| ORDER SUMMARY – Case Number: C-19-2803 | | | | | | |
|--|---|-------------------------------|-------------------------|----------|--|--|
| Name(s): | Branded Asset Management Group, LLC NMLS ID 1944707 | | | | | |
| | Alonzo Canzater NMLS ID 1944700 | | | | | |
| | Adarrin Smith | NMLS ID 1944698 | | | | |
| Order Number: | C-19-2803-20- | -FO01 | | | | |
| Effective Date: | January 10, 20 | 20 | | | | |
| License Number : Or NMLS Identifier [U/L] | U/L | | | | | |
| License Effect: | N/A | | | | | |
| | | | | | | |
| Not Apply Until: | N/A | | | | | |
| Not Eligible Until: | N/A | | | | | |
| Prohibition/Ban Until: | Indefinite | | | | | |
| Investigation Costs | \$ 1,750 | Due within 30 | Paid | Date | | |
| | ψ 1,750 | days of receipt | \square Y \square N | Date | | |
| | * * | D | D · 1 | D | | |
| Fine | \$ 20,000 | Due within 30 days of receipt | Paid Y X N | Date | | |
| | | | 1 | | | |
| Assessment(s) | \$ | Due | Paid | Date | | |
| | <i>.</i> | . | D 11 | | | |
| Restitution | \$ | Due | Paid Y N | Date | | |
| | | | | | | |
| Financial Literacy and Education | \$ | Due | Paid | Date | | |
| | | | | | | |
| Cost of Prosecution | \$ | Due | Paid | Date | | |
| | No. of | | | | | |
| | Victims: | | | | | |

Comments:

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

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

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BRANDED ASSET MANAGEMENT GROUP. LLC d/b/a BRANDED LOAN; ALONZO CANZATER; and ADARRIN SMITH,

No.: C-19-2803-20-FO01

FINAL ORDER

I. DIRECTOR'S CONSIDERATION

Respondents.

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 Lucinda Fazio (Director's designee), pursuant to RCW 34.05.440(1). On December 11, 2019, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Cease and Desist, Prohibit from Industry, Impose Fine, Collect 14 Investigation Fee, and Recover Costs and Expenses (Statement of Charges) against Branded Asset Management Group, LLC, Alonzo Canzater, and Adarrin Smith (collectively "Respondents"). A 16 copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated December 12, 2019, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for each Respondent (collectively, accompanying documents). 20

On December 12, 2019, the Department served Respondents with the Statement of Charges and accompanying documents by First-Class mail and Federal Express overnight delivery. On December 16, 2019, the documents sent by Federal Express overnight delivery were delivered. The 23

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1 documents sent by First-Class mail were not returned to the Department by the United States Postal 2 Service.

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

Record Presented. The record presented to the Director's designee for review and for 6 B. 7 entry of a final decision included the following: Statement of Charges, cover letter dated December 8 12, 2019, Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for 9 Adjudicative Hearing for each Respondent, with documentation for service.

C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the

Director's designee hereby adopts the Statement of Charges, which is attached hereto. 11

12 II. FINAL ORDER 13 Based upon the foregoing, and the Director's designee having considered the record and being 14

otherwise fully advised, NOW, THEREFORE:

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IT IS HEREBY ORDERED, That:

- 1. Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith cease and desist from engaging in any and all conduct in violation of the Mortgage Broker Practices Act (chapter 19.146 RCW), the Consumer Loan Act (chapter 31.04 RCW), or both.
- 2. Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith are prohibited indefinitely from participation, in any manner, in the conduct of the affairs of any consumer loan company and any mortgage broker subject to licensure by the Director.
- 3. Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith jointly and severally pay a fine of \$20,000.
- 4. Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith jointly and severally pay an investigation fee of \$1,750.

1 5. Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith maintain records in compliance with the 2 Mortgage Broker Practices Act and Consumer Loan Act and provide the 3 Department with the location of the books, records and other information relating to Respondents' consumer loan and mortgage broker business, and the name, address and telephone number of the individual responsible for maintenance of 4 such records in compliance with the Mortgage Broker Practices Act and Consumer 5 Loan Act. 6 B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a 7 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition must be filed in the Office of the Director of the Department of Financial Institutions by courier at 8 9 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, 10 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The 11 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for 12 Reconsideration a prerequisite for seeking judicial review in this matter. 13 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the 14 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a 15 written notice specifying the date by which it will act on a petition. C. 16 Stay of Order. The Director's designee has determined not to consider a Petition to 17 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550. 18 19 D. <u>Judicial Review</u>. Respondents have the right to petition the superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for 20 21 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following. E. 22 Non-compliance with Order. If you do not comply with the terms of this order, 23 including payment of any amounts owed within 30 days of receipt of this order, the Department 24 FINAL ORDER 3 DEPARTMENT OF FINANCIAL INSTITUTIONS C-19-2803-20-FO01 Division of Consumer Services BRANDED ASSET MANAGEMENT GROUP, LLC d/b/a 150 Israel Rd SW BRANDED LOAN; ALONZO CANZATER; and ADARRIN PO Box 41200 Olympia, WA 98504-1200 SMITH

