

## Terms Completed

### ORDER SUMMARY – Case Number: C-15-1825

**Name(s):** Secured Marketing Concepts Corp; Christopher Nelson Beard

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**Order Number:** C-15-1825-17-AG01

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**Effective Date:** 06/19/17

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**License Number:  
Or NMLS Identifier** NMLS #1543; NMLS #50833

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**License Effect:** none

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**Not Apply Until:** n/a

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**Not Eligible Until:** n/a

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**Prohibition/Ban Until:** n/a

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|  |        |   |  |               |
|--|--------|---|--|---------------|
| <b>Investigation Costs</b>             | \$1000 | Due   | Paid<br><input checked="" type="checkbox"/> Y <input type="checkbox"/> N | Date:06/15/17 |
| <b>Fine</b>                            | \$0    | Due   | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
| <b>Assessment(s)</b>                   | \$0    | Due   | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
| <b>Restitution</b>                     | \$0    | Due   | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
| <b>Judgment</b>                        | \$0    | Due   | Paid<br><input type="checkbox"/> Y <input type="checkbox"/> N            | Date          |
| <b>Satisfaction of Judgment Filed?</b> |        | <input type="checkbox"/> Y <input type="checkbox"/> N |  |               |
| No. of<br>Victims:                     |        |   |  |               |

**Comments:**

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1           **A. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter  
2 of the activities discussed herein.

3           **B. Consumer Loan License Requirement.** It is AGREED that Respondents understand  
4 that a license under the Consumer Loan Act is required for Respondents to act as a lender in  
5 Washington, and specifically including Washington residential mortgage loans, unless Respondents  
6 meet an exception to the license requirement of the Act. Respondents AGREE they will not conduct  
7 any activities in Washington requiring a consumer loan license unless they has obtained such a  
8 license or meets a statutory exemption.

9           **C. Resolution of Examination Violations.** Respondents AGREE to thoroughly review the  
10 Report of Examination dated September 30, 2015, and put practices and procedures into place  
11 designed to prevent future violations of the Act. Respondents' efforts will be reviewed at their next  
12 examination.

13           **D. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the  
14 consent of any person or entity not a party to this Consent Agreement to take any action concerning  
15 their personal legal rights. It is further AGREED that for any person or entity not a party to this  
16 Consent Agreement, this Consent Agreement does not limit or create any private rights or remedies  
17 against Respondents, limit or create liability of Respondents, or limit or create defenses of  
18 Respondents to any claims.

19           **E. Investigation Fee.** It is AGREED that Respondents shall pay an Investigation Fee of  
20 \$1,000 in the form of a cashier's check made payable to the "Washington State Treasurer" upon entry  
21 of this Agreement.

1 **F. Authority to Execute Agreement.** It is AGREED that the undersigned has represented  
2 and warranted that he has the full power and right to execute this Consent Agreement on behalf of the  
3 Respondents.

4 **G. Non-Compliance with Agreement.** It is AGREED that Respondents understand that  
5 failure to abide by the terms and conditions of this Consent Agreement may result in further legal  
6 action by the Department. In the event of such legal action, Respondents may be responsible to  
7 reimburse the Department for the cost incurred in pursuing such action, including but not limited to,  
8 attorney fees.

9 **H. Voluntarily Entered.** It is AGREED that Respondents have voluntarily entered into this  
10 Consent Agreement, which is effective when signed by the Director's designee.

11 **I. Completely Read, Understood, and Agreed.** It is AGREED that Respondents have read  
12 this Consent Agreement in its entirety and fully understand and agree to all of the same. It is further  
13 AGREED and understood that the Department intends to post this Consent Agreement to the  
14 Department's web site and to NMLS, but that the Department does not consider this Consent  
15 Agreement to be an "Order" requiring disclosure by Respondents.

16 **RESPONDENTS:**

17 **Secured Marketing Concepts Corp.**

18 By:

19 /s/ \_\_\_\_\_  
20 Christopher N. Beard  
21 Designated Broker

\_\_\_\_\_ 6/6/17  
Date

22 /s/ \_\_\_\_\_  
23 Christopher N. Beard  
24 Individually

\_\_\_\_\_ 6/6/17  
Date

DO NOT WRITE BELOW THIS LINE

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THIS AGREEMENT ENTERED THIS 19<sup>th</sup> DAY OF June, 2017.

/s/ \_\_\_\_\_  
CHARLES E. CLARK  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

/s/ \_\_\_\_\_  
STEVEN C. SHERMAN  
Enforcement Chief



1 Concepts has never been licensed by the Department to conduct business as a consumer loan  
2 company.

3       **B. Christopher Nelson Beard (Respondent Beard)** is the Designated Broker of  
4 Respondent Secured Marketing Concepts and is 50% Owner. Respondent Beard was named  
5 Designated Broker of Respondent Secured Marketing Concepts on or about July 24, 2007, and was  
6 the Designated Broker for all periods relevant to this Statement of Charges. Respondent Beard was  
7 licensed by the Department to conduct business as a loan originator on or about November 21, 2007,  
8 and was licensed at all periods relevant to this Statement of Charges.

9 **1.2 Prohibited Lending Activity.** During January, 2015, Respondents funded at least two  
10 Washington residential mortgage loans from a warehouse line of credit. Respondent Beard was the  
11 loan originator for both loans.

