

CONSENT ORDER SUMMARY - Case Number: C-05-252

Name(s)	Pacific Home Funding Corp., dba Pacific Home Loans			
	Jose M. Quinteros, Jr.			
	David A. Quinteros			
Order Number	C-05-252-07-CO01			
Effective Date	April 14, 2008			
License Number	23685 and 25254			
License Effect	Surrendered			
Not Apply until	April 14, 2018			
Not Eligible Until	April 14, 2018			
Prohibition/Ban until	April 14, 2018			
Investigation Costs	\$668.92	Due:	Paid Y	Date 4/11/08
Assessment(s)	\$1,061.72	Due:	Paid Y	Date 4/11/08
Monetary Penalty	\$	Due	Paid Y N	Date
Other	Department accepts surrender of license. No further assessments or fees are due.			

**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-05-252-07-CO01

PACIFIC HOME FUNDING CORP, dba PACIFIC
HOME LOANS, and JOSE M. QUINTEROS, JR.,
President, CEO, and Designated Broker, and
DAVID A. QUINTEROS, Vice President,
Respondents.

CONSENT ORDER

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Pacific Home Mortgage Corp., Jose M. Quinteros, Jr., President, CEO, and Designated Broker, and David A. Quinteros, Vice President (hereinafter Respondents), and finding that the issues raised in the 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 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-05-252-07-SC02 (Statement of Charges), entered August 3, 2007, (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 Order to fully resolve the Statement of Charges. Respondents are agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

CONSENT ORDER

1 Based upon the foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing
5 before an administrative law judge, and that they have waived their right to a hearing and any and all
6 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.

7 C. **License Surrender.** It is AGREED that Respondents have been provided with the documents and
8 instructions required for voluntary surrender of their mortgage broker license. Respondents agree to surrender
9 their license in compliance with those instructions prior to or in conjunction with the entry of this Consent Order.

10 D. **Prohibition from Industry.** It is AGREED that Respondents are prohibited from participating in the
11 conduct of the affairs of any mortgage broker licensed by the Department or any mortgage broker exempt from
12 Washington law under RCW 19.146.020(1)(d) or (f) for ten (10) years from the date of entry of this Consent
13 Order in any capacity, including but not limited to: (1) any financial capacity whether active or passive or (2) as an
14 officer, director, principal, designated broker, employee, or loan originator or (3) any management, control,

15 oversight or maintenance of any trust account(s) in any way related to any residential mortgage transaction or (4)
16 receiving, disbursing, managing or controlling in any way, consumer trust funds in any way related to any
17 residential mortgage transaction. It is further AGREED that Respondents shall not apply for any license issued by
18 the Department pursuant to chapter 19.146 RCW for ten (10) years from the date of entry of this Consent Order.

19 E. **Past Due Branch Office Annual Assessments.** It is AGREED that Respondents shall pay \$1,061.72
20 for past due annual assessments from their branch office that were due for the years 2004 and 2005, in the form of
21 a cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

22 F. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee
23 of \$668.92, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this
24

Consent Order. Respondents may pay both the annual assessment fees and the investigation fee in one cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

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


H. 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.

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


J. 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.

RESPONDENTS:


PACIFIC HOME FUNDING CORP By:


Jose M. Quinteros, Jr.
President, CEO, and Designated Broker


11/21/07
Date


David A. Quinteros
Vice President

11/21/07
Date


Jose M. Quinteros, Jr.
Individually

11/21/07
Date


David A. Quinteros
Individually

11/21/07
Date

CONSENT ORDER

DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 14th DAY OF April, 2007. *ss*



DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Steven C. Sherman
Financial Legal Examiner

Approved by:

James R. Brusselback
Enforcement Chief

CONSENT ORDER

**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 HOME FUNDING CORP., dba
PACIFIC HOME LOANS, and
JOSE M. QUINTEROS, JR., President,
Designated Broker, and Co-Owner, and
DAVID A. QUINTEROS, Vice President and Co-
Owner,

Respondents.

NO. C-05-252-07-SC02

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO REVOKE LICENSE,
COLLECT ANNUAL ASSESSMENTS, IMPOSE FINE,
PROHIBIT FROM INDUSTRY, AND COLLECT
INVESTIGATION FEE

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)¹. After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as of the date of this document, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **PACIFIC HOME FUNDING CORP., dba PACIFIC HOME LOANS, (Respondent Pacific)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to

¹ The relevant acts alleged in this Statement of Charges pre-date January 1, 2007. Consequently, this action is brought pursuant to RCW 19.146 (1994), and all references to the RCW relate to that Act.

