

ORDER SUMMARY
Consumer Services Division Case Number C-22-3441

***Final Orders** resolve investigations where companies or individuals have been charged and then the Department has imposed sanctions.*

Once DFI serves the Final Order on the individual or company, the company or individual has 30 days to petition (formally ask) the Director of DFI to reconsider. If the Director denies the petition, the company or individual can appeal in superior court.

Names	Sign On The Line, Inc., NMLS # 1626699
	Jason Salcido, NMLS # 1626785
Order Number	C-22-3441-23-FO01
Date issued	March 1, 2023

What does this Final Order require?

- Respondents must pay a fine of \$100,000.
- Respondents must pay restitution of \$6,447.25 to one member of the public.
- Respondents must pay an investigation fee of \$4,000 (Investigation fees cover the cost of DFI staff time working on the investigation).
- Respondents aren't allowed to participate in consumer lending in Washington until March 1, 2028.
- Sign On The Line, Inc.'s Washington Consumer Loan Company License is revoked.
- Sign on the Line, Inc. must maintain records in compliance with the Consumer Loan Act, provide DFI with the location of the records, and provide contact information for the individual responsible for the maintenance of the records.

Need more information?

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

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

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Consumer Loan Act of Washington by:

No.: C-22-3441-23-FO01

7 SIGN ON THE LINE, INC.,
8 NMLS # 1626699, and
9 JASON SALCIDO, President and Owner,

FINAL ORDER

Respondents.

10 I. DIRECTOR'S CONSIDERATION

11 A. Default. This matter has come before the Director of the Department of Financial
12 Institutions of the State of Washington (Director), through his designee, Consumer Services Division
13 Director Lucinda Fazio (Director's designee), pursuant to RCW 34.05.440(1). On December 16,
14 2022, the Director, through the Director's designee, issued a Statement of Charges and Notice of
15 Intent to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, Order Restitution,
16 Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) against Sign On
17 The Line, Inc. (Respondent Sign) and Jason Salcido (Respondent Salcido). A copy of the Statement
18 of Charges is attached and incorporated into this order by this reference. The Statement of Charges
19 was accompanied by cover letters dated January 4, 2023, Notices of Opportunity to Defend and
20 Opportunity for Hearing, and Applications for Adjudicative Hearing for Respondent (collectively,
21 accompanying documents).

22 Between January 4, 2023, and January 19, 2023, the Department served Respondents with the
23 Statement of Charges and accompanying documents by First-Class mail and Federal Express
24 overnight delivery at addresses which included: the last business address Respondents had registered
with the Department, the address of Respondent Sign's registered agent in the state of Washington,

1 and the home address of Respondent Salcido. The Statement of Charges and accompanying
2 documents sent to the first two addresses were returned as undeliverable or refused by the recipient.
3 Respondents had not provided the Department a valid current address for Respondent Sign's place of
4 business as required by RCW 31.04.075. The Statement of Charges and accompanying documents
5 sent to the home address of Respondent Salcido by First-Class mail were not returned to the
6 Department by the United States Postal Service. Accordingly, each Respondent was served at
7 Respondent Salcido's home address. Respondents did not request an adjudicative hearing within
8 twenty calendar days after the Department served the Notice of Opportunity to Defend and
9 Opportunity for Hearing, as provided for in WAC 208-08-050(2).

10 B. Record Presented. The record presented to the Director's designee for review and for
11 entry of a final decision included the following:

12 Statement of Charges, cover letters dated January 4, 2023, Notices of Opportunity
13 to Defend and Opportunity for Hearing, and Applications for Adjudicative Hearing
for Respondent, with documentation for service.

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

16 II. FINAL ORDER

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

19 A. IT IS HEREBY ORDERED, That:

- 20 1. Respondent Sign on the Line, Inc.'s license to conduct the business of a consumer
21 lender is revoked.
- 22 2. Respondent Sign on the Line, Inc. and Respondent Salcido are prohibited from
23 participation in the conduct of the affairs of any consumer lender subject to
licensure by the Director, in any manner, for a period of five years.

- 1 3. Respondent Sign on the Line, Inc. and Respondent Salcido jointly and severally
2 pay a fine of \$100,000.
- 3 4. Respondent Jason Sign on the Line, Inc. and Respondent Salcido jointly and
4 severally pay restitution of \$6,447.25.
- 5 5. Respondent Sign on the Line, Inc, and Respondent Salcido jointly and severally
6 pay an investigation fee of \$4,000.
- 7 6. Respondent Sign on the Line, Inc., its officers, employees, and agents maintain
8 records in compliance with chapter 31.04 RCW, the Consumer Loan Act (Act) and
9 provide the Director with the location of the books, records and other information
10 relating to Respondent Sign on the Line, Inc.'s consumer loan business, and the
11 name, address and telephone number of the individual responsible for maintenance
12 of such records in compliance with the Act.

