

**ORDER SUMMARY**  
**Consumer Services Division Case Number C-22-3436**

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

<b>Name(s)</b>	<b>Nestor Diaz, NMLS #2171748</b>
<b>Order Number</b>	C-22-3436-23-CO01
<b>Date issued</b>	June 2, 2023

**What does this Consent Order require?**

- Must pay a fine of \$27,000, with monthly payments of \$2,250 to begin on August 1, 2023.
- Loan originator application has been withdrawn.
- Must wait until after May 31, 2023 to apply for a license.

**Need more information?**

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or [cseforcecomplaints@dfi.wa.gov](mailto: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.*

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

IN THE MATTER OF INVESTIGATING the  
Loan Originator License Application under the  
Consumer Loan Act of Washington by:

No.: C-22-3436-23-CO01

CONSENT ORDER

NESTOR DIAZ, JR., NMLS #2171748,

Respondent.

COMES NOW the Director of the Department of Financial Institutions (Director), through his  
designee Lucinda Fazio, Division of Consumer Services Director, and Nestor Diaz, Jr. (Respondent),  
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  
31.04 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  
Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges  
No. C-22-3436-23-SC01 (Statement of Charges), entered March 1, 2023 (copy attached hereto).  
Pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), and RCW 34.05.060 of the  
Administrative Procedure Act, Respondent hereby agrees 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:

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

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

6           **C. Loan Originator License Application Withdrawal.** It is AGREED that Respondent's  
7 loan originator license application is withdrawn.

8           **D. Application for License.** It is AGREED that Respondent shall not apply to the  
9 Department for any license until after May 31, 2023. It is further AGREED that, should Respondent  
10 apply to the Department for any license at any time after May 31, 2023, Respondent shall be required  
11 to meet any and all application requirements in effect at that time.

12           **E. Fine.** It is AGREED that Respondent shall pay a fine to the Department in the amount of  
13 \$27,000. It is further AGREED that beginning August 1, 2023, through July 1, 2024, Respondent  
14 shall make monthly payments in the amount of \$2,250 on the first of each month, in the form of a  
15 cashier's check made payable to the "Washington State Treasurer."

16           **F. Complete Cooperation with the Department.** It is AGREED that, upon written request  
17 by the Department, Respondent shall provide the Department truthful and complete sworn statements  
18 outlining his activities with respect to Directors Mortgage, Inc. (Directors), NMLS #3240 and any  
19 and all persons involved or in any way associated with Directors. The sworn statements may take the  
20 form of affidavits, declarations, or deposition testimony, at the Department's discretion. In addition  
21 to providing sworn statements, it is AGREED that, upon written request by the Department,  
22 Respondent shall cooperate fully, truthfully, and completely with the Department and provide any  
23 and all information known to him relating in any manner to Directors and any and all persons  
24 involved or in any way associated with Directors. It is further AGREED that, upon written request

1 by the Department, Respondent shall provide any and all documents, writings or materials, or objects  
2 or things of any kind in his possession or under his care, custody, or control that he is authorized to  
3 possess, obtain, or distribute relating directly or indirectly to all areas of inquiry and investigation. It  
4 is further AGREED that Respondent shall testify fully, truthfully, and completely at any and all  
5 proceedings related to any Department investigation or enforcement action related to any and all  
6 persons involved or in any way associated with Directors, and any respondent named therein.  
7 Respondent understands and agrees that his failure to cooperate fully, truthfully, and completely  
8 would constitute a breach of this Consent Order.



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

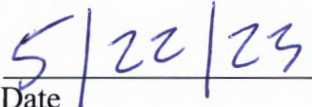
13 **H. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this  
14 Consent Order, which is effective when signed by the Director's designee.

15 **I. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read  
16 this Consent Order in its entirety and fully understand and agree to all of the same.

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

20 **RESPONDENT:**

21   
22 Nestor Diaz, Jr. 

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Date

1 THIS ORDER ENTERED THIS 2nd DAY OF June, 2023.




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LUCINDA FAZIO, Director  
5 Division of Consumer Services  
6 Department of Financial Institutions

7 Presented by:

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RACHELLE VILLALOBOS  
9 Financial Legal Examiner

10 Approved by:

11   
JACK McCLELLAN  
12 Enforcement Chief

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

3 IN THE MATTER OF INVESTIGATING the  
4 Loan Originator License Application under the  
5 Consumer Loan Act of Washington by:

5 NESTOR DIAZ, JR., NMLS #2171748,

6 Respondent.

No.: C-22-3436-23-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENT TO ENTER AN  
ORDER TO CEASE AND DESIST, DENY  
LICENSE APPLICATION, PROHIBIT FROM  
INDUSTRY, IMPOSE FINES, and RECOVER  
COSTS AND EXPENSES

7  
8 **INTRODUCTION**

9 Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial  
10 Institutions of the State of Washington (Director) is responsible for the administration of chapter  
11 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to  
12 RCW 31.04.247, and based upon the facts available as of the date of this Statement of Charges, the  
13 Director, through his designee, Division of Consumer Services Director Lucinda Fazio, institutes this  
14 proceeding and finds as follows:

15 **I. FACTUAL ALLEGATIONS**

16 **1.1 Nestor Diaz, Jr. (Respondent)** submitted an application to the Department of Financial  
17 Institutions of the State of Washington (Department) for a mortgage loan originator license under  
18 Directors Mortgage, Inc. (Directors), NMLS #3240, a consumer loan company licensed under the  
19 Act. The license application was received by the Department, through the Nationwide Mortgage  
20 Licensing System and Registry, on or about November 23, 2022. Respondent has never been  
21 licensed by the Department to conduct business as a mortgage loan originator.

