

Terms Completed

ORDER SUMMARY – Case Number: C-10-115

Name(s): PrimeSource Mortgage, Inc.
Crystal Chavez

Order Number: C-10-115-10-CO01

Effective Date: February 16, 2011

License Number: DFI: 49951 [NMLS: 2039] DFI: 50036 [NMLS: MLO-62761]
Or NMLS Identifier [U/L] (Revoked, suspended, stayed, application denied or withdrawn)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: n/a

Not Eligible Until: _____

Prohibition/Ban Until: n/a

Investigation Costs	\$48	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date
Fine	\$300	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: File MBARs as required

RECEIVED

JAN 26 2011

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

ENFORCEMENT UNIT
DIVISION OF CONSUMER SERVICES
DEPT OF FINANCIAL INSTITUTIONS

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

NO. C-10-115-10-CO01

PRIMESOURCE MORTGAGE INC;
CRYSTAL CHAVEZ, DESIGNATED BROKER,

CONSENT ORDER

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his designee Deborah Bortner, Division Director, Division of Consumer Services, and PrimeSource Mortgage, Inc. and Crystal Chavez (hereinafter Respondents), 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 Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges entered on April 22, 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, 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.

Based upon the foregoing:

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

1 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of their right to a hearing
2 before an administrative law judge, and that they hereby waive their right to a hearing and any and all
3 administrative and judicial review of the issues raised in this matter, or of the resolution reached herein.
4 Accordingly, Respondents, by the signatures of its representatives below, hereby withdraw their Request for Brief
5 Adjudicative Proceeding.

6 **C. Fine.** It is AGREED that Respondents shall pay to the Department a fine of \$300, in the form of a
7 cashier's check made payable to the "Washington State Treasurer," upon entry of this Consent Order.

8 **D. Investigation Fee.** It is AGREED that Respondents shall pay to the Department an investigation fee
9 of \$48, in the form of a cashier's check made payable to the "Washington State Treasurer," upon entry of this
10 Consent Order.

11 **E. Assurance of Compliance:** Respondents acknowledge and understand that RCW 19.146.290 and
12 WAC 208-660-400 require that an annual report of mortgage broker activity be provided to the Department by
13 March 31st of each year. Respondents, by the signatures of its representatives below, assure that they will fully
14 comply with these above provisions.

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

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

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

23 **I. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read this
24 Consent Order in its entirety and fully understand and agree to all of the same.

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1 **RESPONDENTS:**

PrimeSource Mortgage, Inc.; Crystal Chavez, Designated Broker

2 By: [Signature]

1/25/11
Date

3 Printed Name: Jeffrey R Smith

4 Its: President (Title)

5 [Signature]
6 Crystal Chavez,
7 Designated Broker and Individually

1/25/11
Date

8
9 DO NOT WRITE BELOW THIS LINE

10
11 THIS ORDER ENTERED THIS 16th DAY OF February, 2011.



12
13
14 [Signature]
15 DEBORAH BORTNER
16 Director
17 Division of Consumer Services
18 Department of Financial Institutions

19 Presented by:

20 [Signature]

21 ROBERT E. JONES
22 Financial Legal Examiner

23 Approved by:

24 [Signature]

25 FATIMA BATIE
Financial Legal Examiner Supervisor

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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:

PRIMESOURCE MORTGAGE INC;
CRYSTAL CHAVEZ, DESIGNATED BROKER,

Respondents.

NO. C-10-115-10-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO 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). After having conducted an investigation pursuant to RCW 19.146.235, and based upon the facts available as 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 Respondents. PrimeSource Mortgage Inc and Crystal Chavez, Designated Broker (Respondents) were licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker at all times relevant to the conduct alleged. At all times relevant to the Statement of Charges, Crystal Chavez was the Designated Broker for the company.

1.2 Failure to File Mortgage Broker Annual Report. By March 31, 2010, Respondents were required to file an annual report of mortgage broker activity to include the total number of closed loans originated and the total volume of closed loans originated. As of the date of this Statement of Charges Respondents have not filed the 2009 mortgage broker annual report.

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

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II. GROUNDS FOR ENTRY OF ORDER

2.1 Requirement to File Mortgage Broker Annual Report. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.290(1), WAC 208-660-250(7) and WAC 208-660-400(1), (2), (3), and (4) for failing to file the mortgage broker annual report.

III. AUTHORITY TO IMPOSE SANCTIONS

3.1 Authority to Impose Fine. Pursuant to RCW 19.146.220(2)(e) the Director may impose fines on a licensee or other person subject to the Act for any violations of the Act.

3.2 Authority to Collect Investigation Fee. Pursuant to RCW 19.146.228(2), WAC 208-660-520, and WAC 208-660-550(4), 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 the cost of the investigation. The investigation charge will be calculated at the rate of \$48 per hour that each staff person devoted to the investigation.

IV. NOTICE OF INTENTION TO ENTER ORDER

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

- 4.1** Respondents PrimeSource Mortgage Inc and Crystal Chavez jointly and severally pay a fine of \$100 per day for every day starting April 1, 2010, until the 2009 Mortgage Broker Annual Report is filed; and
- 4.2** Respondents PrimeSource Mortgage Inc and Crystal Chavez jointly and severally pay an investigation fee, which as of the date of these charges is \$48 calculated at \$48 per hour for one staff hour devoted to the investigation; and
- 4.3** Respondents PrimeSource Mortgage Inc and Crystal Chavez file the 2009 annual report of mortgage broker activity.

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1 **V. AUTHORITY AND PROCEDURE**

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

8 Dated this 22nd day of April, 2010.



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Deborah Bortner
DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

Fatima Batie
FATIMA BATIE
Financial Legal Examiner Supervisor

Approved by:

James R. Brusselback
JAMES R. BRUSSELBACK
Enforcement Chief