

TERMS COMPLETED

ORDER SUMMARY – Case Number: C-14-1489

Name(s): Eastlake Mortgage Inc.

Order Number: C-14-1489-14-CO01

Effective Date: July 7, 2014

License Number: DFI: 1353 NMLS ID: 1353

License Effect: n/a

Not Apply Until: n/a

Not Eligible Until: n/a

Prohibition/Ban Until: n/a

Investigation Costs	\$824.67	Due	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 7/3/14
Fine	\$60,000	Due:	Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date \$20,000 pd 7/3/14 \$20,000 pd 1/28/15 \$20,000 pd 1/6/16
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: Eastlake provided sworn Declaration of Financial Condition. Upon entry of Consent Order, Licensing will

Continue to process Eastlake's CL license application. Eastlake will also maintain records in accordance with the Consumer

Loan Act.

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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
Consumer Loan Act of Washington by:

No.: C-14-1489-14-CO01

CONSENT ORDER

EASTLAKE MORTGAGE, INC.,
NMLS #1353,

Respondent.

COME NOW the Director of the Department of Financial Institutions (Director), through his
designee Deborah Bortner, Division Director, Division of Consumer Services, and Eastlake
Mortgage, Inc. (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 Revised Code of Washington (RCW) 31.04, the Consumer Loan Act (Act), and
RCW 34.05.060 of the Administrative Procedure Act, based on the following:

FINDINGS OF FACT

1.1 On or about June 29, 2004, Respondent obtained a license from the Department of Financial
Institutions of the State of Washington (Department) to conduct the business of a mortgage broker.
Respondent continues to be licensed as a mortgage broker as of the date of this Consent Order.

1.2 Respondent has never obtained a consumer loan license in accordance with the Act from the
Department.

1.3 From at least May 2010 to May 2014, Respondent made at least 190 residential mortgage
loans secured by real property located in the state of Washington.

1.4 On or about February 12, 2014, Respondent submitted an application to the Department to
engage in the business of a consumer loan company under the Act, and the application is pending.

CONSENT ORDER
C-14-1489-14-CO01
EASTLAKE MORTGAGE, INC

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
P.O. Box 41200
Olympia, WA 98504-1200
(360) 902-8703

1 **CONCLUSIONS OF LAW**

2 **2.1** Based on the above Findings of Fact, Respondent violated RCW 31.04.035 by engaging in the
3 business of a consumer loan company in the state of Washington without first obtaining and
4 maintaining a license in accordance with the Act or meeting an exclusion from the Act under RCW
5 31.04.025.

6 **AGREEMENT AND ORDER**

7 The Department and Respondent have agreed upon a basis for resolution of the Findings of
8 Fact and Conclusions of Law identified in this Consent Order. Pursuant to RCW 31.04.093(7) and
9 RCW 34.05.060, Respondent and the Department agree to entry of this Consent Order and further
10 agree that the matters alleged herein may be economically and efficiently settled by the entry of this
11 Consent Order. Respondent hereby admits the Findings of Fact and Conclusions of Law identified in
12 this Consent Order.

13 Based upon the foregoing:

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

16 **B. Waiver of Hearing.** It is AGREED that Respondent hereby waives any right it has to a
17 hearing and any and all administrative and judicial review of the issues raised in this matter or the
18 resolution reached herein.

19 **C. Consumer Loan License Required.** Subject to Paragraph H of this Consent Order, it is
20 AGREED that Respondent understands that in order to make loans to Washington State residents,
21 Respondent must obtain a consumer loan license in accordance with the Act or qualify for an
22 exemption from licensing as delineated in the Act. It is further AGREED that Respondent provided
23 the Department with assurance that Respondent would not accept any new applications for loans until
24 such time as Respondent obtains a license in accordance with the Act.

1 **D. Declaration of Financial Condition.** It is AGREED that Respondent has provided the
2 Department with a Declaration comprehensively describing its current financial condition.

3 **E. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
4 \$60,000. Upon entry of this Consent Order, Respondent will pay \$20,000 in the form of a cashier's
5 check made payable to the "Washington State Treasurer." Respondent will pay \$20,000 to the
6 Department in the form of a cashier's check made payable to the "Washington State Treasurer" on or
7 before January 30, 2015, and the remaining \$20,000 to the Department in the form of a cashier's
8 check made payable to the "Washington State Treasurer" on or before January 30, 2016.

9 **F. Investigation Fee.** It is AGREED that Respondent shall pay to the Department an
10 investigation fee of \$824.67 in the form of a cashier's check made payable to the "Washington State
11 Treasurer" upon entry of this Consent Order. The initial installment of the Fine and the Investigation
12 Fee may be paid together in one \$20,824.67 cashier's check made payable to the "Washington State
13 Treasurer."

14 **G. Records Retention.** It is AGREED that Respondent, its officers, employees, and agents shall
15 maintain records in compliance with the Act and provide the Director with the location of the books,
16 records and other information relating to Respondent's consumer loan company business, and the
17 name, address and telephone number of the individual responsible for maintenance of such records in
18 compliance with the Act.

19 **H. Application for Consumer Loan License.** It is AGREED that the entry of this Consent
20 Order will not preclude Respondent from obtaining a consumer loan license pursuant to Respondent's
21 pending consumer loan license application with the Department. It is further AGREED that upon
22 payment to the Department of the initial installment required under paragraph E of this Consent
23 Order, SO LONG AS all requirements under chapter 31.04 RCW and 208-620 WAC are
24 satisfactorily met and the application is complete as determined by the Department, the Department

1 will process Respondent's pending consumer loan license application in due course. Respondent will
2 be timely notified of any additional licensing requirements. Respondent agrees to timely respond to
3 any such requests.

4 **I. Authority to Execute Order.** It is AGREED that the undersigned have represented and
5 warranted that they have the full power and right to execute this Consent Order on behalf of the
6 parties represented.

7 **J. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to
8 abide by the terms and conditions of this Consent Order may result in further legal action by the
9 Director. In the event of such legal action, Respondent may be responsible to reimburse the Director
10 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

11 **K. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this
12 Consent Order, which is effective when signed by the Director's designee.

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

15 **RESPONDENT:**
16 Eastlake Mortgage Inc.

17 [Redacted Signature]
18 David D. Eden
19 51% Owner

6/30/14
Date

19 Approved for Entry:
20 [Redacted Signature]

21 Mark D. Schedler, WSBA No. 7732
22 Attorney at Law
23 Williams Kastner
24 Attorneys for Respondents

7/1/14
Date

CONSENT ORDER
C-14-1489-14-CO01
EASTLAKE MORTGAGE, INC.

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 7th DAY OF July, 2014.



[Redacted signature]

DEBORAH BORTNER
Director, Division of Consumer Services
Department of Financial Institutions

Presented by:

[Redacted signature]

SHANA L. OLIVER
Financial Legal Examiner

Approved by:

[Redacted signature]

CHARLES E. CLARK
Enforcement Chief