

ORDER SUMMARY
Consumer Services Division Case Number C-22-3405

Consent Orders resolve investigations. In these, companies and individuals work with us to agree to terms that resolve the alleged issues in the investigation.

Name(s)	West One Capital, Inc. NMLS 982017 Bryan Kevin Bond NMLS 170737
Order Number	C-22-3405-23-CO01
Date issued	June 20, 2023

What does this Consent Order require?

- Must pay a fine of \$6,000.
- Must pay an investigation fee of \$1,483.72. (Investigation fees cover the cost of DFI staff time working on the investigation.)
- Respondents West One Capital, Inc. and Bryan Kevin Bond are not allowed to participate in mortgage broker or consumer loan activity in Washington until June 20, 2026.
- Respondent West One Capital, Inc.'s consumer loan licensed was surrendered.

Need more information?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or cseforcecomplaints@dfi.wa.gov. *Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.*

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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
Consumer Loan Act of Washington by:

No.: C-22-3405-23-CO01

CONSENT ORDER

WEST ONE CAPITAL GROUP, INC., NMLS
No. 982017, and

BRYAN KEVIN BOND, President and Owner,
NMLS No. 170737,

Respondents.

COMES NOW the Director of the Department of Financial Institutions (Director), through his
designee Lucinda Fazio, Division of Consumer Services Director, and West One Capital Group, Inc.,
(Respondent West One), and Bryan Kevin Bond, President and Owner of Respondent West One
(Respondent Bond) (collectively 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 31.04 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
Respondents have agreed upon a basis for resolution of the matters alleged in Statement of Charges
No. C-22-3405-23-SC01 (Statement of Charges), entered February 27, 2023, (copy attached hereto).
Pursuant to chapter 31.04 RCW, the Consumer Loan 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

1 resolve the Statement of Charges. Respondents agree not to contest the Statement of Charges in
2 consideration of the terms of this Consent Order. Based upon the foregoing:

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

5 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a
6 hearing before an administrative law judge, and hereby waive their right to a hearing and any and all
7 administrative and judicial review of the issues raised in this matter, or of the resolution reached
8 herein. Accordingly, Respondents withdraw their appeal to the Office of Administrative Hearings.

9 **C. No Admission of Liability.** It is AGREED that Respondents neither admit nor deny any
10 wrongdoing by the entry of this Consent Order.

11 **D. Consumer Loan Company License.** It is AGREED that Respondent West One's
12 consumer loan company license is surrendered effective on the date of entry of this Consent Order.

13 **E. Record Retention.** It is AGREED that Respondent West One, its officers, employees,
14 and agents shall maintain records in compliance with the Act and provide the Director with the
15 location of the books, records and other information relating to Respondent West One's consumer
16 loan business conducted prior to license surrender, and will provide the Department the name,
17 address and telephone number of the individual responsible for maintenance of such records.

18 **F. Prohibition from Industry.** It is AGREED that for a period of three years from the date of
19 entry of this Consent Order Respondents are prohibited from participation, in any manner, in the
20 conduct of the affairs of any mortgage broker or consumer loan company licensed by the Department
21 or subject to licensure or regulation by the Department.

22 **G. Fine.** It is AGREED that Respondents shall pay a fine to the Department in the amount of
23 \$6,000. The Fine shall be paid pursuant to Paragraph I.

1 **H. Investigation Fee.** It is AGREED that Respondents shall pay an Investigation fee of
2 \$1,483.72 pursuant to Paragraph I.

3 **I. Payments.** It is AGREED that the Respondents shall pay the Fine and Investigation Fee
4 together in one \$7,483.72 cashier's check payable to the "Washington State Treasurer" upon delivery
5 of this signed Consent Order to the Department.

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

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

13 **L. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this
14 Consent Order, which is effective when signed by the Director's designee.

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

17 **N. Counterparts.** This Consent Order may be executed in any number of counterparts,
18 including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed to be an
19 original, but all of which, taken together, shall constitute one and the same Consent Order.

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1 **RESPONDENTS:**

2 West One Capital Group, Inc.

3 By:

4 [Redacted Signature]

5 Bryan Kevin Bond
6 President and Owner

6-7-2023
Date

7 [Redacted Signature]

8 Bryan Kevin Bond
9 Individually

6-7-2023
Date

10 DO NOT WRITE BELOW THIS LINE

11 THIS ORDER ENTERED THIS 20th DAY OF June, 2023.



12 [Redacted Signature]

13 Lucinda Fazio, Director
14 Division of Consumer Services
15 Department of Financial Institutions

16 Presented by:

17 [Redacted Signature]

18 KENDALL FREED
19 Financial Legal Examiner Supervisor

20 Approved by:

21 [Redacted Signature]

22 JACK McCLELLAN
23 Enforcement Chief

1 **1.2 2022 Examination.** The Department conducted a supervisory watch examination of
2 Respondent West One in 2022 due to a 2020 examination that identified multiple violations of the
3 Act. In the 2022 Examination, the Department examined all five residential mortgage loans (closed
4 loans) originated by Respondent West One between March 1, 2021, through December 31, 2021, for
5 properties located in Washington (relevant period). In the 2022 Examination the Department again
6 identified multiple violations of the Act further explained below. At least four of the violations of the
7 Act from the 2022 examination were also identified during the 2020 examination.

