

ORDER SUMMARY – Case Number: C-12-1081

Name(s): Charles Craig Brown and CC Brown Law, LLC

Order Number: C-12-1081-15-FO01

Effective Date: May 12, 2015

License Number: Unlicensed NMLS ID: 374083 (CC Brown Law)
Unlicensed NMLS ID: 374556 (Brown)

License Effect: N/A

Not Apply Until: May 12, 2020

Not Eligible Until: May 12, 2020

Prohibition Until: May 12, 2020

Investigation Costs	\$ 1,171	Due: 30 days after service	Paid: <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Fine	\$ 9,000	Due: 30 days after service	Paid: <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
Restitution	\$ 8,625	Due: 30 days after service	Paid: <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
No. of Victims:	2 included in SOC/FO.			
Judgment N/A				
Satisfaction of Judgment? N/A				

Comments: Respondents ordered to cease and desist engaging in the business of a MB or MLO

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

**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-12-1081-15-FO01

CHARLES CRAIG BROWN, Owner and Founder,
and CC BROWN LAW, LLC,

FINAL ORDER

Respondents.

I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Charles E. Clark (Director's designee), pursuant to RCW 34.05.440(1). On June 28, 2013, the Director issued a Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist Business, Prohibit from Industry, Order Restitution, Impose Fine, and Collect Investigation Fee (Statement of Charges) against Charles Craig Brown and his law firm, CC Brown Law, LLC (Respondents). A copy of the Statement of Charges is attached and incorporated herein by reference. The Statement of Charges was accompanied by a cover letter, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents (collectively, accompanying documents).

On December 17, 2014, after prior failed service attempts on Respondents, the Department obtained information that Respondent Charles Craig Brown was residing at an address on Foothill Drive in Salt Lake City, Utah. The Department served the Statement of Charges and accompanying documents on Respondents on December 17, 2014, by First-Class mail to the Foothill Drive address. The documents sent via First-Class mail were not returned to the Department by the U.S. Postal

//

1 Service. The Statement of Charges and accompanying documents were also served on Respondents
2 via Federal Express overnight delivery on December 18, 2014, at the Foothill Drive address.

3 Respondents did not request an adjudicative hearing within twenty calendar days after the
4 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided
5 for in WAC 208-08-050(2).

6 B. Record Presented. The record presented to the Director's designee for his review and for
7 entry of a final decision included the Statement of Charges and accompanying documents, with
8 documentation for service.

9 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the Director's
10 designee hereby adopts the attached Statement of Charges.

11 II. FINAL ORDER

12 Based upon the foregoing, and the Director's designee having considered the record and being
13 otherwise fully advised, NOW, THEREFORE:

14 A. IT IS HEREBY ORDERED, That:

- 15 1. Respondents Charles Craig Brown and CC Brown Law, LLC immediately cease and
16 desist engaging in the business of a mortgage broker or mortgage loan originator.
- 17 2. Respondents Charles Craig Brown and CC Brown Law, LLC are prohibited from
18 participation, in any manner, in the conduct of the affairs of any mortgage broker subject
19 to licensure by the Director for a period of five years from the date of entry of this order.
- 20 3. Respondents Charles Craig Brown and CC Brown Law, LLC jointly and severally pay
21 \$3,490 in restitution to Washington consumer N.R.V., and \$5,135 in restitution to
22 Washington consumer V.A.
- 23 4. Respondents Charles Craig Brown and CC Brown Law, LLC jointly and severally pay a
24 fine of \$9,000
5. Respondents Charles Craig Brown and CC Brown Law, LLC jointly and severally pay an
investigation fee of \$1,171.
6. Respondents Charles Craig Brown and CC Brown Law, LLC maintain records in
compliance with chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and

1 provide the Director with the location of the books, records and other information relating
2 to Respondents Charles Craig Brown and CC Brown Law, LLC and the name, address
3 and telephone number of the individual responsible for maintenance of such records in
4 compliance with the Act.

