

ORDER SUMMARY
Consumer Services Division Case Number C-23-3596

Consent Orders resolve investigations. In these, companies and individuals work with us to agree to terms that resolve the alleged issues in the investigation.

Names	Pacific Coast Financial LLC, NMLS #78982 Salim Kader, NMLS #130505
Order Number	C-23-3596-23-CO01
Date issued	January 5, 2024

What does this Consent Order require?

- Must pay a fine of \$20,000. *\$4,000 of this fine is to be paid upon entry of the Consent Order. \$16,000 of this fine is stayed (doesn't have to be paid) until January 5, 2026 as long as Respondents comply with the order. The fine goes away on that date if Respondents have complied.*
- Must pay an investigation fee of \$844.80. (Investigation fees cover the cost of DFI staff time working on the investigation.)
- Respondents aren't allowed to participate in mortgage broker activity in Washington until January 5, 2026. *This prohibition has been stayed until January 5, 2026 as long as Respondents comply with the order. This prohibition goes away on that date if Respondents have complied.*
- [Respondent Pacific Coast Financial LLC's mortgage broker license and Salim Kader's loan originator license have been revoked. *This revocation has been stayed until January 5, 2026 as long as Respondent comply with the order. This revocation goes away on that date if Respondents have complied.*
- Compliance examination due within 2 years of entry of Consent Order.

Need more information?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or cseforcecomplaints@dfi.wa.gov. Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.

**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-23-3596-23-CO01

CONSENT ORDER

PACIFIC COAST FINANCIAL LLC,
NMLS No. 78982,
and
SALIM KADER, Designated Broker,
NMLS# 130505,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Ali Higgs, Division of Consumer Services Acting Director, Pacific Coast Financial LLC (Respondent Pacific Coast), and Salim Kader, Designated Broker (Respondent Kader), collectively Respondents, 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-23-3596-23-SC01 (Statement of Charges), entered September 11, 2023 (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

1 Order to fully resolve the Statement of Charges. Respondents agree not to contest the Statement of
2 Charges in consideration of the terms of this Consent Order.

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 or the signatures of their representatives
10 below, withdraw their appeal to the Office of Administrative Hearings.

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

13 **D. Revocation of Licenses (Stayed).** It is AGREED and ORDERED that Respondent Pacific
14 Coast's license to conduct the business of a mortgage broker and Respondent Kader's license to
15 conduct the business of a loan originator are revoked. It is further AGREED and ORDERED that
16 Respondents' license revocations are stayed for two (2) years from the date of the entry of this
17 Consent Order contingent upon Respondents' compliance with the Act and related rules, and
18 compliance with this Consent Order, unless lifted pursuant to Paragraph J. Absent any action by the
19 Department to lift the stay and impose the stayed revocations pursuant to Paragraph J, the revocations
20 shall expire two (2) years from the date of entry of this Consent Order without further action or notice
21 by the Department and Paragraph D is vacated.

22 **E. Prohibition from Industry (Stayed).** It is AGREED and ORDERED that Respondents
23 are prohibited from participation, in any manner, in the conduct of the affairs of any mortgage broker

1 subject to licensure by the Director, for a period of two (2) years from the date of the entry of this
2 Consent Order. It is further AGREED and ORDERED that the prohibition is stayed for two (2) years
3 from the date of the entry of this Consent Order contingent upon Respondents' compliance with the
4 Act and related rules, and compliance with this Consent Order, unless lifted pursuant to Paragraph J.
5 Absent any action by the Department to lift the stay and impose the stayed prohibition pursuant to
6 Paragraph J, the prohibition shall expire two (2) years from the date of entry of this Consent Order
7 without further action or notice by the Department and Paragraph E is vacated.

8 **F. Compliance Examination.** It is AGREED and ORDERED that subject to the
9 Department's availability, within two (2) years of the entry of this Consent Order, at Respondents'
10 cost and expense, the Department will conduct a full scope compliance examination of Respondents'
11 business, including examining Respondents' compliance with this Consent Order, the Act, related
12 rules, applicable federal law, policies, and procedures.

