



1 Based upon the foregoing:

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

4 **B. Waiver of Hearing.** It is AGREED that Respondents have been informed of the right to a hearing before  
5 an administrative law judge, and that they have waived their right to a hearing and any and all administrative and  
6 judicial review of the issues raised in this matter, or of the resolution reached herein. Accordingly, Respondents  
7 agree to withdraw their appeal and to inform the Office of Administrative Hearings in writing of their withdrawal.  
8 Further, Respondents have entered into a release which is incorporated herein by reference.

9 **C. Efforts Exerted by Respondents.** The parties agree that the Respondents have undertaken significant  
10 efforts to investigate, address and correct the compliance issues that lead to the Statement of Charges. Those efforts  
11 have resulted in the expenditure of significant resources of time and money by Respondents and have resulted in  
12 improved compliance systems.

13 **D. Compliance with the Law.** It is AGREED that Respondents shall comply with the Mortgage Broker  
14 Practices Act and the rules adopted thereunder, now existing and as hereafter amended, when engaged in any  
15 activities subject to that statute and rules.

16 **E. Admissions.** It is AGREED that Respondents have cooperated with the Department's investigation into  
17 this matter and acknowledge the Department's jurisdiction and authority to enter this Consent Order. Respondent  
18 Paramount admits that during the relevant time period, Paramount did not maintain books and records in violation  
19 of RCW 19.146.060(2) and WAC 208-660-450(1)(a)(ii), (iii), and (vii); processed 56 loans originated by unlicensed  
20 loan originators in violation of RCW 19.146.200(1); and, in some aspects of its advertising, were in violation of  
21 RCW 19.146.0201(2), (7), (10), and (11).

22 With these exceptions, Respondents neither admit nor deny the Factual Allegations of the Statement of Charges.  
23 The parties intend this Consent Order to fully resolve the Statement of Charges.

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1       **F. Fine.** It is AGREED and ORDERED that Respondent Paramount shall pay to the Department a fine of  
2 \$225,000 in the form of cashier's checks made payable to the "Washington State Treasurer" as follows:

- 3           1. Upon entry of this Consent Order, Respondent Paramount shall pay \$175,000 to the Department.  
4           2. Within 120 days of the entry of this Consent Order, Respondent Paramount shall pay the remaining  
5 \$50,000 to the Department.

6       **G. Restitution.** It is AGREED and ORDERED that Respondent Paramount shall pay \$143,050 in restitution  
7 to 53 consumers. If restitution cannot be made to any particular consumer, Respondents shall take the necessary  
8 steps to escheat such funds to the State of Washington as unclaimed property in the name of the consumer. Within  
9 120 days of the entry of this Consent Order, Respondents shall provide the Department with an affidavit signed by  
10 Respondent Dawson attesting to the payment of restitution and providing written proof that the entire restitution  
11 amount has either been received by consumers or escheated to the state. The "written proof" at a minimum must  
12 consist of copies of the front and back of cancelled checks.

13       **H. Rights of Consumers.** It is AGREED that this Consent Order shall not release, waive, or in any way affect  
14 any legal rights that any consumers may have concerning Respondents.

15       **I. Investigation Fee.** It is AGREED and ORDERED that upon entry of this Consent Order, Respondent  
16 Paramount shall pay to the Department an investigation fee of \$25,000 in the form of a cashier's check made  
17 payable to the "Washington State Treasurer."

18       **J. Examination Fee.** It is AGREED and ORDERED that upon entry of this Consent Order, Respondent  
19 Paramount shall pay to the Department an examination fee of \$3,366.51 in the form of a cashier's check made  
20 payable to the "Washington State Treasurer."

21       **K. Injunctive Relief: The Mortgage Broker Practices Act.** It is AGREED and ORDERED that  
22 Respondents, their officers, directors, control persons, agents, employees, independent contractors, and loan  
23 originators, shall each cease and desist from violating the Mortgage Broker Practices Act, including but not limited  
24 to RCW 19.146.0201(2), (3), (6), (7), (10), (11), (13), and (15); RCW 19.146.030; RCW 19.146.200(1); and  
25 19.146.060(2); and the specific practices set forth in Attachment A, incorporated herein by reference.

1       **L. Future Applications for License.** It is AGREED that should Respondents apply to the Department in the  
2 future for a Consumer Loan Company license, or any other license, under any name, Respondents shall be required  
3 to meet any and all application requirements in effect at that time. The admissions, conduct, and allegations serving  
4 as the basis for the issuance of the Statement of Charges and Consent Order in this matter will not be used in the  
5 assessment of any future applications.