5 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a Petition
6 for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be
7 filed in the Office of the Director of the Department of Financial Institutions by courier at 150 Israel
8 Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington
9 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The Petition for
10 Reconsideration shall not stay the effectiveness of this order nor is filing a Petition for
11 Reconsideration a prerequisite for seeking judicial review in this matter.

12 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the date
13 the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
14 written notice specifying the date by which it will act on a petition.

15 C. Stay of Order. The Director's designee has determined not to consider a Petition to Stay the
16 effectiveness of this order. Any such requests should be made in connection with a Petition for
17 Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

18 D. Judicial Review. Respondents have the right to petition the superior court for judicial review
19 of this agency action under the provisions of chapter 34.05 RCW. For the requirements for filing a
20 Petition for Judicial Review, see RCW 34.05.510 and sections following.

21 E. Non-compliance with Order. If you do not comply with the terms of this order, **including**
22 **payment of the amounts owed within 30 days of receipt of this order**, the Department may seek
23 its enforcement by the Office of the Attorney General to include the collection of the restitution,
24 fines, and fees imposed herein. The Department also may assign the amounts owed to the
Department to a collection agency for collection.

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

4 DATED this 12th day of May, 2015.



5 STATE OF WASHINGTON
6 DEPARTMENT OF FINANCIAL INSTITUTIONS

7 [REDACTED]
8 CHARLES E. CLARK, Director
9 Division of Consumer Services
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

**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:

CHARLES CRAIG BROWN, Owner and Founder,
and CC BROWN LAW, LLC,

Respondents.

No. C-12-1081-13-SC01

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER AN
ORDER TO CEASE AND DESIST
BUSINESS, PROHIBIT FROM INDUSTRY,
ORDER RESTITUTION, IMPOSE FINE,
AND COLLECT INVESTIGATION FEE

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). 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:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Charles Craig Brown (Respondent Brown) is the owner and founder of Respondent CC Brown Law, LLC. Respondent Brown is licensed by the Utah State Bar Association, member number 00447. His license is presently on "disability" status. During the relevant time period Respondent Brown was not licensed by the Washington State Bar Association to provide legal services in Washington State, and has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker or loan originator in Washington.

//

B. CC Brown Law, LLC (Respondent CC Brown Law) is a former Utah limited liability company whose registration with the State of Utah expired as of January 14, 2013, for failure to file a renewal. During the relevant time period, Respondent CC Brown Law was not licensed by the Department to conduct business as a mortgage broker or loan originator.

1.2 Unlicensed Activity. Beginning on or about July 1, 2010, Respondent Brown and CC Brown Law (Respondents) were offering residential mortgage loan modification services to Washington consumers on property located in Washington State. Respondents entered into a contractual relationship with at least two Washington consumers to perform those services, and collected advance fees from consumers N.R.V. (\$3,490) and V.A. (\$5,135) for those services. The Department has received at least five complaints from Washington consumers alleging Respondents offered to perform or performed residential mortgage loan modification services while not licensed by the Department to offer or perform those services.

1.3 Misrepresentations and Omissions. Respondents represented that they were licensed to perform the residential mortgage loan modification services or omitted disclosing that they were not licensed to perform those services. Respondents' direct mail solicitations offering to perform those services misrepresented the services Respondents could perform and failed to comply with the Act.

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

II. GROUNDS FOR ENTRY OF ORDER

2.1 Mortgage Broker Defined. Pursuant to RCW 19.146.010(14) and WAC 208-660-006, “Mortgage Broker” means any person who, for compensation or gain, or in the expectation of compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006,

1 a person ““assists a person in obtaining or applying to obtain a residential mortgage loan’ by, among
2 other things, counseling on loan terms (rates, fees, other costs), [and] preparing loan packages....”

3 **2.2 Loan Originator Defined.** Pursuant to RCW 19.146.010(11), “loan originator” means a
4 natural person who for direct or indirect compensation or gain, or in the expectation of direct or
5 indirect compensation or gain offers or negotiates terms of a mortgage loan or holds themselves out
6 to the public as able to perform any of these activities.

