

ORDER SUMMARY – Case Number: C-10-019

Name(s): Valcor Inc d/b/a E-Z Qual Mortgage
Shane Brandon Davidson

Order Number: C-10-019-11-FO01

Effective Date: January 3, 2012

License Number: DFI 29405/29406

Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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

Not Apply Until: _____

Not Eligible Until: _____

Prohibition/Ban Until: January 3, 2017

Investigation Costs	\$768	Due 1/3/12	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$15,000	Due 1/3/12	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Assessment(s)	\$484	Due 1/3/12	Paid <input type="checkbox"/> Y <input checked="" 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: _____



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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

VALCOR, INC., d/b/a E-Z QUAL MORTGAGE,
and
SHANE B. DAVIDSON,
President, Owner, and Designated Broker,

Respondents.

NO. C-10-019-11-FO01

FINAL ORDER

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(2). On November 4, 2010, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry, Impose Fine, Collect Annual Assessment, and Collect Investigation Fee (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 November 5, 2010, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents Valcor, Inc. and Shane B. Davidson (collectively Respondents). The Department served the Statement of Charges, cover letter, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents on November 5, 2010, by

1 United States Postal Service First-Class mail (First-Class mail) and Federal Express overnight
2 delivery.

3 On November 11, 2010, Respondent Davidson filed an Application for Adjudicative Hearing
4 on behalf of Respondent Valcor, which the Department accepted on behalf of both Respondents. On
5 January 31, 2011, the Department made a request to the Office of Administrative Hearings (OAH) to
6 assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of
7 Charges.
8

9 On February 16, 2011, OAH issued a Notice of Prehearing Conference which set a telephonic
10 conference for February 23, 2011, at 10:00 a.m. The Notice of Prehearing Conference contained the
11 following instruction to the parties **“You must participate in the conference. If you do not, a
12 default may be entered. This means you lose the opportunity to further challenge the agency
13 action.”**

14 On February 23, 2011, the telephonic conference was convened by ALJ Thomas P. Rack (ALJ
15 Rack) at 10:02 a.m. The Department appeared and was represented by Assistant Attorney General
16 Lisa Elley. Respondents did not appear. The Department then moved for an Order of Default based
17 on Respondents’ failure to appear. On February 23, 2011, ALJ Rack issued an Order of Default
18 affirming the Statement of Charges, and sent the Order of Default to the addresses provided by
19 Respondents on the Application for Adjudicative Hearing.
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21 Pursuant to RCW 34.05.440(3), Respondents had seven (7) days from the date of service of the
22 Order of Default to file a written motion with OAH requesting that the Order of Default be vacated,
23 and stating the grounds relied upon. Respondents did not make a request to vacate during the statutory
24 period. Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from
25

1 the date of service of the Order of Default to file a Petition for Review of the Order of Default and with
2 the Director. Respondents did not file a Petition for Review during the statutory period.

3 B. Record Presented. The record presented to the Director for his review and for entry of
4 a final decision included the following:

- 5
- 6 1. Statement of Charges, cover letter, and Notice of Opportunity to Defend and
7 Opportunity for Hearing, with documentation of service;
- 8 2. Applications for Adjudicative Hearing for all Respondents;
- 9 3. Request to OAH for Assignment of Administrative Law Judge;
- 10 4. Notice of Conference by Telephone dated February 16, 2011, with documentation of
11 service;
- 12 5. Order of Default dated February 23, 2011, with documentation of service.

13 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(2), the
14 Director hereby adopts the Statement of Charges, which is attached hereto.