13 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a
14 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition
15 must be filed in the Office of the Director of the Department of Financial Institutions by courier at
16 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,
17 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The
18 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for
19 Reconsideration a prerequisite for seeking judicial review in this matter.

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

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

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

4 E. Non-compliance with Order. If Respondents do not comply with the terms of this
5 order, **including payment of any amounts owed within 30 days of receipt of this order**, the
6 Department may seek its enforcement by the Office of the Attorney General to include the collection
7 of the fine, restitution, and fees imposed herein. The Department also may assign the amounts owed
8 to a collection agency for collection.

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

12 DATED this 1st day of March, 2023.



14 STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

15 /s/

16 _____
Lucinda Fazio, Director
Division of Consumer Services

1 **1.2 Report of Examination.** Between March 7, 2022, and March 15, 2022, the Department
2 conducted a compliance examination of Respondent Sign’s business practices for the period of
3 October 1, 2019, through October 31, 2021 (examination period). The Department noted violations
4 of the Act which include those set forth below.

5 **1.3 Failed to Comply with the Department’s Investigation and Examination Authority.**

6 From December 22, 2021, to the date of this Statement of Charges, Respondents failed to comply
7 with the Department’s requests for information and documents.

8 **1.4 Failed to Maintain the Required Surety Bond.** From at least October 31, 2021, to the date
9 of this Statement of Charges, Respondent Sign failed to maintain the required surety bond based on
10 its loan origination volume.

11 **1.5 Failed to Develop and Implement Supervisory Plans.** During the examination period at
12 least two managers who supervised loan origination, underwriting, or processing employees on
13 behalf of Respondent Sign operated without supervisory plans in place.

14 **1.6 Unlicensed Activity.** During the examination period at least one manager who supervised
15 loan origination, underwriting, or processing employees on behalf of Respondent Sign was not
16 approved for a loan originator license by the Department at the time of the activity.

17 **1.7 Disallowed Loan Fees.** During the examination period Respondent Sign collected mortgage
18 loan fees from borrower K.K. for a discount of the mortgage loan interest rate related to the
19 borrower’s loan application, and Respondent Sign was not able to show a definitive mathematical
20 relationship between the discount points paid and the rate obtained.

21 **1.8 False or Deceptive Advertising.** Respondent Sign advertised mortgage loan interest rates
22 on its website that it could not provide to borrowers. Respondent Sign also advertised that it could
23 provide “the lowest rate” in regard to mortgage loans on its website.

1 **1.9 Failed to Develop and Implement a Compliant Red Flags Policy.** During the examination
2 period Respondent Sign operated without a red flags policy that met the requirements of 16 CFR 681.

3 **1.10 Failed to Develop and Implement a Compliant Anti-Money Laundering Program.**

4 During the examination period Respondent Sign operated without an anti-money laundering program
5 that met the requirements of 31 CFR 1029.

6 **1.11 Failed to Develop and Implement Compliant Compensation Agreements.** During the

7 examination period Respondent Sign operated without mortgage loan originator compensation
8 agreements that met the requirements of 12 CFR 1026.

9 **1.12 Failed to Provide Mortgage Loan Disclosures.** During the examination period Respondent

10 Sign failed to provide at least 17 borrowers with mortgage loan disclosures as required.

11 **1.13 On-Going Investigation.** The Department's investigation into the alleged violations of the

12 Act by Respondents continues to date.

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

14 **2.1 Responsibility for Conduct of Employees.** Pursuant to RCW 31.04.027(1)(m), RCW

15 31.04.165, and WAC 208-620-372, a consumer loan company is responsible for any conduct

16 violating the act or these rules by any person employed, or engaged as an independent contractor, to
17 work in the business covered by its license.

18 **2.2 Failure to Comply with the Department's Investigation and Examination Authority.**

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

20 of RCW 31.04.027(1)(b) and 145 for failing to comply with the Department's investigation and

21 examination authority.

22 **2.3 Failure to Maintain Required Surety Bond.** Based on the Factual Allegations set forth in

23 Section I above, Respondents are in apparent violation of RCW 31.04.045(4) for failing to maintain

24 the required surety bond.

1 **2.4 Failed to Develop and Implement Supervisory Plans.** Based on the Factual Allegations set
2 forth in Section I above, Respondents are in apparent violation of WAC 208-620-301(6) for failing to
3 prepare and maintain for each licensed manager a written supervisory plan for the employees they
4 supervise.

5 **2.5 Unlicensed Loan Originator.** Based on the Factual Allegations set forth in Section I above,
6 Respondents are in apparent violation of RCW 31.04.027(1)(b) and 035(1) for engaging in the
7 business of a consumer loan company using individuals not licensed by the Department to assist
8 borrowers in applying for residential mortgage loans.