(360) 902-8703

| 1 | may seek its enforcement by the Office of the | e Attorney General to include the collection of the fines |
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| 2 | and fees imposed herein. The Department al | so may assign the amounts owed to a collection agency |
| 3 | for collection. | |
| 4 | F. <u>Service</u> . For purposes of filin | g a Petition for Reconsideration or a Petition for Judicial |
| 5 | Review, service is effective upon deposit of t | this order in the U.S. mail, declaration of service |
| 6 | attached hereto. | |
| 7 | DATED this 10th day of January, 202 | 20. |
| 8 | | STATE OF WASHINGTON |
| 9 | | DEPARTMENT OF FINANCIAL INSTITUTIONS |
| 10 | | /s/ |
| 11 | | Lucinda Fazio, Director Division of Consumer Services |
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| 24 | FINAL ORDER C-19-2803-20-FO01 BRANDED ASSET MANAGEMENT GROUP, LLC d/b/a BRANDED LOAN; ALONZO CANZATER; and ADARRIN SMITH | 4 DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services 150 Israel Rd SW PO Box 41200 Olympia, WA 98504-1200 (360) 902-8703 |

| 1 2 | STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS DIVISION OF CONSUMER SERVICES | | | | | | |
|----------------|---|--|--|--|--|--|--|
| 3 | IN THE MATTER OF DETERMINING | No. C-19-2803-19-SC01 | | | | | |
| 4 | Whether there has been a violation of the Mortgage Broker Practices Act of Washington | STATEMENT OF CHARGES and | | | | | |
| | and the Consumer Loan Act of Washington by: | NOTICE OF INTENT TO ENTER AN | | | | | |
| 5 6 | BRANDED ASSET MANAGEMENT GROUP, LLC d/b/a BRANDED LOAN; ALONZO CANZATER; and ADARRIN SMITH, | ORDER TO CEASE AND DESIST, PROHIBIT FROM INDUSTRY, IMPOSE FINE, COLLECT INVESTIGATION FEE, and RECOVER COSTS AND EXPENSES | | | | | |
| 7 | Respondents. | | | | | | |
| 8 | | | | | | | |
| 9 | INTROD | UCTION | | | | | |
| 10 | Pursuant to RCW 19.146.220 and RCW 19 | .146.223, the Director of the Department of | | | | | |
| 11 | Financial Institutions of the State of Washington (Director) is responsible for the administration of | | | | | | |
| 12 | chapter 19.146 RCW, the Mortgage Broker Practices Act (MBPA). Pursuant to RCW 31.04.093 and | | | | | | |
| 12 | RCW 31.04.165, the Director is responsible for the administration of chapter 31.04 RCW, the | | | | | | |
| 13 | Consumer Loan Act (CLA). After having conducted an investigation pursuant to RCW 19.146.235 | | | | | | |
| 15 | and RCW 31.04.145, and based upon the facts avai | alable as of the date of this Statement of Charges, | | | | | |
| 16 | the Director, through his designee, Division of Cor | sumer Services Acting Director Richard St. Onge, | | | | | |
| 17 | institutes this proceeding and finds as follows: | | | | | | |
| | I. FACTUAL A | LLEGATIONS | | | | | |
| 18 | 1.1 Respondents. | | | | | | |
| 19 | A. Branded Asset Management Grou | ıp, LLC d/b/a Branded Loan (Respondent | | | | | |
| 20 21 | Branded) has never been licensed by the Departme | ent of Financial Institutions of the State of | | | | | |
| 22 | Washington (Department) to conduct business as a | consumer loan company or mortgage broker. | | | | | |
| | B. Alonzo Canzater (Respondent Ca | nzater) is a manager and officer of Respondent | | | | | |
| 23 24 | Branded. Respondent Canzater has never been lice | nsed by the Department. | | | | | |
| 2 4 | STATEMENT OF CHARGES 1 C-19-2803-19-SC01 BRANDED ASSET MANAGEMENT GROUP, LLC d/b/a BRANDED LOAN; ALONZO CANZATER; and ADARRIN SMITH | DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer Services PO Box 41200 Olympia, WA 98504-1200 (360) 902-8703 | | | | | |

C. Adarrin Smith (Respondent Smith) is a manager and officer of Respondent Branded. Respondent Smith has never been licensed by the Department.