13 **G. Required Affirmative Actions.** It is AGREED and ORDERED that:

- 14 1. Respondents shall maintain a Loan Originator Compensation Agreement in compliance
15 with all applicable laws and regulations.
- 16 2. Respondents shall maintain an Anti-Money Laundering and Red Flags programs in
17 compliance with all applicable laws and regulations.
- 18 3. Independent Audits. (a) Within one (1) year of the date of entry of this Consent Order,
19 Respondents shall retain a third-party compliance person to conduct an independent audit
20 of Respondents' Anti-Money Laundering and Red Flags programs. The audit shall include
21 loan file review targeted to assess whether Respondents' Anti-Money Laundering and Red
22 Flags programs are being followed and enforced. The audit shall be completed within one
(1) year of the date of entry of this Consent Order and Respondents shall provide the
Department with a copy of the audit report no later than ten (10) business days of
Respondents' receipt of the independent audit report. (b) Respondents will ensure an
additional independent audit is completed as described herein within the second year of
Respondents' stay. Respondents shall provide the Department with a copy of the second
independent audit report no later than ten (10) business days of Respondents' receipt of
the independent audit report.

23 **H. Fine (Partially Stayed).** It is AGREED and ORDERED that Respondents shall jointly
24 and severally pay a fine to the Department in the amount of \$20,000, with \$4,000 to be paid prior to

1 the entry of this Consent Order (Paid Fine) and \$16,000 stayed (Stayed Fine). The Stayed Fine shall
2 be stayed for a period of two (2) years from the date of the entry of this Consent Order contingent
3 upon Respondents' compliance with the Act and related rules, and compliance with this Consent
4 Order, unless lifted pursuant to Paragraph J. Absent any action by the Department to lift the Stayed
5 Fine pursuant to Paragraph J, Respondents' obligation to pay the Stayed Fine shall expire two (2)
6 years from the date of entry of this Consent Order without further action or notice by the Department.
7 It is FURTHER AGREED that Respondents shall pay the Paid Fine to the Department in the form of
8 a cashier's check made payable to the "Washington State Treasurer".

9 **I. Investigation Fee.** It is AGREED and ORDERED that Respondents shall jointly and
10 severally pay to the Department an investigation fee of \$844.80, in the form of a cashier's check
11 made payable to the "Washington State Treasurer," upon delivery of this Consent Order to the
12 Department, properly dated and signed. The Paid Fine and Investigation Fee may be paid together in
13 the form of one \$4,844.80 cashier's check made payable to the "Washington State Treasurer."

14 **J. Lifting of Stay and Imposition of Stayed Sanctions.** It is AGREED and ORDERED:

- 15 1. If during the stay, the Department determines that Respondents have not complied with
16 the Act, related, rules, or this Consent Order, and the Department seeks to lift the stay and
17 impose the Stayed Revocations, Prohibitions, and Fine, the Department will first serve
18 Respondents with a written notice of alleged noncompliance.
- 19 2. The notice will include:
 - 20 a. A description of the alleged noncompliance;
 - 21 b. A statement that the Department seeks to lift the stay and impose the Stayed
22 Revocations, Stayed Prohibitions, and Stayed Fine;
 - 23 c. Notice that Respondents can contest the Department's determination of
24 noncompliance either in adjudicative hearing before and Administrative Law Judge (ALJ)
of the Office of Administrative Hearings (OAH), or by submitting a written response to
the Department contesting the alleged noncompliance; and
 - d. Notice that the notification and adjudicative hearing process provided in this
Paragraph applies only to this Consent Order in the event either Respondent chooses to
contest the Department's determination of noncompliance.
3. Any Respondent who wishes to contest the Department's determination of noncompliance
will have twenty (20) days from the date of receipt of the Department's notice to submit a
written request to the Department for an adjudicative hearing.

4. The scope and issues of the adjudicative hearing are limited solely to whether or not Respondents are in violation of the terms of this Consent Order, the Act, or related rules.
5. At the conclusion of the hearing, the ALJ will issue an initial decision. Either party may file a Petition for Review of the initial decision with the Director of the Department.
6. In lieu of requesting an adjudicative hearing, within twenty (20) days from the date of service of the notice of alleged noncompliance, Respondents may submit a written response for consideration by the Department contesting the alleged noncompliance. The response must include each Respondent's waiver of the right to an adjudicative hearing, may address the alleged noncompliance, and may seek an alternative resolution to lifting the stayed sanctions.
7. **DEFAULT:** If any Respondent does not timely either request an adjudicative hearing, or timely submit a written response contesting the alleged noncompliance, the Department will impose the Stayed Revocations, Stayed Prohibitions, and Stayed Fine without further notice.