22 **1.2 Unlicensed Activity.** Between at least August 10, 2021, and March 9, 2022, Respondent  
23 assisted at least nine borrowers in applying to obtain or obtaining a residential mortgage loan for  
24 residential real estate located in Washington State. In doing so, Respondent took a residential

1 mortgage loan application, offered or negotiated the terms of a residential mortgage loan, or held  
2 himself out as being able to perform any of these activities.

3 **1.3 On-Going Investigation.** The Department’s investigation into the alleged violations of the  
4 Act by Respondent continues to date.

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

6 **2.1 Definition of Residential Mortgage Loan.** Pursuant to RCW 31.04.015(24) “Residential  
7 mortgage loan” means any loan primarily for personal, family, or household use that is secured by a  
8 mortgage, deed of trust, or other consensual security interest on a dwelling, as defined in the truth in  
9 lending act, or residential real estate upon which is constructed or intended to be constructed a  
10 dwelling.

11 **2.2 Definition of Mortgage Loan Originator.** Pursuant to RCW 31.04.015(18)(a), "Mortgage  
12 loan originator" means an individual who for compensation or gain (i) takes a residential mortgage  
13 loan application, or (ii) offers or negotiates terms of a residential mortgage loan. "Mortgage loan  
14 originator" also includes individuals who hold themselves out to the public as able to perform any of  
15 these activities.

16 **2.3 Definition of Borrower.** Pursuant to RCW 31.04.015(4), "Borrower" means any person who  
17 consults with or retains a licensee or person subject to this chapter in an effort to obtain or seek  
18 information about obtaining a loan, regardless of whether that person actually obtains such a loan.

19 **2.4 Unlicensed Activity.** Based on the Factual Allegations set forth in Section I above,  
20 Respondent is in apparent violation of RCW 31.04.221 for engaging in the business of a mortgage  
21 loan originator without first obtaining and maintaining a license under the Act.

22 **2.5 Requirement to Demonstrate Character and General Fitness.** Based on the Factual  
23 Allegations set forth in Section I above, Respondent fails to meet the requirements of RCW

24 31.04.247(1)(e) and WAC 208-620-710(4)(a) by failing to demonstrate character and general fitness

1 such as to command the confidence of the community and to warrant a determination that the  
2 mortgage loan originator will conduct business honestly, fairly, and efficiently within the purposes of  
3 the Act. Pursuant to WAC 208-620-710(4)(a), the Department's investigation of an applicant's  
4 character and general fitness may include a review of the number and severity of complaints filed  
5 against the applicant and a review of any investigation or enforcement activity against the applicant.

6 **2.6 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,  
7 Respondent is in apparent violation of RCW 31.04.027(1)(b) for directly or indirectly engaging in  
8 any unfair or deceptive practice toward any person.

### 9 III. AUTHORITY TO IMPOSE SANCTIONS

10 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 31.04.093(5)(a), the  
11 Director may issue orders directing a licensee, its employee, loan originator, or other person subject  
12 to the Act to cease and desist from conducting business in a manner that is injurious to the public or  
13 violates any provision of the Act.

14 **3.2 Authority to Deny Application for Mortgage Loan Originator License.** Pursuant to RCW  
15 31.04.247(2), the Director shall not issue a mortgage loan originator license if the director finds the  
16 conditions of RCW 31.04.247 have not been met.

17 **3.3 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may  
18 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,  
19 employee, mortgage loan originator, or any other person subject to the Act for (e) a violation of RCW  
20 31.04.027 or RCW 31.04.221, or (f) failure to obtain a license for activity that requires a license.

21 **3.4 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4)(a), the Director may impose fines  
22 of up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator,  
23 or any other person subject to the Act for any violation of the Act.



1 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director  
2 may recover the state's costs and expenses for prosecuting violations of the Act.

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

4 Respondent's violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,  
5 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose  
6 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW  
7 31.04.205, and RCW 31.04.247. Therefore, it is the Director's intent to ORDER that:

- 8 4.1 Respondent Nestor Diaz, Jr. cease and desist from engaging in the business of a  
9 mortgage loan originator without a license.
- 10 4.2 Respondent Nestor Diaz, Jr.'s application for a mortgage loan originator license be  
11 denied.
- 12 4.3 Respondent Nestor Diaz, Jr. be prohibited from participation in the conduct of the  
13 affairs of any consumer loan company or mortgage loan originator subject to licensure  
14 by the Director, in any manner, for a period of five (5) years.
- 15 4.4 Respondent Nestor Diaz, Jr. pay a fine. As of the date of this Statement of Charges,  
16 the fine totals \$27,000.
- 17 4.5 Respondent Nestor Diaz, Jr. pay the Department's costs and expenses for prosecuting  
18 violations of the Act in an amount to be determined at hearing or by declaration with  
19 supporting documentation in event of default by Respondent.

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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intent To Enter an Order to Cease and Desist, Deny  
3 License Application, Prohibit From Industry, Impose Fines, and Recover Costs and Expenses  
4 (Statement of Charges) is issued pursuant to the provisions of RCW 31.04.093, RCW 31.04.165,  
5 RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW, the  
6 Administrative Procedure Act. Respondent may make a written request for a hearing as set forth in  
7 the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING  
8 accompanying this Statement of Charges.

9 Dated this 1st day of March, 2023.



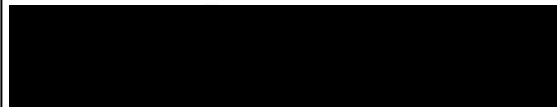
11   
12 LUCINDA FAZIO, Director  
13 Division of Consumer Services  
14 Department of Financial Institutions

14 Presented by:

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16 RACHELLE VILLALOBOS  
17 Financial Legal Examiner

18 Approved by:

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20 JACK McCLELLAN  
21 Enforcement Chief