## **ORDER SUMMARY – Case Number: C-13-1142**

Brooke Errett; Atlantic Mutual LLC
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Name(s):	Brooke Errett	; Atlantic Mutual LL	С	
Order Number:	C-13-1142-13-	-FO01		
Effective Date:	April 26, 2013			
License Number: Or NMLS Identifier [U/L] License Effect:		, stayed, application denied or v st specifically note the ending c		
Not Apply Until:				
Not Eligible Until:				
Prohibition/Ban Until:	April 26, 2018			
Investigation Costs	\$552	Due	$\square Y \boxtimes N$	Date
Fine	\$3,000	Due	Paid Y N	Date
Assessment(s)	\$	Due	Paid Y N	Date
Restitution	\$995	Due	Paid Y N	Date
Judgment	\$	Due	Paid	Date
Satisfaction of Judgment Filed?		□ Y □ N		
	No. of Victims:	1		

Comments: DFO entered against Brooke Errett and Atlantic Mutual

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

3 IN THE MATTER OF DETERMINING:
4 Whether there has been a violation of the
Mortgage Broker Practices Act of Washington by:

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5 ATLANTIC MUTUAL, LLC;
BRIAN CORREA, Managing Member;
6 BROOKE ERRETT, Managing Member; and
BRANDON BUCK, Unlicensed Loan Originator,

#### No.: C-13-1142-13-FO01

FINAL ORDER AS TO ATLANTIC MUTUAL, LLC AND BROOKE ERRETT

Respondents.

### I. DIRECTOR'S CONSIDERATION

Default. This matter has come before the Director of the Department of Financial A. 10 Institutions of the State of Washington (Director), through his designee, Consumer Services Division 11 Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On March 21, 2013, 12 the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention 13 to Enter an Order to Cease and Desist Business, Prohibit From Industry, Order Restitution, Impose 14 Fine, and Collect Investigation Fee (Statement of Charges) against Atlantic Mutual, LLC 15 (Respondent Atlantic Mutual), Brian Correa (Respondent Correa), Brooke Errett (Respondent Errett), 16 and Brandon Buck (Respondent Buck) (collectively, Respondents). A copy of the Statement of 17 Charges is attached and incorporated into this order by this reference. The Statement of Charges was 18 accompanied by a cover letter dated March 28, 2013, a Notice of Opportunity to Defend and 19 Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondents 20 (collectively, accompanying documents). 21 On March 28, 2013, the Department served Respondents Atlantic Mutual and Errett with the 22 Statement of Charges and accompanying documents by First-Class mail and Federal Express 23 overnight delivery. On March 29, 2013, the documents sent by Federal Express overnight delivery 24 FINAL ORDER DEPARTMENT OF FINANCIAL INSTITUTIONS

FINAL ORDER C-13-1142-13-FO01 ATLANTIC MUTUAL, LLC; BRIAN CORREA; BROOKE ERRET; and BRANDON BUCK EPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services PO Box 41200 Olympia, WA 98504-1200 (360) 902-8703

1	were delivered. The documents sent by First-Class mail were not returned to the Department by the			
2	United States Postal Service.			
3	Respondents Atlantic Mutual and Errett did not request an adjudicative hearing within twenty			
4	calendar days after the Department served the Notice of Opportunity to Defend and Opportunity for			
5	Hearing, as provided for in WAC 208-08-050(2).			
6	B. <u>Record Presented</u> . The record presented to the Director's designee for her review and			
7	for entry of a final decision included the following: Statement of Charges, cover letter dated March			
8	28, 2013, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for			
9	Adjudicative Hearing for Respondents, with documentation for service.			
10	C. <u>Factual Findings and Grounds for Order</u> . Pursuant to RCW 34.05.440(1), the			
11	Director's designee hereby adopts the Statement of Charges, which is attached hereto.			
12	II. <u>FINAL ORDER</u>			
13	Based upon the foregoing, and the Director's designee having considered the record and being			
14	otherwise fully advised, NOW, THEREFORE:			
15	A. <u>IT IS HEREBY ORDERED, That:</u>			
16	1. Respondents Atlantic Mutual, LLC and Brooke Errett cease and desist from engaging in the business of a mortgage broker or loan originator.			
17	<ol> <li>Respondents Atlantic Mutual, LLC and Brooke Errett are prohibited from</li> </ol>			
18	participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in any manner, for a period of five years.			
19	<ol> <li>Respondents Atlantic Mutual, LLC and Brooke Errett pay \$995 in restitution to the</li> </ol>			
20	consumer identified by the Department in paragraph 1.2 of the Statement of Charges. This restitution shall be joint and several with any other Respondents			
21	determined to have violated the Act			
22	4. Respondents Atlantic Mutual, LLC and Brooke Errett pay a fine of \$3,000. This fine shall be joint and several with any other Respondents determined to have			
23	fine shall be joint and several with any other Respondents determined to have violated the Act.			
24	FINAL ORDER 2 DEPARTMENT OF FINANCIAL INSTITUTIONS C-13-1142-13-F001 Division of Consumer Services ATLANTIC MUTUAL, LLC; BRIAN CORREA; PO Box 41200 BROOKE ERRET; and BRANDON BUCK Olympia, WA 98504-1200 (360) 902-8703			