1.2 Unlicensed Mortgage Broker and/or Consumer Loan Company. In at least 2019,

Respondents, in the expectation of direct or indirect compensation or gain, (1) offered to make loans to prospective borrowers in Washington State, or (2) offered to broker loans by assisting or holding itself out as being able to assist prospective borrowers in Washington State in obtaining or applying to obtain a residential mortgage loan, or (3) both offered to make loans and broker loans to prospective borrowers in Washington State.

9 **1.3 False Statements and/or Omissions.** In September and October 2019, Respondent Branded,
10 through Respondent Canzater, negligently made false statements, or knowingly and willfully omitted
11 material facts, or both, in connection with an investigation conducted by the Department.

12 **1.4 Failure to Comply with Subpoena.** Beginning approximately September 24, 2019,
13 Respondents failed to comply with a subpoena issued under the CLA.

14 **1.5 On-Going Investigation.** The Department's investigation into the alleged violations of the
15 MBPA and CLA by Respondents continues to date.

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II. GROUNDS FOR ENTRY OF ORDER

Requirement to Obtain and Maintain a Mortgage Broker and/or Consumer Loan

18 Company License. Based on the Factual Allegations set forth in Section I above, Respondents are in 19 apparent violation of RCW 19.146.200(1) for engaging in the business of a mortgage broker without 20 first obtaining and maintaining a license under the MBPA. Additionally, or in the alternative, based 21 on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 22 31.04.035(1) for offering to make loans for people or property in Washington State without a license 23 to do so.

24 **2.2 Prohibited Acts.** Based on the Factual Allegations set forth in Section I above, Respondents STATEMENT OF CHARGES 2 DEPARTMENT OF FINANCIAL INSTITUTIONS C-19-2803-19-SC01 Division of Consumer Services BRANDED ASSET MANAGEMENT GROUP, LLC d/b/a PO Box 41200 BRANDED LOAN; ALONZO CANZATER; and ADARRIN 00lympia, WA 98504-1200 (360) 902-8703

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are in apparent violation of RCW 19.146.0201(1), (2), (8), and (11) for directly or indirectly 1 2 employing a scheme, device or artifice to defraud or mislead any person, engaging in an unfair or 3 deceptive practice toward any person, negligently making a false statement or knowingly and willfully making an omission of material fact in connection with any reports filed by a licensee or in 4 5 connection with an investigation conducted by the Department, and failing to comply with applicable 6 state and federal laws. Additionally, or in the alternative, based on the Factual Allegations set forth in 7 Section I above, Respondents are in apparent violation of RCW 31.04.027(1)(a), (b), (h), and (m) for 8 directly or indirectly employing a scheme, device or artifice to defraud or mislead any person, 9 engaging in any unfair or deceptive practice toward any person, negligently making a false statement 10 or knowingly and willfully making an omission of material fact in connection with any reports filed 11 by a licensee or in connection with an investigation conducted by the Department, and violating 12 applicable state and federal laws.

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III. AUTHORITY TO IMPOSE SANCTIONS

14 3.1 Authority to Issue an Order to Cease and Desist. Pursuant to RCW 19.146.220(3), the 15 Director may issue orders directing a licensee, its employee, loan originator, independent contractor, 16 agent, or other person subject to the MBPA to cease and desist from conducting business or take such 17 other affirmative action as is necessary to comply with the MBPA. Pursuant to RCW 31.04.093(5), 18 the Director may issue orders directing a licensee, its employee, loan originator, or other person 19 subject to the CLA to cease and desist from conducting business in a manner that is injurious to the 20 public or violates any provision of the CLA; or to take such affirmative action as is necessary to 21 comply with the CLA.

Authority to Prohibit from the Industry. Pursuant to RCW 19.146.220(4), the Director may
issue orders removing from office or prohibiting from participation in the conduct of the affairs of a

24 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed STATEMENT OF CHARGES 3 DEPARTMENT OF FINANCIAL INSTITUTIONS C-19-2803-19-SC01 Division of Consumer Services BRANDED ASSET MANAGEMENT GROUP, LLC d/b/a PO Box 41200 BRANDED LOAN; ALONZO CANZATER; and ADARRIN Olympia, WA 98504-1200 SMITH (360) 902-8703 mortgage broker or any person subject to licensing under the MBPA for any violation of the MBPA.
Pursuant to RCW 31.04.093(6), the Director may issue an order prohibiting from participation in the
affairs of any licensee, any officer, principal, employee, mortgage loan originator, or any other person
subject to the CLA for failure to comply with any order or subpoena issued under the CLA; a
violation of RCW 31.04.027, RCW 31.04.102, RCW 31.04.155, or RCW 31.04.221; or failure to
obtain a license for activity that requires a license.

3.3 Authority to Impose Fine. Pursuant to RCW 19.146.220(2), the Director may impose fines
against a licensee, employees, independent contractors, agents of licensees, or other persons subject
to the MBPA for failure to comply with any directive, order, or subpoena of the Director; or for any
violation of the MBPA. Pursuant to RCW 31.04.093(4), the Director may impose fines of up to one
hundred dollars per day, per violation, upon the licensee, its employee or loan originator, or any other
person subject to the CLA for any violation of the CLA; or for failure to comply with any order or
subpoena issued by the Director under the CLA.