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

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

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

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

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

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1 **RESPONDENTS:**
2 **PACIFIC COAST FINANCIAL, LLC**

3 By: [REDACTED]

4 **SALIM KADER**
5 **Owner and Designated Broker**

12/28/23
Date

6 [REDACTED]
7 **SALIM KADER**
8 **Individually**

12/28/23
Date

9 **Approved for Entry:**

10 [REDACTED]
11 **John A. Long, WSBA No 15119**
12 **Attorney at Law**
13 **Attorney for Respondents**

12/28/2023
Date

14 **DO NOT WRITE BELOW THIS LINE**

15 **THIS ORDER ENTERED THIS 5th DAY OF January, 2024**



16 [REDACTED]
17 **Ali Higgs, Acting Director**
18 **Division of Consumer Services**
19 **Department of Financial Institutions**

20 **Presented by:**

21 [REDACTED]
22 **SANDRA MÉNDEZ**
23 **Financial Legal Examiner**

24 **Reviewed by:**

[REDACTED]
KENDALL H. FREED
Financial Legal Examiner Supervisor

CONSENT ORDER
C-23-3596-23-CO01
PACIFIC COAST FINANCIAL, LLC
and SALIM KADER

1
2 Approved by:

3 

4 JAMES R. BRUSSELBACK
Acting Enforcement Chief

**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 COAST FINANCIAL LLC,
NMLS No. 78982,
and
SALIM KADER, Designated Broker, NMLS#
130505,

Respondents.

No. C-23-3596-23-SC01

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

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 (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 Lucinda Fazio, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Pacific Coast Financial LLC (Respondent Pacific Coast)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about January 30, 2007, and continues to be licensed to date.

B. **Salim Kader (Respondent Kader)** is and has been Designated Broker of Respondent Pacific Coast at all times relevant to this Statement of Charges. Respondent Kader continues to be a licensed loan originator and the Designated Broker for Respondent Pacific Coast to date.

1 **1.2 2023 Examination.** The Department conducted a full scope compliance examination of
2 Respondent Pacific Coast in 2023. The Department's examiners reviewed the business practices for
3 the period of February 1, 2021, through March 31, 2023. The Department issued a Report of
4 Examination on or about July 21, 2023, identifying multiple violations of the Act as noted below.
5 One of the violations of the Act is a repeat violation also noted on the 2019 Report of Examination.

6 **1.3 Provided Falsified Documents to the Department.** In at least six instances, Respondents
7 provided falsified documents to the Department during the examination period. Respondents
8 provided to the Department the Anti-Money Laundering Program, the Red Flags Program, and the
9 Business Resumption Plan for the years 2021 and 2022 each backdated and created after the
10 Department's request to provide the documents.

11 **1.4 Failed to Develop a Compliant Loan Originator Compensation Agreement.** Respondent
12 Pacific Coast failed to develop a compensation agreement for its mortgage loan originators that
13 complies with the Truth in Lending Act, Regulation Z. Respondent Pacific Coast's compensation
14 agreements provided for at least three loan originators that their pay is based on a term of the loan
15 transaction. This is a repeat finding also noted on the 2019 Report of Examination.

16 **1.5 Failed to Develop a Compliant Anti-Money Laundering Program.** Respondent Pacific
17 Coast failed to develop an anti-money laundering (AML) program that complies with the
18 requirements of the Financial Crimes Enforcement Network (FinCEN). Respondent Pacific Coast's
19 current AML program is not specific to mortgage origination, and additionally is not being followed
20 or enforced.

21 **II. GROUNDS FOR ENTRY OF ORDER**

22 **2.1 Prohibited Acts.** Based on the Factual Allegations set forth in Section 1.3 above,
23 Respondents are in apparent violation of RCW 19.146.0201(2), and (8), for engaging in an unfair or
24 deceptive practice toward any person, and for negligently making any false statement or knowingly

1 and willfully making any omission of material fact in connection with any reports filed or in
2 connection with any investigation conducted by the Department.