8 **1.3 Failed to Date a Residential Mortgage Loan Application.** In one of the five closed loans,
9 Respondent West One failed to date a residential mortgage loan application. This is a repeat
10 violation also identified during the 2020 examination.

11 **1.4 Failed to Disclose Required Information in Advertisements.** Respondent West One
12 advertised on its website, westonecap.lendingstation.com/products, using the following triggering
13 terms such as “Term: 30 years,” “Term 25 years,” and “Term 20 years,” without also disclosing the
14 required terms of repayment over the full term of the loan and the annual percentage rate. This is a
15 repeat violation also identified during the 2020 examination.

16 **1.5 Failed to Adhere to Tolerance Limits.** In three of the five closed loans, Respondent West
17 One charged at closing more for appraisal fees than the amount disclosed to the borrowers on the
18 Loan Estimates when there were no valid changes of circumstances. Respondent West One charged
19 these borrowers more than they were allowed to under Regulation Z’s zero tolerance limit that
20 prohibits increases to appraisal fees after the Loan Estimate is provided unless there is a valid change
21 of circumstance. In two of the five closed loans, Respondent West One charged at closing more for
22 loan origination fees than the amount disclosed to the borrowers on the Loan Estimates when there
23 were no valid changes in circumstances. Respondent West One charged these borrowers more than
24 they were allowed to under Regulation Z’s zero percent tolerance limit that prohibits increases to fees

1 paid to the creditor, including origination fees, after the Loan Estimate is provided, absent a valid
2 change in circumstance. Respondent West One previously provided refunds/restitution per the
3 Department's request during the examination for these closed loans. This is a repeat violation also
4 identified during the 2020 examination.

5 **1.6 Failed to Provide Accurate Closing Disclosures.** In at least three of the five closed loans,
6 Respondent West One failed to provide Washington borrowers with accurate closing disclosures. In
7 all three occasions, Respondent West One stated the borrowers shopped for title services by including
8 the title fees in the section for services the borrowers did shop for on the Closing Disclosures when
9 the borrowers did not shop for title services. This is a repeat violation also identified during the 2020
10 examination.

11 **1.7 Failed to Properly Disclose Origination and Discount Point Fees.** In two of the five closed
12 loans, Respondent West One provided Loan Estimates and Closing Disclosures that inaccurately
13 disclosed origination fees and discount point fees. The discount points charged were lumped together
14 with loan origination fees and were not separately disclosed. This prevented the borrowers from
15 being able to see the cost of the discount paid for the interest rate received.

16 **1.8 Failed to Substantiate Loan Pricing.** In two of the five closed loans, Respondent West One
17 failed to substantiate that the loan level pricing adjustments charged were accurate. In one of the
18 closed loans, Respondent West One charged a borrower a lump sum dollar amount for an
19 "origination fee" that Respondent West One stated was actually for discount points to reduce the
20 interest rate. Respondent West One was asked to substantiate that the dollar amount charged for the
21 origination fee correctly correlated with the rate reduction the borrower received. Respondent West
22 One could not substantiate a definitive mathematical relationship between the dollar amount charged
23 for the origination fee and the interest rate reduction the borrower received and admitted the borrower
24 had been overcharged for the rate reduction the borrower received. In another closed loan,

1 Respondent West One again charged a borrower a lump sum set dollar amount for an origination fee.
2 Respondent West One was asked to substantiate that the dollar amount charged for the origination fee
3 correctly correlated with the interest rate the borrower received and all loan level pricing adjustments
4 that were charged for rate lock agreements. Respondent West One again failed to substantiate that
5 the lump sum dollar amount charged as an origination fee correctly correlated with the actual charges
6 for the loan level pricing adjustments and the interest rate the borrower received. This borrower was
7 also overcharged for the origination fee. Respondent West One previously provided
8 refunds/restitution per the Department's request during the examination for these closed loans.

9 **1.9 On-Going Investigation.** The Department's investigation into the alleged violations of the
10 Act by Respondents continues to date.

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

12 **2.1 Unfair or Deceptive Practice.** Based on the Factual Allegations set forth in Section I above,
13 Respondents are in apparent violation of RCW 31.04.027(1)(b) for directly or indirectly engaging in
14 any unfair or deceptive practice toward any person, and WAC 208-620-550(18) for failing to indicate
15 on all residential mortgage loan applications the date the application was taken or revised.