3.4 Authority to Charge Investigation Fee. Pursuant to RCW 19.146.228(2), WAC 208-660-520(9) & (11), 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. Pursuant to RCW 31.04.145(3) and WAC 208-620-610(7), every licensee investigated by the Director or the Director's designee shall pay for the cost of the investigation, calculated at the rate of \$69.01 per staff hour devoted to the investigation.

Authority to Recover Costs and Expenses. Pursuant to RCW 19.146.221(2) and RCW
31.04.205(2), the Director may recover the state's costs and expenses for prosecuting violations of
the MBPA and CLA.

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STATEMENT OF CHARGES C-19-2803-19-SC01 BRANDED ASSET MANAGEMENT GROUP, LLC d/b/a BRANDED LOAN; ALONZO CANZATER; and ADARRIN SMITH 4

| 1 | | IV. NOTICE OF INTENT TO ENTER ORDER |
|----------|---------------|--|
| 2 | Respo | ondents' violations of the provisions of chapter 19.146 RCW, chapter 208-660 WAC, |
| 3 | chapter 31.04 | RCW, and chapter 208-620 WAC, as set forth in the above Factual Allegations, |
| 4 | Grounds for 1 | Entry of Order, and Authority to Impose Sanctions, constitute a basis for the entry of an |
| 5 | Order under 1 | RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, RCW 31.04.093, RCW |
| 6 | 31.04.165, R | CW 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intent to ORDER |
| 7 | that: | |
| 8 9 | 4.1 | Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith cease and desist from engaging in any and all conduct in violation of the MBPA, the CLA, or both. |
| 10 11 | 4.2 | Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith be prohibited indefinitely from participation, in any manner, in the conduct of the affairs of any consumer loan company and any mortgage |
| 12 | | broker subject to licensure by the Director. |
| 13 | 4.3 | Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith jointly and severally pay a fine. As of the date of this Statement of Charges, the fine totals \$20,000. |
| 14 15 | 4.4 | Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith jointly and severally pay an investigation fee. As of the date of this Statement of Charges, the investigation fee totals at least \$1,750. |
| 16 17 | 4.5 | Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo Canzater, and Adarrin Smith maintain records in compliance with the MBPA and CLA and provide the Department with the location of the books, records and other |
| 18 19 | | information relating to Respondents' consumer loan and mortgage broker business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the MBPA and CLA. |
| 20 | 4.6 | Respondents Branded Asset Management Group, LLC d/b/a Branded Loan, Alonzo |
| 21 | | Canzater, and Adarrin Smith pay the Department's costs and expenses for prosecuting violations of the MBPA and CLA in an amount to be determined at hearing or by |
| 22 | // | declaration with supporting documentation in event of default by a Respondent. |
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| 1 | V. AUTHORITY AND PROCEDURE | | | | | | |
|-----|--|--|--|--|--|--|--|
| 2 | This Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, | | | | | | |
| 3 | Prohibit from Industry, Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses | | | | | | |
| 4 | (Statement of Charges) is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, | | | | | | |
| 5 | RCW 19.146.223, RCW 19.146.230, RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW | | | | | | |
| 6 | 31.04.205, and is subject to the provisions of chapter 34.05 RCW (the Administrative Procedure Act). | | | | | | |
| 7 | Each Respondent may make a written request for a hearing as set forth in the NOTICE OF | | | | | | |
| 8 | OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this | | | | | | |
| 9 | Statement of Charges. | | | | | | |
| 10 | Dated this 11th day of December, 2019. | | | | | | |
| 11 | <u>_/s/</u> | | | | | | |
| 12 | RICHARD ST. ONGE Acting Director | | | | | | |
| 13 | Division of Consumer Services Department of Financial Institutions | | | | | | |
| 14 | Presented by: | | | | | | |
| 15 | | | | | | | |
| 16 | / <u>s/</u> DREW STILLMAN | | | | | | |
| 17 | Financial Legal Examiner | | | | | | |
| 18 | Approved by: | | | | | | |
| 19 | /s/ | | | | | | |
| 20 | STEVEN C. SHERMAN Enforcement Chief | | | | | | |
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| - ' | STATEMENT OF CHARGES6DEPARTMENT OF FINANCIAL INSTITUTIONS Division of Consumer ServicesC-19-2803-19-SC01Division of Consumer ServicesBRANDED ASSET MANAGEMENT GROUP, LLC d/b/aPO Box 41200BRANDED LOAN; ALONZO CANZATER; and ADARRINOlympia, WA 98504-1200SMITH(360) 902-8703 | | | | | | |