1 conduct business as a mortgage broker on September 11, 2002, and has continued to be licensed to date.

2 Respondent Pacific is licensed to conduct the business of a mortgage broker at two locations:

3 1307 W 6th, Ste 139
Corona, CA 92882

1908 264 Place, SE
Sammamish, WA 98075-7972

4 B. **Jose M. Quinteros, Jr., (Respondent J. Quinteros)** is President, Designated Broker, and Co-
5 Owner of Respondent Pacific. Respondent J. Quinteros was named Designated Broker of Respondent Pacific
6 on September 11, 2002, and has continued as Designated Broker to date.

7 C. **David A. Quinteros (Respondent D. Quinteros)** is Vice President and Co-Owner of
8 Respondent Pacific.

9 **1.2 Failure to Pay Main Office Annual Assessments.** An annual assessment fee for Respondents' main
10 office is due to the Department no later than the last business day of October for the year then ended. To date,
11 the Department has not received the main office annual assessment of \$530.86 due from Respondents no later
12 than October 31, 2006.

13 **1.3 Failure to Pay Branch Annual Assessments.** An annual assessment fee for Respondents' branch
14 office is due to the Department no later than the last business day of October for the year then ended. To date,
15 the Department has not received the following annual assessments due from Respondents, totaling \$1,592.58:

- 16 A. Payment of the branch annual assessment of \$530.86 for the year ended October 31, 2004,
17 B. Payment of the branch annual assessment of \$530.86 for the year ended October 31, 2005, and
18 C. Payment of the branch annual assessment of \$530.86 for the year ended October 31, 2006.

19 **1.4 Failure to Maintain Bond.** On October 21, 2005, the Department received notice from Hartford Fire
20 Insurance Company that Respondent Pacific's surety bond had been cancelled, effective November 17, 2005.
21 To date, Respondents have failed to notify the Department of the cancellation of the surety bond, and have
22 failed to provide the required surety bond or an approved alternative.

23 **1.5 Failure to Submit Continuing Education Certificate.** A certificate of satisfactory completion of an
24 approved continuing education course by a licensee's Designated Broker is due to the Department no later than
25 the last business day of October of each year. To date, the Department has not received the required certificate
from Respondent J. Quinteros for the year ended October 31, 2006.

1 **1.6 Failure to Respond to Directives.** On October 24, 2005, the Department sent a directive to
2 Respondent Pacific's last known address via first class mail notifying Respondents of the cancellation of their
3 surety bond and directing Respondents to provide a replacement bond. This directive was not returned. On
4 November 8, 2005, the Department also successfully sent correspondence to Respondents by certified mail
5 notifying Respondents of the cancellation of said surety bond and directing Respondents to provide a
6 replacement bond. To date, the Department has not received a response to these directives.

7 **1.7 Failure to Notify Department of Significant Developments.** As stated in paragraph 1.4, to date
8 Respondents have not notified the Department of the cancellation of Respondent Pacific's surety bond.

9 **1.8 Failure to Respond Timely and Completely to Directives.** On October 21, 2005, and November 17,
10 2005, the Department served directives on Respondents by certified mail. These directives variously required
11 Respondents to (a) pay an Annual Assessment of \$530.86 for the Main Office, due 09/30/05, (b) pay Annual
12 Assessments of \$1061.72 for the branch office, due 10/31/04 and 10/31/05, and (c) provide a certificate of
13 completion for Continuing Education by Jose M. Quintero, Jr., for the year ending 09/30/05. On November 4,
14 2005, the Department received from Respondents the required payment for the Annual Assessment of \$530.86
15 for the Main Office and the required certificate of completion for Continuing Education by Jose M. Quinteros,
16 but the Department has not received the \$1061.72 branch office Annual Assessments that were due 10/31/04
17 and 10/31/05.

18 **1.9 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
19 Respondents continues to date.

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

21 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
22 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-080(1) for failing to
23 file and maintain a surety bond or approved alternative with the Department.