7 **2.3 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents
8 are in apparent violation of RCW 19.146.0201(2) & (3) for engaging in an unfair or deceptive
9 practice toward any person and obtaining property by fraud or misrepresentation.

10 **2.4 Requirement to Obtain and Maintain Mortgage Broker License.** Based on the Factual
11 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)
12 for engaging in the business of a mortgage broker for Washington residents or property without first
13 obtaining a license to do so.

14 **2.5 Requirement to Obtain and Maintain Loan Originator License.** Based on the Factual
15 Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.200(1)
16 for engaging in the business of a loan originator without first obtaining and maintaining a license.

17 **2.6 Requirement to Maintain Accurate and Current Books and Records.** Pursuant to RCW
18 19.146.060 and WAC 208-660-450, Respondents are required to keep all books and records in a
19 location that is on file with and readily available to the Department until at least twenty-five months
20 have elapsed following the effective period to which the books and records relate.

21 **III. AUTHORITY TO IMPOSE SANCTIONS**

22 **3.1 Authority to Issue an Order to Cease and Desist.** Pursuant to RCW 19.146.220(4), the
23 Director may issue orders directing any person subject to the Act to cease and desist from conducting
24 business.

1 **3.2 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(5), the Director may
2 issue orders prohibiting from participation in the conduct of the affairs of a licensed mortgage broker
3 any person subject to licensing under the Act for any violation of RCW 19.146.0201(1) through (9) or
4 (13), or RCW 19.146.200.

5 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may order
6 restitution against any person subject to the Act for any violation of the Act.

7 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2), the Director may impose fines
8 against any person subject to the Act for any violation of the Act.

9 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), and WAC 208-
10 660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted
11 to an investigation of any person subject to the Act.

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

13 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as
14 set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,
15 and RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

16 **4.1** Respondents Charles C. Brown and CC Brown Law, LLC, immediately cease and desist
17 engaging in the business of a mortgage broker or loan originator.

18 **4.2** Respondents Charles C. Brown and CC Brown Law, LLC, be prohibited from participation, in
19 any manner, in the conduct of the affairs of any mortgage broker subject to licensure by the
Director for a period of five years.

20 **4.3** Respondents Charles C. Brown and CC Brown Law, LLC, jointly and severally pay restitution
21 to the two consumers identified by the Department in paragraph 1.2 in the amounts set forth
22 therein, and that Respondents Charles C. Brown and CC Brown Law, LLC, jointly and
severally pay restitution to each Washington consumer with whom they entered into a contract
for residential mortgage loan modification services related to real property or consumers
located in the state of Washington equal to the amount collected from each Washington
consumer for those services, in an amount to be determined at hearing.

23 //

24 //

1 4.4 Respondents Charles C. Brown and CC Brown Law, LLC, jointly and severally pay a fine,
2 which as of the date of this Statement of Charges totals \$9,000.

3 4.5 Respondents Charles C. Brown and CC Brown Law, LLC, jointly and severally pay an
4 investigation fee, which as of the date of this Statement of Charges totals \$1,171.

5 4.6 Respondents Charles C. Brown and CC Brown Law, LLC, maintain records in compliance
6 with the Act and provide the Department with the location of the books, records and other
7 information relating to Respondents' provision of residential mortgage loan modification
8 services in Washington, and the name, address and telephone number of the individual
9 responsible for maintenance of such records in compliance with the Act.

10 V. AUTHORITY AND PROCEDURE

11 This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220,
12 RCW 19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter
13 34.05 RCW (The Administrative Procedure Act). Respondents may make a written request for a
14 hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
15 HEARING accompanying this Statement of Charges.

16 Dated this 28th day of June, 2013.



17 [Redacted Signature]
18 DEBORAH BORTNER
19 Director, Division of Consumer Services
20 Department of Financial Institutions

21 Presented by:

22 [Redacted Signature]
23 ANTHONY W. CARTER
24 Senior Enforcement Attorney

Approved by:

[Redacted Signature]
CHARLES E. CLARK
Enforcement Chief