

Terms Completed

ORDER SUMMARY – Case Number: C-05-046

Name(s): Kay-Co Investments Inc dba Pacific Capital Mortgage, PCM
 Financial Services, LoanUS.com
 Kay Coleman
 Thomas W. Lowe

Order Number: C-05-046-05-FO01

Effective Date: April 15, 2005

License Number: DFI: 19757
 Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)
 If applicable, you must specifically note the ending dates of terms.

License Effect: Revoked

Not Apply Until: April 15, 2010

Not Eligible Until:

Prohibition/Ban Until: April 15, 2010

Investigation Costs	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$3,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 4.15.05
Assessment(s)	\$1,061.72	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 4.15.05
Restitution	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Judgment	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
Satisfaction of Judgment Filed?		<input type="checkbox"/> Y <input type="checkbox"/> N		
No. of Victims:				

Comments:

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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

NO. C-05-046-05-FO01

Kay-Co Investments, Inc.
Dbas Pacific Capital Mortgage, PCM Financial
Services, and LoanUS.com and
Kay M. Coleman, President; Bruce S. Conklin,
Executive Vice President, and Thomas W. Lowe,
Jr., Senior Vice President

FINAL ORDER

Respondents.

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I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of
Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.440(1). On March
14, 2005, the Director through her designee Chuck Cross, entered a Statement of Charges and Notice
of Intention to Enter an Order to Revoke License, Collect Annual Assessments, Impose Fine and
Prohibit from Industry (Statement of Charges). A copy of the Statement of Charges is attached and
incorporated into this order by this reference. The Statement of Charges was accompanied by a cover
letter dated March 15, 2005, a Notice of Opportunity to Defend and Opportunity for Hearing, and
blank Applications for Adjudicative Hearing for Kay-Co Investments, Inc. and Kay M. Coleman,
Owner. The Department of Financial Institutions of the State of Washington (Department) served the
Statement of Charges, cover letter dated March 15, 2005, Notice of Opportunity to Defend and
Opportunity for Hearing, and blank Applications for Adjudicative Hearing by Federal Express on

FINAL ORDER –
KAY-CO INVESTMENTS, INC.
KAY M. COLEMAN

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8795

1 March 16, 2005. Neither Kay-Co Investments, Inc. nor Kay Coleman requested an adjudicative
2 hearing within twenty days of service as required by Department rule WAC 208-08-050.

3 B. Record Presented. The record presented to the Director for his review and for entry of
4 a final decision included the Statement of Charges, cover letter dated March 15, 2005, Notice of
5 Opportunity to Defend and Opportunity for Hearing, blank Applications for Adjudicative Hearing for
6 Kay-Co Investments, Inc. and Kay M. Coleman and documentation of service.

7 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(1), the
8 Director hereby adopts the Statement of Charges, which is attached hereto.
9

10 II. FINAL ORDER

11 Based upon the foregoing, and the Director having considered the record and being
12 otherwise fully advised, NOW, THEREFORE:

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent Kay-Co Investments, Inc.'s license to conduct the business of a
15 Mortgage Broker be revoked; and
- 16 2. Respondent Kay M. Coleman be prohibited from participation in the conduct of
17 the affairs of any licensed mortgage broker, in any manner, for a period of five (5)
18 years; and
- 19 3. Respondents Kay-Co Investments, Inc. and Kay Coleman jointly and severally pay
20 the cumulative delinquent main office Annual Assessments due through June
21 2004 totaling \$1061.72, as calculated in Section 1.3 above; and
- 22 4. Respondents Kay-Co Investments, Inc. and Kay Coleman jointly and severally pay
23 a fine of \$3000 for:
 - 24 a. Failure to maintain the required bond or approved alternative, calculated at
25 \$50 per day for 30 days; and
 - b. Failure to comply with a directive, calculated at \$50 per day for 30 days; and

1 5. Respondents are to maintain records in compliance with the Act and provide the
2 Director with the location of the books, records and other information relating to
3 Respondent's consumer loan business, and the name, address and telephone
4 number of the individual responsible for maintenance of such records in
5 compliance with the Act
6

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

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

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

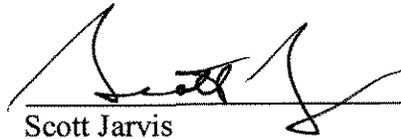
21 D. Judicial Review. Respondents have the right to petition the superior court for
22 judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements
23 for filing a Petition for Judicial Review, see RCW 34.050.510 and sections following.
24

1 E. Service. For purposes of filing a Petition for Reconsideration or a Petition for
2 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
3 attached hereto.

