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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

C-09-232-09-TD02

PINNACLE CAPITAL MORTGAGE  
CORPORATION, D/B/A ABSOLUTE  
MORTGAGE, and  
ABSOLUTE MORTGAGE CORPORATION,

TEMPORARY ORDER TO  
CEASE AND DESIST

Respondents.

THE STATE OF WASHINGTON TO:

PINNACLE CAPITAL MORTGAGE CORPORATION  
ABSOLUTE MORTGAGE CORPORATION

COMES NOW the Director of the Washington State Department of Financial Institutions (Director), by and through his designee Deborah Bortner, Division Director, Division of Consumer Services (designee), and finding that the public is likely to be substantially injured by delay in issuing a cease and desist order, enters this Temporary Order to Cease and Desist pursuant to chapter 31.04 RCW, the Consumer Loan Act (Act), based on the following:

**I. FACTUAL FINDINGS**

**1.1 Respondents.**

**A. Pinnacle Capital Mortgage Corporation (Respondent Pinnacle)** was licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a Consumer Loan Company on September 3, 2008, and continues to be licensed to date. Respondent Pinnacle is licensed to conduct business as a Consumer Loan Company from its main office at 193 Blue Ravine Road, Suite 240, Folsom, California, and at 22 branch locations in Idaho, Oregon, and Washington. Respondent Pinnacle is authorized by the Department to use the trade name of Absolute Mortgage at four branch locations in Washington.

1           **B. Absolute Mortgage Corporation (Respondent Absolute)** is a Washington Corporation which  
2 currently holds consumer loan branch licenses from Respondent Pinnacle at four locations in Washington;  
3 including two locations in Issaquah, one location in Maple Valley, and one location in Bellevue.

4 **1.2 Unlicensed Activity.** On or about September 3, 2009, the Department was contacted by a licensing  
5 coordinator for S&P Lending Group (S&P), a company known to be owned and operated by Shawn L.  
6 Portmann, concerning a consumer loan branch license application S&P had submitted the previous week under  
7 Absolute Mortgage. The licensing coordinator was informed at that time that Absolute Mortgage was a branch  
8 of Pinnacle Capital Mortgage Corporation and that any license application had to be filed through Pinnacle.

9           On or about September 16, 2009, the Department received information that S&P was engaged in the  
10 business of originating residential mortgage loans from their location in Puyallup, Washington. A  
11 representative for the Department called Respondent Pinnacle and asked if Respondent Pinnacle had any plans  
12 to license S&P as a branch at the Puyallup location. A representative for Respondent Pinnacle confirmed that  
13 they intended to submit the branch application for S&P “within 24 hours” and stated that S&P was not and  
14 would not conduct any business on behalf of Respondent Pinnacle until the branch license was issued.

15           On or about September 17, 2009, Respondent Pinnacle filed a branch application for S&P at the  
16 Puyallup location through the NMLS licensing database. As of the date of this Order, however, Respondent  
17 Pinnacle has not filed the remaining paperwork with the Department necessary to process the application. As a  
18 result, no license has been issued to Respondent Pinnacle for S&P or for an office in Puyallup.

19           On or about September 22, 2009, a representative for the Department went to the S&P office in  
20 Puyallup and found the office to be open for business. The Department’s representative met with Shawn  
21 Portmann and requested an application to refinance a residential mortgage loan. Mr. Portmann directed a staff  
22 member to provide the Department’s representative with a Uniform Residential Loan Application and told the  
23 Department’s representative that S&P could assist with obtaining a residential mortgage loan. Page four of the  
24 application identified the company utilizing the form as “Absolute Mortgage” in Bellevue Washington.

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1 **1.3 Aiding and Abetting Unlicensed Activity.** The facts set forth in section 1.2, above, are incorporated  
2 herein by reference.

## 3 **II. GROUNDS FOR ENTRY OF ORDER**

4 **2.1 Unlicensed Activity.** Based on the Factual Allegations set forth in Section I above, Respondents are in  
5 apparent violation of RCW 31.04.027(2), RCW 31.04.035, RCW 31.04.075, and WAC 208-620-270 for  
6 conducting business from an unlicensed location.

7 **2.2 Aiding and Abetting Unlicensed Activity.** Based on the Factual Allegations set forth in Section I  
8 above, Respondents, in the alternative, are in apparent violation of RCW 31.04.027(2) and WAC 208-620-  
9 570(12) for aiding and abetting an unlicensed person to practice in violation of the Consumer Loan Act or the  
10 Mortgage Broker Practices Act.

11 **2.3 Transacting Business under a Name other than that on License.** Based on the Factual Allegations  
12 set forth in Section I above, Respondents are in apparent violation of RCW 31.04.027(2) and WAC 208-620-  
13 420 for conducting business under a name other than that on their license.

14 **2.4 Requirement to Conduct Business in a Manner that is not Injurious or Illegal.** Based on the  
15 Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.04.165 by  
16 conducting business in an injurious manner that creates a reasonable likelihood of a violation of any provision  
17 of the Act.