24 **2.2 Requirement to Pay Annual Assessments.** Based on the Factual Allegations set forth in Section I
25 above, Respondents are in apparent violation of RCW 19.146.228(1), WAC 208-660-060(3), and WAC 208-

660-061 for failing to pay to the Director an annual assessment fee no later than the last business day of the month in which the anniversary date of the issuance of the mortgage broker's license occurs.

2.3 Requirement to Submit Certificate of Completion of Continuing Education. Based on the Factual Allegations set forth in Section I above, Respondent J. Quinteros is in apparent violation of RCW 19.146.215 and WAC 208-660-042 for failing to complete the annual continuing education requirement and file a certificate of satisfactory completion no later than the last business day of the month in which the anniversary date of the issuance of the licensee's license occurs.

2.4 Requirement to Timely and Completely Comply with Directives. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.235 for failing to timely and completely comply with Directives issued by the Director.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Revoke License. Pursuant to RCW 19.146.220(2)(b)(ii) and WAC 208-660-165, the Director may revoke a license for failure to pay a fee required by the Director or maintain the required bond, or failure to comply with any directive or order of the Director.

3.2 Authority to Impose Fine. Pursuant to RCW 19.146.220(2)(c)(ii) and WAC 208-660-165, the Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act for failure to comply with a directive or order of the Director.

3.3 Authority to Prohibit from the Industry. Pursuant to RCW 19.146.220(2)(e)(i), (ii), (iii) and (iv), the Director may issue orders removing from office or prohibiting from participation in the conduct of the affairs of a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage broker or any person subject to licensing under the Act for failure to comply with a directive or order of the Director.

3.4 Authority to Collect Investigation Fee. Pursuant to RCW 19.146.228(2), WAC 208-660-060(4) and WAC 208-660-061, upon completion of any investigation of the books and records of a licensee or other person subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover

1 the cost of the investigation. The investigation charge will be calculated at the rate of forty-seven dollars and
2 seventy-eight cents (\$47.78) per hour that each staff person devoted to the investigation.

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

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

8 **4.1** Respondent Pacific Home Funding Corp., dba Pacific Home Loans' license to conduct the business of a
9 mortgage broker be revoked; and

10 **4.2** Respondent Pacific Home Funding Corp., dba Pacific Home Loans be prohibited from participation in
11 the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of
12 five (5) years; and

13 **4.3** Respondent Jose M. Quinteros, Jr., be prohibited from participation in the conduct of the affairs of any
14 mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years; and

15 **4.4** Respondent David A. Quinteros be prohibited from participation in the conduct of the affairs of any
16 mortgage broker subject to licensure by the Director, in any manner, for a period of five (5) years; and

17 **4.5** Respondents Pacific Home Funding Corp., dba Pacific Home Loans, and Jose M. Quinteros, Jr., and
18 David A. Quinteros jointly and severally pay the delinquent main office Annual Assessments due October 31,
19 2006, in the amount of \$530.86; and

20 **4.6** Respondents Pacific Home Funding Corp., dba Pacific Home Loans, and Jose M. Quinteros, Jr., and
21 David A. Quinteros jointly and severally pay the cumulative delinquent branch office Annual Assessments due
22 through October 31, 2006, totaling \$1592.58; and

23 **4.7** Respondents Pacific Home Funding Corp., dba Pacific Home Loans, and Jose M. Quinteros, Jr., and
24 David A. Quinteros jointly and severally pay a fine of \$3,000 for failing to timely and completely comply with a
25 directive of the director, calculated at \$100 per day for 30 days; and

4.8 Respondents Pacific Home Funding Corp., dba Pacific Home Loans, and Jose M. Quinteros, Jr., and
David A. Quinteros jointly and severally pay an investigation fee in the amount of \$668.92 calculated at \$47.78 per
hour for the fourteen (14) staff hours devoted to the investigation; and

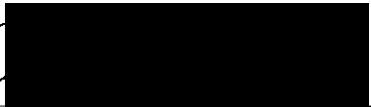
4.9 Respondents maintain records in compliance with the Act and provide the Department with the location of
the books, records and other information relating to Respondent Pacific Home Funding Corp., dba Pacific Home
Loans' mortgage broker business, and the name, address and telephone number of the individual responsible for
maintenance of such records in compliance with the Act.

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V. AUTHORITY AND PROCEDURE

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

Dated this 3rd day of August, 2007.


DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:


STEVEN C. SHERMAN
Financial Legal Examiner

Approved by:


JAMES R. BRUSSELBACK
Enforcement Chief