16 **2.2 Compliance with Applicable Federal Advertising Laws.** Based on the Factual Allegations
17 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(1)(m) and
18 WAC 208-620-640 for failing to comply with applicable federal laws or rules relating to the activities
19 governed by the Act, including the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.*, as implemented
20 by Regulation Z, including specifically, 12 C.F.R. §§1026.24(d)(1)(ii) and (2)(ii) and (iii).

21 **2.3 Requirement to Comply with the Truth in Lending Act.** Based on the Factual Allegations
22 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(1)(m) and
23 WAC 208-620-640 for failing to comply with applicable federal laws or rules relating to the activities
24 governed by the Act, including the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.*, as implemented

1 by Regulation Z, including specifically, the tolerance limits set by 12 C.F.R. §1026.19(e)(3), the
2 requirements for accurate closing disclosures set by 12 C.F.R. §1026.38(f), and the requirements to
3 separately disclose origination and discount point fees paid to the creditor to reduce the interest rate
4 set by 12 C.F.R. §1026.37(f)(1)(i), and 12 C.F.R. § 1026.38(f)(1).

5 **2.4 Unfair or Deceptive Practice Related to Loan Pricing.** Based on the Factual Allegations set
6 forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(1)(b) for directly
7 or indirectly engaging in any unfair or deceptive practice toward any person, RCW 31.04.027(1)(g)
8 for making, in any manner, any false or deceptive statement or representation with regard to the rates,
9 points, or other financing terms or conditions for a residential mortgage loan, and WAC 208-620-
10 555(3)(e) for failing to show a definitive mathematical relationship between discount points paid and
11 the interest rate, for failing to disclose add-on fees as part of discount points, and for failing to
12 substantiate the loan level pricing adjustments charged were accurate.

13 III. AUTHORITY TO IMPOSE SANCTIONS

14 **3.1 Authority to Revoke License.** Pursuant to RCW 31.04.093(3)(b), the Director may revoke a
15 license if the Director finds that either knowingly or without the exercise of due care, the licensee has
16 violated any provision of this chapter or any rule adopted under this chapter.

17 **3.2 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6)(e), the Director
18 may issue an order prohibiting from participation in the affairs of any licensee, any officer, principal,
19 employee, mortgage loan originator, or any other person subject to the Act for a violation of RCW
20 31.04.027.

21 **3.3 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose fines of
22 up to one hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or
23 any other person subject to the Act for any violation of the Act or failure to comply with any order or
24 subpoena issued by the Director under the Act.

1 **3.4 Authority to Charge Investigation Fee.** Pursuant to RCW 31.04.145(3) and WAC 208-620-
2 590, WAC 208-620-610(7), every licensee investigated by the Director or the Director's designee
3 shall pay for the cost of the examination or investigation, calculated at the rate of \$69.01 per staff
4 hour devoted to the examination or investigation.

5 **3.5 Authority to Recover Costs and Expenses.** Pursuant to RCW 31.04.205(2), the Director
6 may recover the state's costs and expenses for prosecuting violations of the Act.

7 **IV. NOTICE OF INTENT TO ENTER ORDER**

8 Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-620 WAC,
9 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose
10 Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, RCW
11 31.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER that:

- 12 **4.1** Respondent West One Capital Group, Inc.'s license to conduct the business of a
13 consumer loan company be revoked.
- 14 **4.2** Respondents West One Capital Group, Inc. and Bryan Kevin Bond be prohibited from
15 participation in the conduct of the affairs of any consumer loan company subject to
16 licensure by the Director, in any manner, for a period of five (5) years.
- 17 **4.3** Respondents West One Capital Group, Inc. and Bryan Kevin Bond jointly and
18 severally pay a fine. As of the date of this Statement of Charges, the fine totals
19 \$30,000.
- 20 **4.4** Respondents West One Capital Group, Inc. and Bryan Kevin Bond jointly and
21 severally pay an investigation fee. As of the date of this Statement of Charges, the
22 investigation fee totals \$1,483.72
- 23 **4.5** Respondents West One Capital Group, Inc. and Bryan Kevin Bond maintain records in
24 compliance with the Act and provide the Department with the location of records
relating to Respondent West One Capital Group Inc.'s consumer loan business, and
the name, address and telephone number of the individual responsible for maintenance
of such records in compliance with the Act.
- 4.6** Respondents West One Capital Group, Inc. and Bryan Kevin Bond jointly and severally
pay the Department's costs and expenses for prosecuting violations of the Act in an
amount to be determined at hearing or by declaration with supporting documentation
in event of default by any Respondent.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intent to Enter an Order to Revoke License, Prohibit from Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses (Statement of Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY FOR ADJUDICATIVE HEARING AND TO DEFEND accompanying this Statement of Charges.

Dated this 27th day of February, 2023.



Lucinda Fazio, Director
Division of Consumer Services
Department of Financial Institutions

Presented by:

KENDALL FREED
Financial Legal Examiner

Approved by:

JACK McCLELLAN
Enforcement Chief