

Terms Completed

ORDER SUMMARY – Case Number: C-09-079

Name(s): Phil J. Mazzaferro

Order Number: C-09-079-10-CO02

Effective Date: June 11, 2010

License Number: DFI: 34067 [NMLS: 45204]

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)

License Effect: n/a
If applicable, you must specifically note the ending dates of terms.

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

Investigation Costs	\$144	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: June 11/10
Fine	\$3,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date: June 11/10
Assessment(s)	\$	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
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
DIVISION OF CONSUMER SERVICES**

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

NO. C-09-079-10-CO02

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PHIL J. MAZZAFERRO,
Loan Originator,

CONSENT ORDER

Respondent.

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COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and Phil J. Mazzaferro, Loan Originator (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 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 Respondent have agreed upon a basis for resolution of the matters alleged in Statement of Charges No. C-09-079-09-SC02 (Statement of Charges), entered January 7, 2010, (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, Respondent hereby agrees to the Department's entry of this Consent Order and further agrees 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. Respondent is agreeing not to contest the Statement of Charges in consideration of the terms of this Consent Order.

Based upon the foregoing:

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

CONSENT ORDER
C-09-079-10-CO02
Phil J. Mazzaferro

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DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902-8703

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

5 **C. No Admission of Liability.** It is AGREED that the parties intend this Consent Order to fully resolve
6 the Statement of Charges and that Respondent does not admit to any wrongdoing by its entry.

7 **D. Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$3,000 in the form of a
8 cashier's check made payable to the "Washington State Treasurer" upon entry of this Consent Order.

9 **E. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an investigation fee
10 of \$144 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this
11 Consent Order. Respondent may pay both the fine and fee in the form of a single cashier's check made payable to
12 the "Washington State Treasurer" upon entry of this Consent Order.

13 **F. Complete Cooperation with the Department and the Office of the Attorney General.** It is
14 AGREED that Respondent shall provide the Department with a truthful and complete sworn statements outlining
15 his activities with respect to Premier Mortgage Resources LLC, and any and all persons involved or in any way
16 associated with Premier Mortgage Resources LLC. The "sworn statements" may take the form of affidavits,
17 declarations, or deposition testimony, at the Department's and the Office of the Attorney General's discretion. It is
18 further AGREED that Respondent shall testify fully, truthfully, and completely at any proceeding related to the
19 Department's investigation and enforcement actions related to this matter, including, but not limited to, Premier
20 Mortgage Resources LLC and the named Respondents.

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

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

3 I. **Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this Consent
4 Order in its entirety and fully understands and agrees to all of the same.

5 **RESPONDENT:**

6 
7 Phil J. Mazzaferro
8 Loan Originator

6-8-2010
Date

9 **DO NOT WRITE BELOW THIS LINE**

10 THIS ORDER ENTERED THIS 11 DAY OF June, 2010.



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DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

19 Presented by:

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STEVEN C. SHERMAN
Financial Legal Examiner

23 Approved by:

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JAMES R. BRUSSELBACK
Enforcement Chief

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**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:

PHIL J. MAZZAFERRO,
Loan Originator,

Respondent.

NO. C-09-079-09-SC02

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO REVOKE LICENSE,
PROHIBIT FROM INDUSTRY, IMPOSE
FINE, 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 Statement of Charges, the Director, through his designee, Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondent. Phil J. Mazzaferro (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a loan originator on October 8, 2007, and has continued to be licensed to date. At all times relevant to this Statement of Charges, Respondent was licensed to conduct the business of a loan originator for Premier Mortgage Resources, LLC, a licensed mortgage broker.

¹ RCW 19.146 (2006)

1 **1.2 Application Falsification.** On or around October 17, 2007, Respondent assisted borrower
2 A.K. with two residential mortgage loan applications; one to refinance a residence the borrower owned
3 on 185th Avenue in Renton, Washington, and the other to purchase a residence on Renton-Issaquah
4 Road in Renton, Washington. Both applications represented that the residence would be the
5 borrower's primary residence. Additionally, the Loan Originator submitted to the lender for the
6 refinance loan a letter from the borrower stating that the cash-out proceeds of the refinance loan (in
7 excess of \$250,000) were going to be used to consolidate debt and make significant improvements to
8 the property when the Loan Originator knew or reasonably should have known that the borrower
9 intended to use the proceeds as a down payment toward the purchase of the second property. The
10 refinance loan subsequently closed on November 14, 2007, and the purchase loan closed on November
11 15, 2007; each through a different lender. Respondent subsequently received compensation for
12 working on these loans.

14 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the
15 Act by Respondent continues to date.

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

17 **2.1 Application Falsification.** Based on the Factual Allegations set forth in Section I above,
18 Respondent is in apparent violation of RCW 19.146.0201(2), and (3) and WAC 208-660-500(3)(b)
19 and (c) for misstating occupancy information on a loan application and providing false or misleading
20 information to a lender.

22 **III. AUTHORITY TO IMPOSE SANCTIONS**

23 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(e), the Director may revoke a
24 license for any violation of the Act.

1 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5), the Director may
2 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a
3 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
4 mortgage broker or any person subject to licensing under the Act for any violation of RCW
5 19.146.0201(1) through (9).

6 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(3)(a), the Director may impose a fine
7 on a loan originator for any violation of RCW 19.146.0201(1) through (9).

8 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-
9 550, the Department may collect the costs of investigation. The investigation charge will be calculated at
10 the rate of \$48 per hour that each examiner devoted to the investigation.
11

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

13 Respondent's violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as
14 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 intention to ORDER that:

17 **4.1** Respondent Phil J. Mazzaferro's license to conduct the business of a loan originator be revoked;
18 and

19 **4.2** Respondent Phil J. Mazzaferro be prohibited from participation in the conduct of the affairs of any
20 mortgage broker subject to licensure by the Director, in any manner, for a period of five years;
and

21 **4.3** Respondent Phil J. Mazzaferro pay a fine which as of the date of these charges totals \$5,000;

22 **4.4** Respondent Phil J. Mazzaferro pay an investigation fee which as of the date of these charges
23 totals \$144, calculated at \$48 per hour for the three staff hours devoted to the investigation.

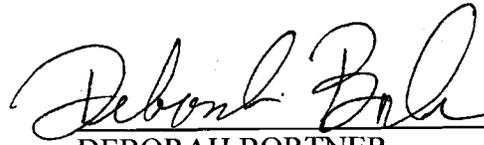
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1 **V. AUTHORITY AND PROCEDURE**

2 This Statement of Charges and Notice of Intention to Enter an Order to Revoke License,
3 Prohibit from Industry, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered
4 pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, and
5 RCW 19.146.230, and is subject to the provisions of chapter 34.05 RCW (The Administrative
6 Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF
7 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
8 Statement of Charges.
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10 Dated this 7th day of January, 2010.
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13 DEBORAH BORTNER
14 Director
15 Division of Consumer Services
16 Department of Financial Institutions

17 Presented by:

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19 STEVEN C. SHERMAN
20 Financial Legal Examiner



21 Approved by:

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23 JAMES R. BRUSSELBACK
24 Enforcement Chief
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