3 **2.2 Responsibility of Designated Broker.** Pursuant to RCW 19.146.200(3), every licensed
4 mortgage broker must at all times have a designated broker responsible for all activities of the
5 mortgage broker in conducting the business of a mortgage broker. A designated broker, principal, or
6 owner who has supervisory authority over a mortgage broker is responsible for a license's,
7 employee's, or independent contractor's violations of this chapter and its rules if: (a) the designated
8 broker, principal, or owner directs or instructs the conduct or, with knowledge of the specific
9 conduct, approves or allows the conduct; or (b) the designated broker, principal, or owner who has
10 supervisory authority over the licensed mortgage broker knows or by the exercise of reasonable care
11 and inquiry should have known of the conduct, at a time when its consequences can be avoided or
12 mitigated and fails to take reasonable remedial action.

13 **2.3 Requirement to Develop a Compliant Loan Originator Compensation Agreement.** Based
14 on the Factual Allegations set forth in Section 1.4 above, Respondents are in apparent violation of
15 RCW 19.146.0201(11) by failing to develop a compliant Loan Originator Compensation Agreement
16 as required by the Truth in Lending Act, Regulation Z, 12 C.F.R. § 1026.36(d)(1)(i).

17 **2.4 Requirement to Develop Compliant Anti-Money Laundering Program.** Based on the
18 Factual Allegations set forth in Section 1.5 above, Respondents are in apparent violation of RCW
19 19.146.0201(11) by failing to develop and implement a compliant anti-money laundering program as
20 required by the FinCEN, Department of the Treasury, 31 C.F.R. §1029.210.

21 **III. AUTHORITY TO IMPOSE SANCTIONS**

22 **3.1 Authority to Revoke Licenses.** Pursuant to RCW 19.146.220(2), the Director may revoke
23 licenses for any violation of the Act.

1 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(4), the Director may
2 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker,
3 any officer, principal, employee, or loan originator of any licensed mortgage broker or any person
4 subject to licensing under the Act for any violation of the Act.

5 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and WAC 208-660-530(6), the
6 Director may impose a fine of up to \$100 per day against a licensee for each violation of the Act.

7 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-
8 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge forty-eight dollars per hour
9 for an examiner's time devoted to an investigation.

10 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director
11 may recover the state's costs and expenses for prosecuting violations of the Act.

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

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

17 **4.1** Respondent Pacific Coast Financial LLC's license to conduct the business of a
18 mortgage broker be revoked.

19 **4.2** Respondent Salim Kader's license to conduct the business of a loan originator be
revoked.

20 **4.3** Respondents Pacific Coast Financial LLC and Salim Kader be prohibited from
21 participation, in any manner, in the conduct of the affairs of any mortgage broker
subject to licensure by the Director, for a period of seven (7) years.

22 **4.4** Respondent Pacific Coast Financial LLC and Salim Kader jointly and severally pay a
23 fine. As of the date of this Statement of Charges, the fine totals \$33,000.

1 **4.5** Respondent Pacific Coast Financial LLC and Salim Kader jointly and severally pay an
2 investigation fee. As of the date of this Statement of Charges, the investigation fee
 totals \$844.80.

3 **4.6** Respondent Pacific Coast Financial LLC and Salim Kader jointly and severally pay
4 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
5 in event of default by Respondents.

6 **V. AUTHORITY AND PROCEDURE**

7 This Statement of Charges and Notice of Intent to Enter an Order to Revoke License, Prohibit
8 from Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (Statement
9 of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW
10 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (the
11 Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in
12 the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND
13 accompanying this Statement of Charges.

14 Dated this 11th day of September, 2023.



18 
19 _____
20 Lucinda Fazio, Director
21 Division of Consumer Services
22 Department of Financial Institutions

23 Presented by:

24 
25 _____
26 SANDRA MÉNDEZ
27 Financial Legal Examiner

1 Approved by:

2 [Redacted Signature]

3 JACK McCLELLAN
4 Enforcement Chief