4 DATED this 15th day of April, 2005.



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

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9 Scott Jarvis
10 Director
11 Department of Financial Institutions

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3 **STATE OF WASHINGTON**
4 **DEPARTMENT OF FINANCIAL INSTITUTIONS**
5 **DIVISION OF CONSUMER SERVICES**

6 IN THE MATTER OF DETERMINING
7 Whether there has been a violation of the
8 Mortgage Broker Practices Act of Washington by:

NO. C-05-046-05-FO02

9 Kay-Co Investments, Inc. d/b/a Pacific Capital
10 Mortgage, PCM Financial Services, and
11 LoanUS.com; Kay M. Coleman, President; Bruce S.
12 Conklin, Executive Vice President; and Thomas W.
13 Lowe, Jr., Senior Vice President;

ORDER WITHDRAWING
STATEMENT OF CHARGES
BRUCE S. CONKLIN

Respondents.

11 COMES NOW the Director of the Department of Financial Institutions (Director), through his designee
12 Deborah Bortner, Division Director, Division of Consumer Services, and hereby withdraws Statement of Charges
13 No. C-05-046-05-SC01 (Statement of Charges), issued March 14, 2005, as to Bruce S. Conklin (Respondent
14 Conklin) only. The Department issued the Statement of Charges against Respondent Conklin; as well as Kay-Co
15 Investments, Inc. d/b/a Pacific Capital Mortgage, PCM Mortgage Services, and LoanUS.com (Respondent Kay-
16 Co); Kay M. Coleman (Respondent Coleman); and Thomas W. Lowe, Jr. (Respondent Lowe). The Statement of
17 Charges was resolved as to Respondent Lowe by Consent Order No. C-05-046-05-CO01. The Statement of
18 Charges was resolved as to Respondent Kay-Co and Respondent Coleman by Final Order No. C-05-046-05-FO01.
19 The Department did not pursue the entry of an Order against Respondent Conklin, and resolves the Statement of
20 Charges as to Respondent Conklin by this Order Withdrawing Statement of Charges.
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25 ORDER WITHDRAWING
STATEMENT OF CHARGES
Kay-Co Investments, Inc. d/b/a Pacific Capital
Mortgage, PCM Financial Services, and
LoanUS.com; Kay M. Coleman, President; Bruce S.
Conklin, Executive Vice President; and Thomas W.
Lowe, Jr., Senior Vice President;

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
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C-05-046-05-FO02

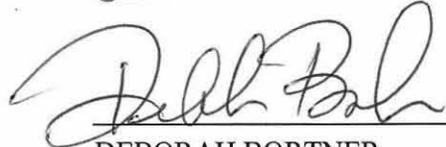
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ORDER

Based on the above, Statement of Charges No. C-05-046-05-SC01 issued on March 14, 2005, is hereby withdrawn, as to Respondent Conklin only.

ENTERED AND ORDERED THIS 26 DAY OF October 2011.




DEBORAH BORTNER
Director, Division of Consumer Services
Department of Financial Institutions

ORDER WITHDRAWING
STATEMENT OF CHARGES
Kay-Co Investments, Inc. d/b/a Pacific Capital
Mortgage, PCM Financial Services, and
LoanUS.com; Kay M. Coleman, President; Bruce S.
Conklin, Executive Vice President; and Thomas W.
Lowe, Jr., Senior Vice President;

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

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Mortgage Broker Practices Act of Washington
by:

Kay-Co Investments, Inc.
Db a Pacific Capital Mortgage, PCM Financial
Services, and LoanUS.com and
Kay M. Coleman, President; Bruce S. Conklin,
Executive Vice President, and Thomas W.
Lowe, Jr., Senior Vice President

Respondents.

NO. C-05-046-05-SC01

STATEMENT OF CHARGES AND
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE, COLLECT
ANNUAL ASSESSMENTS, IMPOSE FINE AND
PROHIBIT FROM INDUSTRY

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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). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent part. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of March 9, 2005, the Director institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents:

A. **Kay-Co Investments, Inc. db a Pacific Capital Mortgage, PCM Financial Services and LoanUS.com (Respondent Kay-Co)** is known to have conducted the business of a mortgage broker at the following locations:

68 Leveroni Ct.
Novato, CA 94949,

1 350 Ignacia Boulevard
Novato CA 94949,

2 130067 Olalla Valley Rd. SE
3 Olalla WA 98359, and

4 530 Howard Street
San Francisco CA 94105

5 B. **Kay M Coleman (Respondent Coleman)** is known to be the President and an owner of
6 Respondent Kay-Co.

7 C. **Bruce S. Conklin (Respondent Conklin)** is known to be an Executive Vice President and
8 an owner of Respondent Kay-Co.

9 D. **Thomas W. Lowe, Jr. (Respondent Lowe)** is known to be a Senior Vice President and an
10 owner of Respondent Kay-Co.

11 **1.2 License:** Respondent Kay-Co was issued an interim license by the Department on June 12, 2000,
12 and has continued to be licensed to date.

13 **1.3 Failure to Pay Annual Assessments:** An annual assessment fee for each license is due to the
14 Department no later than the last business day of June for the year then ended. To date, the Department
15 has not received the annual assessments due from Respondents, totaling \$1061.72. Payment of the annual
16 assessment of \$530.86 for the years 2003 and 2004 was due to the Department no later than the last
17 business day June of each of those years.

