Act.

21          **I. Authority to Execute Order.** It is AGREED that the undersigned have represented and  
22          warranted that they have the full power and right to execute this Consent Order on behalf of the  
23          parties represented.

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

5           **K. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this  
6 Consent Order, which is effective when signed by the Director's designee.

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

9 **RESPONDENTS:**

10 ALL CITY MORTGAGE, LLC.

11 By:

12 /s/ \_\_\_\_\_  
13 LIANE R. GONZALEZ  
14 President, Owner, and Designated Broker

10/8/2020  
Date

15 /s/ \_\_\_\_\_  
16 LIANE R. GONZALEZ  
17 Individually

10/8/2020  
Date

18 Approved for Entry:

19 /s/ \_\_\_\_\_  
20 Jessica M. Creager, WSBA No. 42183  
21 Seattle Litigation Group, PLLC  
22 *Attorney for Respondents*

10/15/2020  
Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 22nd DAY OF October, 2020.

/s/  
Lucinda Fazio, Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

/s/  
KENNETH J. SUGIMOTO  
Financial Legal Examiner Supervisor

Approved by:

/s/  
STEVEN C. SHERMAN  
Enforcement Chief

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 ALL CITY MORTGAGE, LLC, NMLS #107614,  
and  
6 LIANE R. GONZALEZ, President, Owner,  
Designated Broker, and Mortgage Loan  
7 Originator, NMLS #108469,

8 Respondents.

No. C-19-2817-20-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO REVOKE LICENSES,  
PROHIBIT FROM INDUSTRY, IMPOSE  
FINE, COLLECT INVESTIGATION FEE,  
and RECOVER COSTS AND EXPENSES

9 **INTRODUCTION**

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

16 **I. FACTUAL ALLEGATIONS**

17 **1.1 Respondents.**

18 **A. All City Mortgage, LLC (Respondent All City)** was licensed by the Department of  
19 Financial Institutions of the State of Washington (Department) to conduct business as a mortgage  
20 broker on or about November 22, 2005, and continues to be licensed to date.

21 **B. Liane R. Gonzalez (Respondent Gonzalez)** is President, Owner, and Designated  
22 Broker of Respondent All City Mortgage. Respondent Gonzalez was named Designated Broker of  
23 Respondent All City Mortgage on or about November 22, 2005, and continues to be Designated



1 Broker to date. Respondent Gonzalez was licensed by the Department to conduct business as a  
2 mortgage loan originator on or about January 2, 2007, and continues to be licensed to date.

3 **1.2 2016 Examination.** From June 20, 2016, through June 22, 2016, the Department conducted a  
4 compliance examination of Respondent All City pursuant to the Act. The scope of the 2016  
5 Examination included a review of Respondent All City's loans originated between April 1, 2014, and  
6 May 31, 2016. Based upon the 2016 examination, the Department cited Respondent All City for the  
7 following violations:

- 8 A. Failing to maintain an adequate surety bond.
- 9 B. Using false and misleading statements in advertising.
- 10 C. Failing to display required items in advertisement.
- 11 D. Failing to provide complete and accurate Rate Lock Agreements.
- 12 E. Failing to maintain records.
- 13 F. Failing to provide complete and accurate Good Faith Estimates.
- 14 G. Failing to provide complete and accurate Loan Estimates.
- 15 H. Failing to adhere to tolerance limits.
- 16 I. Failing to provide complete and accurate variable rate program disclosures.
- 17 J. Failing to provide special information booklets.
- 18 K. Failing to provide Consumer Handbooks on Adjustable Rate Mortgages.

19 The Department mailed a copy of the 2016 report of examination to Respondents on or about July 12,  
20 2016. In response to the 2016 report of examination, Respondents stated to the Department that they  
21 had taken steps to ensure compliance and improve their internal controls and procedures.

22 **1.3 2019 Examination.** From October 17, 2019, through October 24, 2019, the Department  
23 conducted an examination of Respondent All City's business practices for the period of July 1, 2017,  
24

1 through July 31, 2019. During the examination, the Department identified numerous apparent  
2 violations that occurred during the period reviewed as explained below.