6       **M. Injunctive Relief: The Consumer Loan Act.** It is AGREED and ORDERED that if Respondents should  
7 become licensed under the Consumer Loan Act under any name, each officer, director, control person, agent,  
8 employee, independent contractor, and loan originator shall each comply with all the statutory provisions and rules  
9 promulgated under the Consumer Loan Act, now existing and as hereafter amended, including but not limited to  
10 RCW 31.04.027, as set forth in Attachment B, incorporated herein by reference. It is FURTHER AGREED and  
11 ORDERED that if Respondents should become licensed under the Consumer Loan Act under any name, each  
12 officer, director, control person, agent, employee, independent contractor, and loan originator shall each comply with  
13 all the statutory provisions and rules promulgated under the Consumer Loan Act, including but not limited to RCW  
14 31.04.102, as set forth in Attachment C, incorporated herein by reference. It is FURTHER AGREED and  
15 ORDERED that if Respondents should become licensed under the Consumer Loan Act under any name, each  
16 officer, director, control person, agent, employee, independent contractor, and loan originator shall each comply with  
17 all the statutory provisions and rules promulgated under the Consumer Loan Act, including RCW 31.04.135, which  
18 provides that no licensee may advertise, print, display, publish, distribute, or broadcast or cause or permit to be  
19 advertised, printed, displayed, published, distributed, or broadcast, in any manner whatsoever, any statement or  
20 representation with regard to the rates, terms, or conditions for the lending of money that is false, misleading, or  
21 deceptive.

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

24       **O. Non-Compliance with Order.** It is AGREED that Respondents understand that failure to abide by the  
25 terms and conditions of this Consent Order may result in further legal action by the Director.

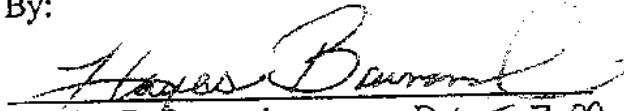
1 **P. Voluntarily Entered.** It is AGREED that the undersigned Respondents have voluntarily entered into this  
2 Consent Order, which is effective when signed by the Director's designee.

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

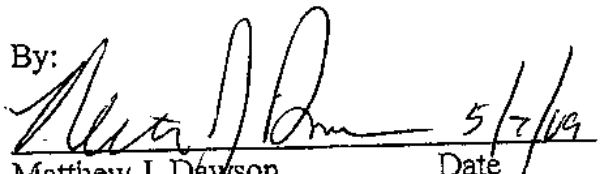
5  
6 **RESPONDENTS:**

7  
8 **PARAMOUNT EQUITY MORTGAGE, INC.**


9 By:

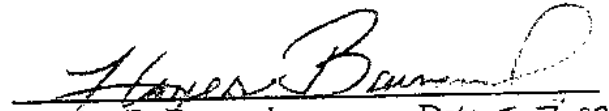
10   
11 Hayden D. Barnard Date 5-7-09  
12 President

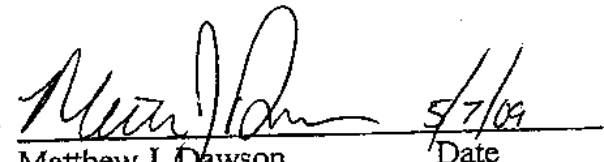
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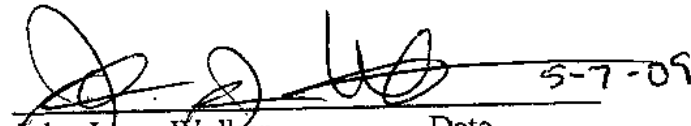
13   
14 Matthew J. Dawson Date 5/7/09  
15 Secretary, Treasurer, Vice President

16 By:

17   
18 John Jason Walker Date 5-7-09  
19 Chief Financial Officer and Vice President

20   
21 Hayden D. Barnard Date 5-7-09  
22 Individually

23   
24 Matthew J. Dawson Date 5/7/09  
25 Individually

26   
27 John Jason Walker Date 5-7-09  
28 Individually

1 Approved as to form:  
2 Foster Pepper, PLLC

3  
4 Douglas L. Davies, WSBA #16750  
Attorneys for Respondents

5/7/09  
Date

5 DO NOT WRITE BELOW THIS LINE

6 THIS ORDER ENTERED THIS 11<sup>th</sup> DAY OF May, 2009.



Deborah Bortner

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