18 **1.4 Failure to Maintain Bond:** On November 15, 2001, the Department received notice from the
19 Insurance Company of the State of Pennsylvania that Respondent Kay-Co's surety bond was being
20 cancelled. To date, Respondents have failed to notify the Department of the cancellation of the surety
21 bond and have failed to provide the required surety bond or an approved alternative.

22 **1.5 Failure to Submit Continuing Education Certificates:** A certificate of satisfactory completion
23 of an approved continuing education course by a licensee's Designated Broker is due to the Department no
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1 later than the last business day of June of each year. To date, the Department has not received the required
2 certificates from Respondent Kay-Co's Designated Broker for the years 2003 and 2004.

3 **1.6 Failure to Respond to Directives:** On November 19, 2001, the Department successfully served a
4 directive on Respondent Kay-Co by fax. This directive notified Respondents that the Department had
5 received a cancellation notice for their surety bond and required that Respondents submit a replacement
6 bond or equivalent within ten days. Respondents never replied to that Directive. On September 3, 2004, the
7 Department successfully served the Respondents with a Directive that required them to pay their
8 delinquent Annual Assessments due for 2003 and 2004, to provide Certificates of Completion of
9 Continuing Education for James Sweet, the Designated Broker of record for 2003 and 2004, and disclose
10 certain significant developments. To date, the Department has received no response to its directive.

11 **1.7 Failure to Notify Department of Significant Developments:** As stated in 1.4 above, to date,
12 Respondents have not notified the Department of the cancellation of Respondent's surety bond.

13 II. GROUNDS FOR ENTRY OF ORDER

14 **2.1 Requirement to Pay Annual Assessments:** Based on the Factual Allegations set forth in Section
15 I above, Respondents are in apparent violation of RCW 19.146.228(1), WAC 208-660-060(3) and WAC
16 208-660-061 for failing to pay to the Director an annual assessment fee no later than the last business day
17 of the month in which the anniversary date of the issuance of the mortgage broker's license occurs.

18 **2.2 Requirement to Maintain Surety Bond:** Based on the Factual Allegations set forth in Section I
19 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-080(1) for
20 failing to file and maintain a surety bond or approved alternative with the Department.

21 **2.3 Requirement to Submit Certificate of Completion of Continuing Education:** Based on the
22 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.215
23 and WAC 208-660-042 for failing to complete the annual continuing education requirement and file a
24 certificate of satisfactory completion.

1 **2.4 Requirement to Notify Department of Significant Developments:** Based on the Factual
2 Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-660-150(1)(e),
3 for failing to notify the Director in writing within thirty days after receipt of notification of cancellation of
4 the licensee's surety bond.

5 **2.5 Authority to Revoke License:** Pursuant to RCW 19.146.220(2)(b)(ii), (iii) and (iv), and WAC
6 208-660-160(1), (2), (8) and (13), the Director may revoke a license if a licensee fails to pay a fee required
7 by the Director, fails to maintain the required bond, or fails to comply with any directive or order of the
8 Director.

9 **2.6 Authority to Impose Fine:** Pursuant to RCW 19.146.220(2)(c) and WAC 208-660-165, the
10 Director may impose fines on a licensee that fails to maintain the required bond or fails to comply with any
11 directive or order of the Director.

12 **2.7 Authority to Prohibit from the Industry:** Pursuant to RCW 19.146.220(2)(e)(i) and (iv), the
13 Director may prohibit from participation in the conduct of the affairs of a licensed mortgage broker,
14 any officer, principal, employee, or loan originator of any licensed mortgage broker or any person
15 subject to licensing under the Act that fails to maintain the required bond or fails to comply with any
16 directive or order of the Director.

17 **III. NOTICE OF INTENTION TO ENTER ORDER**

18 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set
19 forth in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an
20 Order under RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the Director's
21 intention to ORDER that:

22 3.1 Respondent Kay-Co Investments, Inc.'s license to conduct the business of a Mortgage Broker
23 be revoked; and

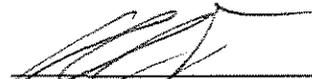
- 1 3.2 Respondents Kay M. Coleman, Bruce S. Conklin and Thomas W. Lowe, Jr. be prohibited from
2 participation in the conduct of the affairs of any licensed mortgage broker, in any manner, for a
3 period of five (5) years; and
- 3 3.3 Respondents jointly and severally pay the cumulative delinquent main office Annual Assessments due
4 through June 2004 totaling \$1061.72, as calculated in Section 1.3 above; and
- 5 3.4 Respondents jointly and severally pay a fine of \$3000 for:
6 a. Failure to maintain the required bond or approved alternative, calculated at \$50 per day for 30
7 days; and
8 b. Failure to comply with a directive, calculated at \$50 per day for 30 days.

IV. AUTHORITY AND PROCEDURE

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

16 Dated this 14th day of March, 2005.



17 
18 CHUCK CROSS
19 Director and Enforcement Chief
20 Division of Consumer Services
21 Department of Financial Institutions

22 Presented by:

23 Deborah Bortner
24 Financial Legal Examiner