3 **1.4 Failed to File Timely, Complete, and Accurate Reports.** Respondents failed to file timely,  
4 complete, and accurate quarterly Residential Mortgage Loan Activity reports with the Department for  
5 each quarter between the second quarter of 2017 and the second quarter of 2019. In addition,  
6 Respondents failed to submit accurate revenue figures for the 2017 and 2018 Financial Condition  
7 reports.

8 **1.5 Failed to Display the Required Information in Advertisements.** Respondents failed to  
9 display required information in advertisements on at least three websites. One website failed to  
10 include a mortgage loan originator's individual license number, and two websites did not include  
11 Respondent All City's name, Respondent All City's license number, or the mortgage loan  
12 originator's license number. This is a repeat violation from the 2016 examination.

13 **1.6 Advertised Using Disallowed Phrases.** Respondents advertised using the phrases: "lowest  
14 rate," and "loan fee that is unbeatable," on at least one website. This is a repeat violation from the  
15 2016 examination.

16 **1.7 Failed to Provide Complete and Accurate Rate Lock Agreements.** In at least two of the  
17 loan files reviewed in the 2019 examination, Respondents failed to provide complete and accurate  
18 Rate Lock Agreements to borrowers. This is a repeat violation from the 2016 examination.

19 **1.8 Failed to Adhere to RESPA Tolerance Limits.** In at least one of the loan files reviewed in  
20 the 2019 examination, Respondents failed to comply with RESPA tolerance limits by exceeding the  
21 amount of closing costs disclosed in the initial loan estimate. This is a repeat violation from the 2016  
22 examination.

23 **1.9 Failed to Provide Timely, Complete, and Accurate Loan Estimate Disclosures.** In at least  
24 22 of the loan files reviewed in the 2019 examination, Respondents failed to provide borrowers with

1 timely, complete, and accurate loan estimate disclosures. This is a repeat violation from the 2016  
2 examination.

3 **1.10 Failed to Develop and Implement Red Flags Policy.** During the 2019 examination,  
4 Respondents failed to provide evidence that Respondent All City implemented the red flags policy it  
5 claimed to have adopted in 2016.

6 **1.11 Failed to Develop and Implement a Compliant Anti-Money Laundering Policy.** During  
7 the 2019 examination, Respondents failed to provide evidence that Respondent All City developed  
8 and implemented a compliant anti-money laundering program as required by federal law.

9 **1.12 On-Going Investigation.** The Department's investigation into the alleged violations of the  
10 Act by Respondents continues to date.

## 11 **II. GROUNDS FOR ENTRY OF ORDER**

12 **2.1 Responsibility for Conduct of Loan Originators.** Pursuant to RCW 19.146.245, a licensed  
13 mortgage broker is liable for any conduct violating the Act by the designated broker, a loan  
14 originator, or other licensed mortgage broker while employed or engaged by the licensed mortgage  
15 broker.

16 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed  
17 mortgage broker must at all times have a designated broker responsible for all activities of the  
18 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or  
19 owner who has supervisory authority over a mortgage broker is responsible for a licensee's,  
20 employee's, or independent contractor's violations of the Act if: the designated broker, principal, or  
21 owner directs or instructs the conduct or, with knowledge of the specific conduct, approves or allows  
22 the conduct; or the designated broker, principal, or owner who has supervisory authority over the  
23 licensed mortgage broker knows or by the exercise of reasonable care and inquiry should have known

1 of the conduct, at a time when its consequences can be avoided or mitigated and fails to take  
2 reasonable remedial action.

3 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents  
4 are in apparent violation of RCW 19.146.0201(2), (6), (7), (8), and (11) for directly or indirectly  
5 engaging in an unfair or deceptive practice toward any person, failing to make disclosures to loan  
6 applicants as required by RCW 19.146.030 and any other applicable state or federal law, making in  
7 any manner, any false or deceptive statement or representation with regard to the rates, points, or  
8 other financing terms or conditions for a residential mortgage loan, negligently making any false  
9 statement or knowingly and willfully making any omission of material fact in connection with any  
10 reports filed by a licensee or in connection with any investigation conducted by the Department, and  
11 failing to comply with state and federal laws applicable to the activities governed by the Act.

