

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Unlicensed Activity of:

No. 12F-BD004-SBD

3 **SOURCE CAPITAL FUNDING, INC. AND**  
4 **PATRICK HOOK, PRESIDENT**  
11440 W. Bernardo Court, Suite 273  
San Diego, CA 92127

**CONSENT ORDER**

5 Respondents.

6  
7 On August 2, 2011, the Arizona Department of Financial Institutions ("Department") issued  
8 an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order,  
9 alleging that Respondents had violated Arizona law. Wishing to resolve this matter in lieu of an  
10 administrative hearing, and without admitting liability, Respondents consent to the following  
11 Findings of Fact and Conclusions of Law, and consent to the entry of the following Order.

12 **FINDINGS OF FACT**

13 1. Respondent Source Capital Funding, Inc. ("Source Capital") is a California  
14 corporation that is not and was not, at any time material herein, authorized to transact business in  
15 Arizona as a mortgage banker within the meaning of A.R.S. §§ 6-941, *et seq.* The nature of Source  
16 Capital's business is that of making, negotiating, or offering to make or negotiate a mortgage loan  
17 secured by Arizona real property within the meaning of A.R.S. § 6-941(5).

18 2. Respondent Patrick Hook ("Mr. Hook") is the President of Source Capital and is not  
19 and was not, at any time material herein, authorized to transact business in Arizona as a mortgage  
20 banker within the meaning of A.R.S. §§ 6-941, *et seq.*

21 3. Source Capital and Mr. Hook are not exempt from licensure as a mortgage banker  
22 within the meaning of A.R.S. §§ 6-942.

23 4. On or about March 31, 2011, the Department issued a letter to Source Capital,  
24 requesting information and a response regarding possible mortgage lending unlicensed activity in the  
25 state of Arizona. The letter requested that Source Capital provide the information to the Department  
26 by April 14, 2011.



1 to take the appropriate affirmative actions, within a reasonable period of time prescribed by the  
2 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and  
3 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) an order  
4 to pay restitution of any fees earned in violation of A.R.S. §§ 6-941, *et seq.*, pursuant to A.R.S.  
5 §§ 6-131(A)(3) and 6-137; and (4) an order or any other remedy necessary or proper for the  
6 enforcement of statutes and rules regulating mortgage bankers pursuant to A.R.S. §§ 6-123 and  
7 6-131.

8 **ORDER**

9 1. Source Capital and Mr. Hook shall immediately stop all mortgage banker activity in  
10 Arizona until such time as Respondents have obtained a mortgage banker license from the  
11 Superintendent as prescribed by A.R.S. § 6-943.

12 2. Source Capital and Mr. Hook shall immediately pay to the Department a civil money  
13 penalty in the amount of **six thousand five hundred dollars (\$6,500.00)**. Source Capital and Mr.  
14 Hook are jointly and severally liable for payment of the civil money penalty.

15 3. Source Capital and Mr. Hook shall comply with all Arizona statutes and rules  
16 regulating Arizona mortgage bankers (A.R.S. §§ 6-941, *et seq.*).

17 4. The provisions of this Order shall be binding upon Respondents, their employees,  
18 agents, and other persons participating in the conduct of the affairs of Respondents.

19 5. This Order shall become effective upon service, and shall remain effective and  
20 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,  
21 or set aside.

22 SO ORDERED this 9 day of September, 2011.

23 Lauren Kingry  
24 Superintendent of Financial Institutions

25 By:   
26 Robert D. Charlton  
Assistant Superintendent of Financial Institutions



1 ORIGINAL of the foregoing filed this 9<sup>th</sup>  
day of September, 2011, in the office of:

2 Lauren Kingry  
3 Superintendent of Financial Institutions  
Arizona Department of Financial Institutions  
4 ATTN: Sabrina Hampton  
2910 N. 44th Street, Suite 310  
5 Phoenix, AZ 85018

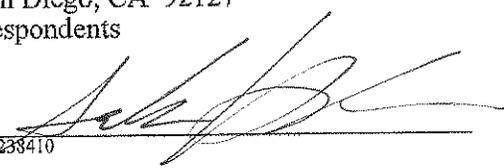
6 COPY mailed/delivered same date to:

7 Craig A. Raby  
Assistant Attorney General  
8 Office of the Attorney General  
1275 West Washington  
9 Phoenix, AZ 85007

10 Robert D. Charlton, Assistant Superintendent  
Lori Mann, Senior Examiner  
11 Arizona Department of Financial Institutions  
2910 N. 44th Street, Suite 310  
12 Phoenix, AZ 85018

13 AND COPY MAILED SAME DATE by  
Certified Mail, Return Receipt Requested, to:

14 Patrick Hook, President  
15 Source Capital Funding, Inc.  
11440 W. Bernardo Court, Suite 273  
16 San Diego, CA 92127  
Respondents

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