15 II. FINAL ORDER

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

18 A. IT IS HEREBY ORDERED, That:

- 19 1. Respondents VALCOR, INC., d/b/a E-Z QUAL MORTGAGE, and SHANE B.
20 DAVIDSON are prohibited from participation in the conduct of the affairs of any
21 Mortgage Broker subject to licensure by the Director, in any manner, for a period of
22 five (5) years; and
- 23 2. Respondents VALCOR, INC., d/b/a E-Z QUAL MORTGAGE, and SHANE B.
24 DAVIDSON shall jointly and severally pay to the Washington State Department of
25 Financial Institutions a fine of Fifteen Thousand Dollars (\$15,000.00); and

1 3. Respondents VALCOR, INC., d/b/a E-Z QUAL MORTGAGE, and SHANE B.
2 DAVIDSON shall jointly and severally pay to the Washington State Department of
3 Financial Institutions the delinquent 2006 Annual Assessment Fee of Four Hundred
4 Eight-Four Dollars (\$484.00); and

4 4. Respondents VALCOR, INC., d/b/a E-Z QUAL MORTGAGE, and SHANE B.
5 DAVIDSON shall jointly and severally pay to the Washington State Department of
6 Financial Institutions an investigation fee of Seven Hundred Sixty-Eight Dollars
7 (\$768.00).

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

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

17 C. Stay of Order. The Director has determined not to consider a Petition to Stay the
18 effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial
19 Review made under chapter 34.05 RCW and RCW 34.05.550.
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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 34.05.510 and sections following.
24

1 E. Non-compliance with Order. If you do not comply with the terms of this order, the
2 Department may seek its enforcement by the Office of Attorney General to include the collection of the
3 fines, restitution, and investigation fees imposed herein. The Department may also refer the matter to a
4 collection agency for collection of the debt owed.

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

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9 DATED this 3rd day of January, 2012.



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STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

[REDACTED SIGNATURE]

SCOTT JARVIS
DIRECTOR

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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:

NO. C-10-019-10-SC01

VALCOR, INC., d/b/a E-Z QUAL MORTGAGE
and
SHANE B. DAVIDSON,
President, Owner, and Designated Broker,

Respondents.

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO PROHIBIT FROM INDUSTRY,
IMPOSE FINE, COLLECT ANNUAL
ASSESSMENT, AND COLLECT
INVESTIGATION FEE

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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)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:

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I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. **Valcor, Inc., d/b/a E-Z Qual Mortgage, (Valcor)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on or about April 12, 2006. Respondent Valcor surrendered its license on or about October 12, 2007. Respondent Valcor was licensed to conduct the business of a mortgage broker from one location at 18022 Cowan Street, Suite 22N, Irvine, California.

B. **Shane B. Davidson (Davidson)** is known to have been President, Owner, and Designated Broker for Respondent Valcor at all times relevant to this Statement of Charges.

¹ RCW 19.146 (1994) and (2006)

1 **1.2 Failure to Pay 2006 Annual Assessment Fee.** Respondents' 2006 annual assessment fee in the
2 amount of \$484 was due to the Department no later than April 30, 2007. To date, the Department has not
3 received the 2006 annual assessment fee due from Respondents.

4 **1.3 Failure to Comply with Directives.** On or about October 20, 2009, the Department served a Directive
5 on Respondents by U.S. mail and Federal Express overnight delivery requiring Respondents to pay the
6 delinquent 2006 annual assessment fee no later than November 4, 2009. The Directive served by Federal
7 Express was signed for by Respondent Davidson on October 21, 2009. The Directive sent by U.S. mail was not
8 returned by the United States Postal Service as undeliverable. Additionally, on October 21, 2009, Respondent
9 Davidson contacted a representative for the Department by telephone and confirmed receipt of the Directive.
10 To date, however, Respondents have not complied with the Directive.

11 On or about December 3, 2009, the Department issued a Subpoena to Respondents requiring
12 Respondents to pay the delinquent 2006 annual assessment fee no later than December 13, 2009. The Subpoena
13 was served on Respondents by U.S. Mail at the same address as the October 20, 2009, Directive, and was not
14 returned by the United States Postal Service as undeliverable. To date, Respondents have not complied with the
15 Subpoena.

16 **1.4 Unlicensed Activity.** On or about October 6, 2010, a representative for the Department sent an email
17 to Respondents through Respondents' web site, EZQualmortgage.com, asking if Respondents could assist with
18 the refinance of a residential loan in Washington. Respondents replied on the same date that they could. On or
19 about October 7, 2010, the Department's representative sent an email to Respondents through Respondents'
20 web site, EZQualmortgage.com, asking what was needed to get started. Respondents replied on the same date
21 that the next step would be to complete an application, and sent a list of preliminary information Respondents
22 needed to do so.