1 2	<ol> <li>Respondents Atlantic Mutual, LLC and Brooke Errett pay an investigation fee of \$552. This amount shall be joint and several with any other Respondents determined to have violated the Act.</li> </ol>
3	<ol> <li>Respondents Atlantic Mutual, LLC and Brooke Errett maintain records in compliance with the Mortgage Broker Practices Act (Act) and provide the Department with the location of the books, records and other information relating</li> </ol>
5	to Respondents' provision of residential mortgage loan modification services in Washington, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.
6	B. <u>Reconsideration</u> . Pursuant to RCW 34.05.470, Respondents Atlantic Mutual and
7	Errett have the right to file a Petition for Reconsideration stating the specific grounds upon which
8	relief is requested. The Petition must be filed in the Office of the Director of the Department of
9	Financial Institutions by courier at 150 Israel Road SW, Tumwater, Washington 98501, or by U.S.
10	Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the
11	Final Order upon Respondents Atlantic Mutual and Errett. The Petition for Reconsideration shall not
12 13	stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking
13	judicial review in this matter.
14	A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the
	date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a
16	written notice specifying the date by which it will act on a petition.
17	C. <u>Stay of Order</u> . The Director's designee has determined not to consider a Petition to
18	Stay the effectiveness of this order. Any such requests should be made in connection with a Petition
19	for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.
20	D. <u>Judicial Review</u> . Respondents Atlantic Mutual and Errett have the right to petition the
21	superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW.
22	For the requirements for filing a Petition for Judicial Review, see RCW 34.05.510 and sections
23	following.
24	FINAL ORDER 3 DEPARTMENT OF FINANCIAL INSTITUTIONS C-13-1142-13-F001 Division of Consumer Services ATLANTIC MUTUAL, LLC: BRIAN CORREA: PO Box 41200

E. Non-compliance with Order. If Respondents Atlantic Mutual and Errett do not 1 2 comply with the terms of this order, including payment of any amounts owed within 30 days of 3 receipt of this order, the Department may seek its enforcement by the Office of the Attorney General to include the collection of the restitution, fines, and fees imposed herein. The Department 4 5 also may assign the amounts owed to a collection agency for collection. F. 6 Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial 7 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service 8 attached hereto. 9 day of <u>April</u>, 2013. DATED this 10 11 STATE OF WASHINGTON 12 DEPARTMENT OF FINANCIAL INSTITUTIONS 13 DEBORAH BORTNER 14 Director **Division of Consumer Services** 15 16 17 18 19 20 21 22 23 24 FINAL ORDER 4 DEPARTMENT OF FINANCIAL INSTITUTIONS C-13-1142-13-FO01 **Division of Consumer Services** ATLANTIC MUTUAL, LLC; BRIAN CORREA; PO Box 41200 BROOKE ERRET; and BRANDON BUCK Olympia, WA 98504-1200 (360) 902-8703

1	STATE OF WASH DEPARTMENT OF FINANC		
2	DEPARTMENT OF FINANCIAL INSTITUTIONS DIVISION OF CONSUMER SERVICES		
3		Io. C-13-1142-13-SC01	
4		TATEMENT OF CHARGES and	
5	ATLANTIC MUTUAL, LLC; 0	OTICE OF INTENT TO ENTER AN ORDER TO CEASE AND DESIST	
6	BROOKE ERRETT, Managing Member; and	SUSINESS, PROHIBIT FROM NDUSTRY, ORDER RESTITUTION,	
7		MPOSE FINE, AND COLLECT NVESTIGATION FEE	
8	Respondents.		
9	INTRODUCT	TION	
10	Pursuant to RCW 19.146.220 and RCW 19.146.223,	the Director of the Department of Financial	
11	Institutions of the State of Washington (Director) is responsible for the administration of chapter		
12	19.146 RCW, the Mortgage Broker Practices (Act). After	er having conducted an investigation pursuant	
13	to RCW 19.146.235, and based upon the facts available a	as of the date of this Statement of Charges, the	
14	Director, through his designee, Division of Consumer Se	ervices Director Deborah Bortner, institutes	
15	this proceeding and finds as follows:		
16	I. FACTUAL ALLE	CGATIONS	
17	1.1 Respondents.		
18	A. Atlantic Mutual, LLC (Respondent Atlant	ic Mutual) has never been licensed by the	
19	Department of Financial Institutions of the State of Wash	nington (Department) to conduct business as a	
20	mortgage broker.		
21	<b>B. Brian Correa (Respondent Correa)</b> is a man	naging member of Atlantic Mutual. During	
22	the relevant time period, Respondent Correa was not lice	ensed by the Department to conduct business	
23	as a mortgage broker or loan originator.		
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	STATEMENT OF CHARGES 1	DEPARTMENT OF FINANCIAL INSTITUTIONS	

**C. Brooke Errett (Respondent Errett)** is a managing member of Atlantic Mutual. During the relevant time period, Respondent Errett was not licensed by the Department to conduct business as a 3 mortgage broker or loan originator.

