



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:

NO. C-09-447-10-FO01

STERLING COAST TO COAST FINANCIAL
GROUP, INC. and JAMES NEYLAN, Owner,
President, and Designated Broker,
Respondents.

FINAL ORDER

I. DIRECTOR'S CONSIDERATION

A. Procedural History. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director) pursuant to RCW 34.05.464. On November 23, 2009, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Revoke Licenses, Impose Fine, 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 23, 2009, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondent Sterling Coast To Coast Financial Group, Inc. and Respondent James Neylan. The Department served the Statement of Charges, cover letter dated November 23, 2009, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondent

1 Sterling Coast To Coast Financial Group, Inc. and Respondent James Neylan on Respondents on
2 November 23, 2009, by First-Class mail and Federal Express overnight delivery.

3 On December 11, 2009, Respondents each filed an Application for Adjudicative Hearing. On
4 December 14, 2009, the Department made a request to the Office of Administrative Hearings (OAH)
5 to assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing.

6 On December 22, 2009, ALJ Gay send a Notice of Prehearing Conference by Telephone
7 scheduled for January 26, 2010, at 9:00 a.m. to the address in Respondents' Applications for
8 Adjudicative Hearing. That Notice contained the following statement: "If you fail to appear or
9 participate in the prehearing conference, hearing, or any other scheduled stage of these proceedings,
10 you may lose your right to a hearing as described in RCW 34.05.440."
11

12 On January 26, 2010, the prehearing conference was convened by ALJ Gay at 9:00 a.m.
13 Respondents did not to appear. The Department moved for an order of default based on Respondents'
14 failure to appear. On January 29, 2010, ALJ Gay issued an Initial Order of Default dismissing
15 Respondents' appeal and affirming the Statement of Charges. On January 29, 2010, ALJ Gay sent the
16 Initial Order of Default to the address in Respondents' Applications for Adjudicative Hearing.
17

18 Pursuant to RCW 34.05.440(3), Respondents had seven (7) days from the date of service of
19 the Initial Order of Default to file a written motion with OAH requesting that the Initial Order of
20 Default be vacated, and stating the grounds relied upon. Respondents did not make a request to
21 vacate during the statutory period. Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents
22 had twenty (20) days from the date of service of the Initial Order of Default to file a Petition for
23 Review of the Initial Order of Default with the Director. Respondents did not file a Petition for
24 Review during the statutory period.
25

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

- 3 1. Statement of Charges, cover letter dated November 23, 2009, and Notice of
4 Opportunity to Defend and Opportunity for Hearing, with documentation of service;
- 5 2. Applications for Adjudicative Hearing for Respondent Sterling Coast To Coast
6 Financial Group, Inc. and Respondent James Neylan;
- 7 3. Notice of Prehearing Conference by Telephone dated December 22, 2009, with
8 documentation of service; and
- 9 4. Initial Order of Default dated January 29, 2010, with documentation of service.

10 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.461, the Director
11 hereby adopts the Statement of Charges, which is attached hereto.

12 II. FINAL ORDER

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

15 A. IT IS HEREBY ORDERED, That:

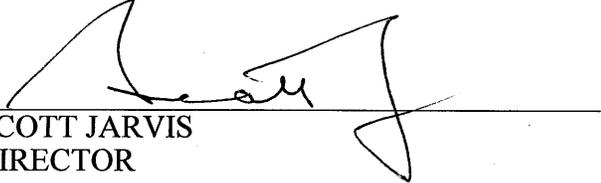
- 16 1. Respondent Sterling Coast to Coast Financial Group, Inc.'s license to conduct
17 the business of a mortgage broker is revoked;
- 18 2. Respondent James Neylan's license to conduct the business of a designated
19 broker and loan originator is revoked;
- 20 3. Respondents Sterling Coast to Coast Financial Group, Inc. and James Neylan
21 jointly and severally pay a fine totaling \$5,000;
- 22 4. Respondents Sterling Coast to Coast Financial Group, Inc. and James Neylan
23 jointly and severally pay an investigation fee of \$192 calculated at \$48 per hour
24 for four (4) staff hours devoted to the investigation;
- 25 5. Respondents Sterling Coast to Coast Financial Group, Inc. and James Neylan
file the 2008 annual report of mortgage broker activity; and

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

4 DATED this 17th day of March, 2010.



6 STATE OF WASHINGTON
7 DEPARTMENT OF FINANCIAL INSTITUTIONS

8 
9 SCOTT JARVIS
10 DIRECTOR

1
2
3
4
5
6
7
8

**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-09-447-09-SC01

STERLING COAST TO COAST FINANCIAL
GROUP, INC. and JAMES NEYLAN, Owner,
President, and Designated Broker,

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO ENTER
AN ORDER TO CEASE AND DESIST, REVOKE
LICENSES, IMPOSE FINE, AND COLLECT
INVESTIGATION FEE

Respondents.

9
10
11
12
13
14

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:

15
16
17
18
19
20
21
22

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Sterling Coast to Coast Financial Group, Inc. (Respondent Sterling) was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker on October 21, 2008, and continues to be licensed to date. Respondent Sterling is licensed to conduct the business of a mortgage broker at the following location: 2102 Business Center Drive, Irvine, California 92612.

B. James Neylan (Respondent Neylan) is President, Owner, and Designated Broker of Respondent Sterling. Respondent Neylan was named Designated Broker of Respondent Sterling on October 21, 2008, and continues as Designated Broker to date.