9 **2.6 Disallowed Loan Fees.** Based on the Factual Allegations set forth in Section I above,
10 Respondents are in apparent violation of RCW 31.04.027(1)(b) and WAC 208-620-555(3)(e) for
11 collecting a fee from a borrower for lowering the interest rate unless the rate is actually reduced, or
12 failure to show a definitive mathematical relationship between discount points and the interest rate
13 obtained.

14 **2.7 False, Misleading, or Deceptive Advertisements.** Based on the Factual Allegations set forth
15 in Section I above, Respondents are in apparent violation of RCW 31.04.027(1)(b), (g) and 135 for
16 advertising or permitting to be advertised, in any manner whatsoever, any statement or representation
17 with regard to rates, terms, or conditions for the lending of money that is false, misleading, or
18 deceptive.

19 **2.8 Failure to Comply with Federal Law.** Based on the Factual Allegations set forth in Section
20 I above, Respondents are in apparent violation of RCW 31.04.027(m) for violating any applicable
21 state or federal law relating to the activities governed by the Act.

22 **2.9 Failure to Provide Mortgage Loan Disclosures.** Based on the Factual Allegations set forth
23 in Section I above, Respondents are in apparent violation of RCW 31.04.027(1)(f) for failing to make
24

1 disclosures to loan applicants as required by RCW 31.04.102 and any other applicable state or federal
2 law.

3 III. AUTHORITY TO IMPOSE SANCTIONS

4 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3) the Director may revoke a
5 license for failure to maintain the required surety bond, failure to comply with any specific order or
6 demand, violation of any provision of the Act or any rule adopted under the Act, or failure to comply
7 with any directive, order, or subpoena issued by the Director under the Act.

8 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6), the Director may
9 issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
10 employee, mortgage loan originator, or any other person subject to the Act for failure to comply with
11 any order or subpoena issued under the Act, violation of RCW 31.04.027, RCW 31.04.102, RCW
12 31.04.155, or RCW 31.04.221, or failure to obtain a license for activity that requires a license.

13 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
14 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
15 any other person subject to the Act for any violation of the Act or failure to comply with any order or
16 subpoena issued by the Director under the Act.

17 **3.4 Authority to Order Restitution.** Pursuant to RCW 31.04.093(5)(c) and (d), the Director may
18 issue an order directing a licensee, its employee or loan originator, or any other person subject to the
19 Act to make a refund or restitution to a borrower or other person who is damaged as a result of a
20 violation of the Act, or refund all fees received through any violation of the Act.

21 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
22 590, 610(7), every licensee examined or investigated by the Director or the Director's designee shall
23 pay for the cost of the examination or investigation, calculated at the rate of \$69.01 per staff hour

1 devoted to the examination or investigation, and shall pay travel costs if the licensee maintains its
2 records outside the state.

3 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
4 may recover the state's costs and expenses for prosecuting violations of the Act.

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

6 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
7 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
8 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
9 31.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 10 **4.1** Respondent Sign on the Line, Inc.'s license to conduct the business of a
11 consumer loan company be revoked.
- 12 **4.2** Respondents Sign on the Line, Inc. and Jason Salcido be prohibited from participation
13 in the conduct of the affairs of any consumer loan company subject to licensure by the
14 Director, in any manner, for a period of five years.
- 15 **4.3** Respondents Sign on the Line, Inc. and Jason Salcido jointly and severally pay a fine.
16 As of the date of this Statement of Charges, the fine totals \$100,000.
- 17 **4.4** Respondents Sign on the Line, Inc. and Jason Salcido jointly and severally pay
18 restitution totaling \$6,447.25 to the borrower identified in paragraph 1.7 of this
19 Statement of Charges.
- 20 **4.5** Respondents Sign on the Line, Inc. and Jason Salcido jointly and severally pay an
21 investigation fee. As of the date of this Statement of Charges, the investigation fee
22 totals \$4,000.
- 23 **4.6** Respondents Sign on the Line, Inc. and Jason Salcido jointly and severally pay the
24 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 the event
of default by Respondents.
- 4.7** Respondent Sign on the Line, Inc. maintain records in compliance with the Act and
provide the Department with the location of the books, records and other information
relating to Respondent Sign on the Line, Inc.'s consumer loan business, and the name,
address and telephone number of the individual responsible for maintenance of such
records in compliance with the Act.

1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges is entered pursuant to the provisions of RCW 31.04.093, RCW
3 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05
4 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as
5 set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO
6 DEFEND accompanying this Statement of Charges.

7 Dated this 16th day of December, 2022.



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

12 Presented by:

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

16 Approved by:

17 /s/
18 JACK McCLELLAN
19 Enforcement Chief
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