

Terms Completed

ORDER SUMMARY – Case Number: C-09-178

Name(s): Daniel E. O’Neill

Order Number: C-09-178-11-CO02

Effective Date: March 9, 2011

License Number: DFI: 39749 [NMLS: 69114]

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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

Not Eligible Until: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$686.40	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$5,000	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
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**

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

DANIEL E. O'NEILL,
Loan Originator

Respondent.

No.: C-09-178-11-CO02

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 Daniel Edwin O'Neill, 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 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-09-178-09-SC02 (Statement of Charges), entered January 10, 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.

CONSENT ORDER
C-09-178-11-CO02
Daniel E. O'Neill

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
150 Israel Rd SW
PO Box 41200
Olympia, WA 98504-1200
(360) 902.8703

1 Based on the Foregoing:

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

4 B. **Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a
5 hearing before an administrative law judge, and hereby waives his 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
7 herein. Accordingly, Respondent, by his signature below, withdraws his appeal to the Office of
8 Administrative Hearings.

9 C. **No Admission of Liability.** It is AGREED that Respondent does not admit to any
10 wrongdoing by entry of this Consent Order.

11 D. **Fine.** It is AGREED that Respondent shall pay to the Department a fine of \$5,000.00 in
12 the form of a cashier's check made payable to the "Washington State Treasurer" upon entry of this
13 Consent Order.

14 E. **Investigation Fee.** It is AGREED that Respondents shall pay to the Department an
15 investigation fee of \$686.40 in the form of a cashier's check made payable to the "Washington State
16 Treasurer" upon entry of this Consent Order. The Fine and Investigation Fee may be paid together in
17 one \$5,686.40 cashier's check made payable to the "Washington State Treasurer."

18 F. **Non-Compliance with Order.** It is AGREED that Respondent understand that failure to
19 abide by the terms and conditions of this Consent Order may result in further legal action by the
20 Director. In the event of such legal action, Respondent may be responsible to reimburse the Director
21 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

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

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

3 **RESPONDENT:**

4 
5 Daniel E. O'Neill

2-28-2011
Date

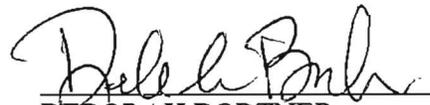
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8 Douglas L. Davies, WSBA 16750
9 Attorney for Respondent

3/2/11
Date

10 DO NOT WRITE BELOW THIS LINE

11 THIS ORDER ENTERED THIS 9th DAY OF March, 2011



14 
15 DEBORAH BORTNER
16 Director
17 Division of Consumer Services
18 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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**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:

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DANIEL E. O'NEILL,
Loan Originator,

Respondent.

NO. C-09-178-09-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. Daniel E. O'Neill (Respondent) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a loan originator on June 18, 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 Vertex Financial Group, Inc., a licensed mortgage broker.

¹ RCW 19.146 (2006)

1 **1.2 Application Falsification.** On or about May 30, 2008, Respondent prepared a residential
2 mortgage loan application for borrower K.V. to purchase a primary residence located in Tacoma,
3 Washington. The application was submitted to a lender, which subsequently approved the loan on or
4 about June 13, 2008, based in part upon the representation that the property would be the borrower's
5 primary residence. The loan closed as an owner-occupied loan on or about June 24, 2008.

6 On or about June 3, 2008, Loan Originator O'Neill prepared a residential mortgage loan
7 application for borrower K.V. to refinance the borrower's residence in Olympia, Washington, as the
8 borrower's primary residence. On June 5, 2008, however, the borrower entered into a Residential
9 Lease/Rental Agreement to lease the property to a third party beginning July 1, 2008. A copy of this
10 agreement was provided to Respondent on or about June 6, 2008. In spite of this, Respondent
11 continued to process the loan as owner-occupied and subsequently obtained a loan from a different
12 lender than for the Tacoma property based in part upon Respondent's representation that the Olympia
13 property would be owner-occupied.
14

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

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

18 **2.1 Application Falsification.** Based on the Factual Allegations set forth in Section I above,
19 Respondent is in apparent violation of RCW 19.146.0201(2), and (3) and WAC 208-660-500(3)(b)
20 and (c) for misstating occupancy information on a loan application and providing false or misleading
21 information to a lender.
22

23 **III. AUTHORITY TO IMPOSE SANCTIONS**

24 **3.1 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(e), the Director may revoke a
25 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 Daniel E. O'Neill's license to conduct the business of a loan originator be revoked;
18 and
- 19 **4.2** Respondent Daniel E. O'Neill 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;
21 and
- 21 **4.3** Respondent Daniel E. O'Neill pay a fine which as of the date of these charges totals \$5,000;
- 22 **4.4** Respondent Daniel E. O'Neill pay an investigation fee which as of the date of these charges totals
23 \$144, calculated at \$48 per hour for the three staff hours devoted to the investigation.

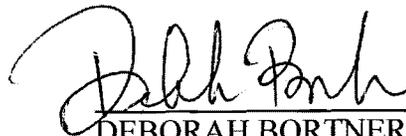
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1 **V. AUTHORITY AND PROCEDURE**

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.
9

10 Dated this 8th day of January, 2010.
11

12 
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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