25

¹ RCW 19.146 (2007)

1 **1.2 Failure to Maintain Bond.** On September 29, 2009, the Department received notice from Hartford
2 Fire Insurance Company that Respondent Sterling's surety bond would be cancelled. Respondent Sterling's
3 bond cancelled effective November 1, 2009. To date, Respondents have failed to provide the Department with
4 the required surety bond.

5 **1.3 Failure to Respond to Directives.** On November 9, 2009, the Department served a directive on
6 Respondents by First-Class mail and Federal Express requiring Respondents to provide copies of documents to
7 the Department by November 16, 2009. The directive sent via First-Class mail was not returned. The
8 Department received delivery confirmation dated November 10, 2009, for the directive sent via Federal
9 Express. To date, Respondents have not responded to or complied with these directives.

10 **1.4 Failure to File Mortgage Broker Annual Reports.** By March 31, 2009, Respondents were required
11 to file an annual report of mortgage broker activity to include the total number of closed loans originated and
12 the total volume of closed loans originated. To date, Respondents have not filed the 2008 mortgage broker
13 annual report.

14 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
15 Respondents continues to date.

16 II. GROUNDS FOR ENTRY OF ORDER

17 **2.1 Requirement to Maintain Surety Bond.** Based on the Factual Allegations set forth in Section I
18 above, Respondents are in apparent violation of RCW 19.146.205(4)(a) and WAC 208-660-175(1) for failing to
19 file and maintain a surety bond with the Department.

20 **2.2 Requirement to Comply with the Department's Investigative Authority.** Based on the Factual
21 Allegations set for in Section I above, Respondents are in apparent violation of RCW 19.146.235 for failing to
22 comply with the Department's authority to conduct investigations.

23 **2.3 Requirement to File Mortgage Broker Annual Report.** Based on the Factual Allegations set forth in
24 Section I above, Respondents are in apparent violation of RCW 19.146.290(1) and WAC 208-660-400(1), (2),
25 (3), and (4) for failing to file the mortgage broker annual reports.

1 **III. AUTHORITY TO IMPOSE SANCTIONS**

2 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the Director may
3 issue orders directing a licensee, its employee or loan originator, or other person subject to the Act to cease and
4 desist from conducting business.

5 **3.2 Authority to Revoke License.** Pursuant to RCW 19.146.220(2)(c) and (e) the Director may revoke a
6 license for failure to pay a fee required by the Director, or maintain the required bond, or any violation of the
7 Act.

8 **3.3 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and (3) and WAC 208-660-530(6), the
9 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to
10 the Act for any violations of RCW 19.146.200, or any violation of the Act.

11 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-520(9) and
12 WAC 208-660-550(4) upon completion of any investigation of the books and records of a licensee or other person
13 subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to cover
14 the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars (\$48) per
15 hour that each staff person devoted to the investigation.

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

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

- 21 **4.1** Respondents Sterling Coast to Coast Financial Group, Inc. and James Neylan cease and desist from
22 conducting the business of a mortgage broker;
- 23 **4.2** Respondent Sterling Coast to Coast Financial Group, Inc.'s license to conduct the business of a
24 mortgage broker be revoked;
- 25 **4.3** Respondent James Neylan's license to conduct the business of a designated broker and loan originator
be revoked;

- 1 4.4 Respondents Sterling Coast to Coast Financial Group, Inc. and James Neylan jointly and severally pay a fine, which as of the date of this Statement of Charges totals \$5,000;
- 2
- 3 4.5 Respondents Sterling Coast to Coast Financial Group, Inc. and James Neylan jointly and severally pay an investigation fee which as of the date of this Statement of Charges totals \$192 calculated at \$48 per hour for four (4) staff hours devoted to the investigation;
- 4
- 5 4.6 Respondents Sterling Coast to Coast Financial Group, Inc. and James Neylan file the 2008 annual report of mortgage broker activity; and
- 6 4.7 Respondents Sterling Coast to Coast Financial Group, Inc. and James Neylan maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondents' mortgage broker business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.
- 7
- 8

V. AUTHORITY AND PROCEDURE

9 This Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Revoke
 10 Licenses, Impose Fine, and Collect Investigation Fee (Statement of Charges) is entered pursuant to the
 11 provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, and is subject to
 12 the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondents may make a written
 13 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY
 14 FOR HEARING accompanying this Statement of Charges.

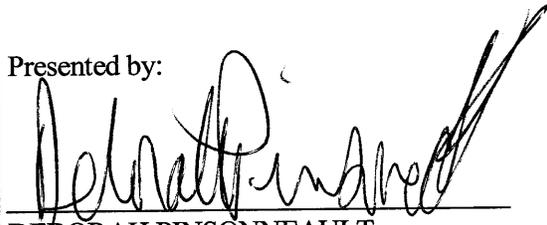
15 //
 16 //
 17 //
 18 //
 19 //
 20 //
 21 //
 22 //
 23 //
 24 //
 25 //

1 Dated this 23rd day of November, 2009.

2
3 

4 DEBORAH BORTNER
5 Director
6 Division of Consumer Services
7 Department of Financial Institutions

8 Presented by:

9 

10 DEBORAH PINSONNEAULT
11 Financial Legal Examiner



12 Approved by:

13 

14 JAMES R. BRUSSELBACK
15 Enforcement Chief

16
17
18
19
20
21
22
23
24
25