**D. Brandon Buck (Respondent Buck)** was an employee of Atlantic Mutual. During the relevant time period, Respondent Buck was not licensed by the Department to conduct business as a mortgage broker or loan originator.

7 1.2 Unlicensed Activity. In or around April 2010, Respondents were offering residential mortgage loan modification services to Washington consumers on property located in Washington 8 9 State. Respondents entered into a contractual relationship with at least one Washington consumer to provide those services and collected an advance fee for the provision of those services. The 10 11 Department has received at least one complaint from a Washington consumer alleging Respondents 12 provided or offered to provide residential mortgage loan modification services while not licensed by the Department to provide those services. Consumer paid Respondents a fee of \$995. 13

14 1.3 **Misrepresentations and Omissions.** Respondents represented that they were licensed to provide the residential mortgage loan modification services or omitted disclosing that they were not licensed to provide those services. 16

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

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

2.1 Mortgage Broker Defined. Pursuant to RCW 19.146.010(14) and WAC 208-660-006,

21 "Mortgage Broker" means any person who, for compensation or gain, or in the expectation of 22 compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan 23 or (b) holds himself or herself out as being able to make a residential mortgage loan or assist a person 24 in obtaining or applying to obtain a residential mortgage loan. Pursuant to WAC 208-660-006, a STATEMENT OF CHARGES 2 DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Consumer Services

Olympia, WA 98504-1200

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

2.2 Loan Originator Defined. Pursuant to RCW 19.146.010(11), "loan originator" means a
natural person who for direct or indirect compensation or gain, or in the expectation of direct or
indirect compensation or gain: takes a residential mortgage loan application for a mortgage broker;
offers or negotiates terms of a mortgage loan; or holds themselves out to the public as able to perform
any of these activities.

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

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

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

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

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### **III. AUTHORITY TO IMPOSE SANCTIONS**

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

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

9 3.3 Authority to Order Restitution. Pursuant to RCW 19.146.220(2), the Director may order
10 restitution against any person subject to the Act for any violation of the Act.

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

**3.5** Authority to Collect Investigation Fee. Pursuant to RCW 19.146.228(2), and WAC 208-

660-550(4)(a), the Department will charge forty-eight dollars per hour for an examiner's time devoted to an investigation of any person subject to the Act.

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### IV. NOTICE OF INTENT TO ENTER ORDER

Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as

set forth above constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221,

and RCW 19.146.223. Therefore, it is the Director's intent to ORDER that:

4.1 Respondents cease and desist engaging in the business of a mortgage broker or loan originator.

**4.2** Respondents be prohibited from participation, in any manner, in the conduct of the affairs of any mortgage broker subject to licensure by the Director for a period of five years.

**4.3** Respondents jointly and severally pay restitution to the one consumer identified by the Department in paragraph 1.2 in the amount set forth therein, and that Respondents 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

STATEMENT OF CHARGES

1		located in the state of Washington equal to the amount collected from that Washington consumer for those services in an amount to be determined at hearing.
2	4.4	Respondents jointly and severally pay a fine, which as of the date of this Statement of Charges
3		totals \$3,000.
4	4.5	Respondents jointly and severally pay an investigation fee, which as of the date of this Statement of Charges totals \$552.
5	16	Respondents maintain records in compliance with the Act and provide the Department with the
6	4.0	location of the books, records and other information relating to Respondents' provision of residential mortgage loan modification services in Washington, and the name, address and
7		telephone number of the individual responsible for maintenance of such records in compliance with the Act.
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	STATEM	ENT OF CHARGES 5 DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services PO Box 41200

1	V. AUTHORITY AND PROCEDURE
2	This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW
3	19.146.221, RCW 19.146.223, and RCW 19.146.230, and is subject to the provisions of chapter 34.05
4	RCW (The Administrative Procedure Act). Respondents may make a written request for a hearing as
5	set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING
6	accompanying this Statement of Charges.
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8	Dated this 21 <sup>st</sup> day of March, 2013.
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12	DEBORAH BORTNER Director, Division of Consumer Services
13	Department of Financial Institutions
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15	Presented by:
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17	<u>/s/</u> DEVON P. PHELPS
18	Financial Legal Examiner
19	Approved by:
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21	<u></u>
22	Enforcement Chief
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24	
	STATEMENT OF CHARGES 6 DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services PO Box 41200