23 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
24 Respondents continues to date.
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1 **II. GROUNDS FOR ENTRY OF ORDER**

2 **2.1 Requirement to Pay Annual Assessment.** Based on the Factual Allegations set forth in Section I
3 above, Respondents are in apparent violation of RCW 19.146.228(1), former WAC 208-660-060(3)(1994), and
4 former WAC 208-660-061(1994) for failing to pay to the Director an annual assessment fee no later than the
5 last business day of the month in which the anniversary date of the issuance of the mortgage broker's license
6 occurs.

7 **2.2 Requirement to Comply with Directives.** Based on the Factual Allegations set forth in Section I
8 above, Respondents are in apparent violation of RCW 19.146.220(2)(d), RCW 19.146.235, and WAC 208-660-
9 530 for failing to comply with a Directive and a Subpoena issued by the Director.

10 **2.3 Requirement to Obtain and Maintain a Mortgage Broker and Loan Originator License.** Based on
11 the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200
12 for holding themselves out as able to take an application for a Washington residential mortgage loan without
13 being licensed to do so.

14 **III. AUTHORITY TO IMPOSE SANCTIONS**

15 **3.1 Definition of "Directive."** Pursuant to WAC 208-660-530, a directive is a formal request for information
16 from the director. A directive may request the recipient to present specific documents or items. A directive may be
17 entitled "directive" or "subpoena."

18 **3.2 Definition of "Mortgage Broker."** Pursuant to RCW 19.146.010(14), a "mortgage broker" includes any
19 person who assists another person in obtaining or applying to obtain a residential mortgage loan or holds
20 himself or herself out as being able to assist a person in obtaining or applying to obtain a residential mortgage
21 loan.

22 **3.3 Definition of "Loan Originator."** Pursuant to RCW 19.146.010(11)(a), a "loan originator" includes any
23 person who holds themselves out to the public as able to take a residential mortgage loan.

24 **3.4 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a) and (d), the Director
25 may issue orders removing from office or prohibiting from participation in the conduct of the affairs of a

1 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed mortgage
2 broker or any person subject to licensing under the Act for any violation of RCW 19.146.200 or for failure to
3 comply with a directive of the Director.

4 **3.5 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(c), (d), and (e), the Director may impose
5 fines on a licensee, employee or loan originator of the licensee, or other person subject to the Act for failure to
6 pay a fee as required, failure to comply with a directive of subpoena of the Director, or any other violation of
7 the Act. Pursuant to RCW 19.146.200(4), a designated broker, principal, or owner is liable for a licensee's
8 violations of the Act if the designated broker, principal, or owner directs or instructs the conduct, with
9 knowledge of the specific conduct approves or allows the conduct, or knows or by the exercise of reasonable
10 care and inquiry should have known of the conduct at a time when its consequences can be avoided or mitigated
11 and fails to take reasonable remedial action.

12 **3.6 Authority to Collect Annual Assessment Fee.** Pursuant to RCW 19.146.228(1), the Director may
13 collect an annual assessment fee.

14 **3.7 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2) and WAC 208-660-550(5), the
15 Director may collect a fee to cover the costs of any investigation of the books and records of a licensee or other
16 person subject to the Act. The investigation charge will be calculated at the rate of \$48 per hour that each examiner
17 devoted to the investigation.

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

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

- 23 **4.1** Respondents Valcor, Inc., d/b/a E-Z Qual Mortgage and Shane B. Davidson be prohibited from
24 participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in
25 **4.2** Respondents Valcor, Inc., d/b/a E-Z Qual Mortgage and Shane B. Davidson jointly and severally pay a
fine which as of the date of these charges totals \$15,000;

1 **V. AUTHORITY AND PROCEDURE**

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

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9 Dated this 4th day of November, 2010.



10
11 DEBORAH BORTNER
12 Director
13 Division of Consumer Services
14 Department of Financial Institutions

15 Presented by:



16 STEVEN C. SHERMAN
17 Financial Legal Examiner

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19 Approved by:



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21 JAMES R. BRUSSELBACK
22 Enforcement Chief