## 18 **III. AUTHORITY TO ISSUE TEMPORARY ORDER TO CEASE AND DESIST**

19 **3.1 Authority to Issue Temporary Order to Cease and Desist.** Pursuant to RCW 31.04.165, if it  
20 appears to the director that a licensee is conducting business in an injurious manner, or is violating any  
21 provision of the Act, the director may order or direct the discontinuance of any such injurious or illegal  
22 practice. Pursuant to RCW 31.04.093(7), whenever the director determines that the public is likely to be  
23 substantially injured by delay in issuing a cease and desist order, the director may immediately issue a  
24 temporary cease and desist order. The order may direct the licensee to discontinue any violation of this chapter,  
25 to take such affirmative action as is necessary to comply with this chapter, and may include a summary

1 suspension of the licensee's license and may order the licensee to immediately cease the conduct of business  
2 under this chapter.

3 **IV. ORDER**

4 Based on the above Factual Findings, Grounds for Entry of Order, and Authority to Issue Temporary  
5 Order to Cease and Desist, and pursuant to RCW 31.04.093(7) and RCW 31.04.165, the Director determines  
6 that the Respondents are conducting business in an injurious manner in violation of the provisions of the Act,  
7 and that the public is likely to be substantially injured by a delay in entering a cease and desist order.

8 Therefore, the Director ORDERS that:

9 **4.1** Respondents shall immediately cease and desist conducting any and all business as a consumer loan  
10 company from and through S&P Lending Group, LLC, and any current employee of S&P Lending Group,  
11 LLC. This includes, but is not limited to, assisting borrowers with applying for or obtaining residential  
12 mortgage loans secured by Washington real property and accepting, from either consumers, mortgage brokers,  
13 or other consumer lenders, any applications for residential mortgage loans or home equity lines of credit  
14 secured by Washington real property or from Washington consumers.

15 **4.2** Respondents shall immediately cease and desist conducting any and all business as a consumer loan  
16 company from the office of S&P Lending Group, LLC, located at 12815 Canyon Road, Suite H, Puyallup,  
17 Washington.

18 **4.2** Respondents shall immediately cease and desist conducting any and all business as a consumer loan  
19 company using a name other than that appearing on Respondents' licenses.

20 **4.3** This order shall take effect immediately and shall remain in effect unless set aside, limited, or  
21 suspended in writing by an authorized court.

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1 Presented By:

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4 STEVEN C. SHERMAN  
Financial Legal Examiner

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6 Approved By:

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9 JAMES R. BRUSSELBACK  
Enforcement Chief

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**STATE OF WASHINGTON  
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IN THE MATTER OF DETERMINING  
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C-09-232-09-TD02

PINNACLE CAPITAL MORTGAGE  
CORPORATION, D/B/A ABSOLUTE  
MORTGAGE, and  
ABSOLUTE MORTGAGE CORPORATION,

NOTICE OF OPPORTUNITY TO DEFEND  
AND OPPORTUNITY FOR HEARING

Respondents.

9 THE STATE OF WASHINGTON TO: PINNACLE CAPITAL MORTGAGE CORPORATION

10  
11 YOU ARE HEREBY NOTIFIED that a Temporary Order to Cease and Desist has been filed by the  
12 Department of Financial Institutions, a true and correct copy of which is attached and made a part hereof.

13 YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before the  
14 Washington State Department of Financial Institutions to contest the Temporary Order to Cease and Desist.

15 YOUR APPLICATION MUST BE RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS  
16 WITHIN 20 DAYS FROM THE DATE YOU RECEIVED THIS NOTICE. Service of this notice is deemed  
17 complete upon deposit in the United States mail. If you demand a hearing, you will be notified of the time and  
18 place for the hearing at least seven days in advance of the hearing date.

19 At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be as informal  
20 as is practical within the requirements of the Administrative Procedure Act (see chapter 34.05 RCW). The  
21 hearing will be recorded. The primary concern will be getting to the truth of the matter insofar as the Temporary  
22 Order is concerned. Technical rules of evidence will not be binding at the hearing except for the rules of privilege  
23 recognized by law. You have the right to present evidence and witnesses in your own behalf, and to cross-  
examine those witnesses presented in support of the Temporary Order to Cease and Desist. You may require the

1 attendance of witnesses by subpoena. If you are limited English-speaking or hearing impaired, you have the right  
2 to have an interpreter appointed at no cost to you, as discussed below.

3 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-  
4 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for  
5 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate  
6 in spoken language, including persons who are deaf, deaf and blind, or hard of hearing, AND YOU NEED AN  
7 INTERPRETER, then a qualified interpreter will be appointed at no cost to you or to the witness. You may  
8 request the appointment of a qualified interpreter by indicating your request on the attached Application for  
9 Adjudicative Hearing form.

10 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the  
11 Application for Adjudicative Hearing form within twenty (20) days from the date you received this notice, this  
12 will constitute a waiver of your right to a hearing and the Director will find that you do not contest the allegations  
13 of the Temporary Order to Cease and Desist. Upon such a finding by the Director, a permanent Order to Cease  
14 and Desist will be immediately entered disposing of this matter as described in the Temporary Order to Cease and  
15 Desist. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

16 Department of Financial Institutions, Division of Consumer Services  
17 Attn: Fatima Batie  
18 PO Box 41200  
19 Olympia, Washington 98504-1200

20 Dated this 24<sup>th</sup> day of September, 2009.



21 *Deborah Bortner*

22 DEBORAH BORTNER  
23 Director  
24 Division of Consumer Services  
Department of Financial Institutions