12 **2.4 Requirement to File Timely, Complete, and Accurate Reports.** Based on the Factual  
13 Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
14 19.146.0201(8), RCW 19.146.390, and WAC 208-660-400(1) for failing to file timely, complete, and  
15 accurate reports with the Department.

16 **2.5 Requirement to Provide Complete and Accurate Rate Lock Agreements.** Based on the  
17 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
18 19.146.0201(2), RCW 19.146.030(2), and WAC 208-660-430(3) and (6) for failing to provide  
19 complete and accurate Rate Lock Agreements.

20 **2.6 Requirement to Adhere to RESPA Tolerance Limits.** Based on the Factual Allegations set  
21 forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(2) and (11) for  
22 failing to comply with RESPA tolerance limits.

23 **2.7 Requirement to Provide Timely, Complete, and Accurate Loan Estimate Disclosures.**

24 Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation

1 of RCW 19.146.0201(2) and (11), and 12 CFR §§ 1026.19 and 1026.37, for failing to provide timely,  
2 complete, and accurate loan estimate disclosures to borrowers.

3 **2.8 Requirement to Develop and Implement a Compliant Red Flags Policy.** Based on the  
4 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW  
5 19.146.0201(11) and 16 CFR § 681.1 for failing to develop and implement a compliant red flags  
6 policy.

7 **2.9 Requirement to Develop and Implement a Compliant Anti-Money Laundering Policy.**  
8 Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation  
9 of RCW 19.146.0201(11) and 31 CFR § 1029.210 for failing to develop and implement a compliant  
10 anti-money laundering policy.

11 **2.10 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW  
12 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a  
13 location that is on file with and readily available to the Department until at least three years have  
14 elapsed following the effective 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(4), 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 licensed  
21 mortgage broker or any person subject to licensing under the Act for any violation of the Act.

22 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines  
23 against a licensee, employees, independent contractors, agents of licensees, or other persons subject  
24 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) and (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per  
3 hour for an examiner’s time devoted to an investigation.

4 **3.5 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.

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STATEMENT OF CHARGES

1 **IV. NOTICE OF INTENT TO ENTER ORDER**

2 Respondents’ violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,  
3 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
4 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and  
5 RCW 19.146.223. Therefore, it is the Director’s intent to ORDER that:

6 **4.1** Respondent All City Mortgage, LLC’s license to conduct the business of a mortgage  
7 broker be revoked.

8 **4.2** Respondent Liane R. Gonzalez’s license to conduct the business of a loan originator  
9 be revoked.

10 **4.3** Respondents All City Mortgage, LLC and Liane R. Gonzalez be prohibited from  
11 participation in the conduct of the affairs of any mortgage broker subject to licensure  
12 by the Director, in any manner, for a period of five years.

13 **4.4** Respondents All City Mortgage, LLC and Liane R. Gonzalez jointly and severally pay  
14 a fine. As of the date of this Statement of Charges, the fine totals \$20,000.

15 **4.5** Respondents All City Mortgage, LLC and Liane R. Gonzalez jointly and severally pay  
16 an investigation fee. As of the date of this Statement of Charges, the investigation fee  
17 totals \$2,300.

18 **4.6** Respondents All City Mortgage, LLC and Liane R. Gonzalez pay the Department’s  
19 costs and expenses for prosecuting violations of the Act in an amount to be determined  
20 at hearing or by declaration with supporting documentation in event of default by  
21 Respondents.

22 **4.7** Respondent All City Mortgage, LLC maintain records in compliance with the Act and  
23 provide the Department with the location of the books, records and other information  
24 relating to Respondent All City Mortgage, LLC’s mortgage broker business, and the  
name, address and telephone number of the individual responsible for maintenance of  
such records in compliance with the Act.

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STATEMENT OF CHARGES

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. Respondents may make a written request for a hearing as set forth in the NOTICE OF  
5 OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND accompanying this  
6 Statement of Charges.

7  
8 Dated this 27th day of May, 2020.

9  
10 /s/  
11 Lucinda Fazio, Director  
12 Division of Consumer Services  
Department of Financial Institutions

13 Presented by:

14 /s/  
15 KENNETH J. SUGIMOTO  
16 Financial Legal Examiner Supervisor

17 Approved by:

18 /s/  
19 STEVEN C. SHERMAN  
Enforcement Chief