12 **1.3 Failure to Timely Deliver Rate Lock Agreements.** In both loans, Respondents did not  
13 deliver rate lock agreements to the borrowers within three days of locking the interest rates of their  
14 loans.

15 **1.4 Failure to Properly Make Disclosures.** Respondents did not properly make the following  
16 disclosures in both loans:

17       **A.** Respondents failed to provide accurate and complete Truth-in-Lending Disclosure  
18       Statements.

19       **B.** Respondents failed to accurately complete the Good Faith Estimate (GFE) “Important  
20       Dates” section.

21       **C.** Respondents failed to accurately complete the “Summary of your loan” section on the  
22       GFE.





1 **2.3 Requirement to Provide Timely Lock-In Agreements.** Based on the Factual Allegations  
2 set forth in Section I above, Respondents are in apparent violation of RCW 19.146.030(2)(c) for  
3 failing to provide the borrower with the cost, terms, duration, and conditions of a lock-in agreement  
4 and whether a lock-in agreement has been entered, and whether the lock-in agreement is guaranteed  
5 by the mortgage broker or lender within three days of receiving an application from the borrower.

6 **2.4 Requirement to Properly Make Disclosures.** Based on the Factual Allegations set forth in  
7 Section I above, Respondents are in apparent violation of RCW 19.146.0201(2) and (11) for failing to  
8 properly make Truth-in-Lending and Good Faith Estimate disclosures.

9 **2.5 Requirement to Timely Submit Reports.** Based on the Factual Allegations set forth in  
10 Section I above, Respondents are in apparent violation of RCW 19.146.0201(11) and WAC 208-660-  
11 400(1) for failing to timely file Mortgage Call Reports.

12 **2.6 Requirement to Display Information on Web Sites.** Based on the Factual Allegations set  
13 forth in Section I above, Respondents are in apparent violation of RCW 19.146.0201(2) and WAC  
14 208-660-446(2)(b) for failing to include mandatory information on their web sites.

### 15 III. AUTHORITY TO IMPOSE SANCTIONS

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

22 **3.2 Authority to Suspend License.** Pursuant to RCW 19.146.220(2), the Director may suspend  
23 a license for any violation of the MBPA.

1 **3.3 Authority to Prohibit from Industry.** Pursuant to RCW 19.146.220(4), the Director may  
2 issue orders removing from office or prohibiting from participation in the conduct of the affairs of a  
3 licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed  
4 mortgage broker or any person subject to licensing under the MBPA for any violation of the MBPA.  
5 Pursuant to RCW 31.04.093(6)(f), the Director may issue an order prohibiting from participation in  
6 the affairs of any licensee, any officer, principal, employee, mortgage loan originator, or any other  
7 person subject to the Act for failure to obtain a license for activity that requires a license.

8 **3.4 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2)(e), the Director may impose  
9 fines against a licensee or other persons subject to the MBPA for any violation of the MBPA.  
10 Pursuant to RCW 31.04.093(4)(a), the Director may impose fines against a licensee or other persons  
11 subject to the CLA for any violation of the CLA.

12 **3.5 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-  
13 520(9) & (11), and WAC 208-660-550(4)(a), the Department will charge \$48.00 per hour for an  
14 examiner's time devoted to an investigation of a licensee or other person subject to the MBPA.  
15 Pursuant to RCW 31.04.145(3) and WAC 208-620-610(7), the Department will charge \$69.01 per  
16 hour for staff time devoted to an investigation under the CLA.

17 **3.6 Authority to Recover Costs and Expenses.** Pursuant to RCW 19.146.221(2), the Director  
18 may recover the state's costs and expenses for prosecuting violations of the MBPA. Pursuant to RCW  
19 31.04.205(2), the Director may recover the state's costs and expenses for prosecuting violations of  
20 the CLA.

#### 21 **IV. NOTICE OF INTENTION TO ENTER ORDER**

22 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC,  
23 as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose

1 Sanctions, constitute a basis for the entry of an Order under RCW 19.146.220, RCW 19.146.221, and  
2 RCW 19.146.223. Respondents' violations of the provisions of chapter 31.04 RCW and chapter 208-  
3 620 WAC, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to  
4 Impose Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW  
5 31.04.165, RCW 34.04.202, and RCW 31.04.205. Therefore, it is the Director's intention to ORDER  
6 that:

- 7 **4.1** Respondents Secured Marketing Concepts Corp. and Christopher Nelson Beard cease  
8 and desist conducting business requiring a license under the Consumer Loan Act.
- 9 **4.2** Respondent Secured Marketing Concepts Corp.'s license to conduct business as a  
10 mortgage broker be suspended.
- 11 **4.3** Respondent Christopher Nelson Beard's license to conduct business as a loan  
12 originator be suspended.
- 13 **4.4** Respondents Secured Marketing Concepts Corp. and Christopher Nelson Beard be  
14 prohibited from participation in the conduct of the affairs of any mortgage broker or  
15 consumer loan company subject to licensure by the Department for the duration of any  
16 imposed suspension.
- 17 **4.5** Respondents Secured Marketing Concepts Corp. and Christopher Nelson Beard jointly  
18 and severally pay a fine. As of the date of this Statement of Charges, the fine totals  
19 \$20,000.
- 20 **4.6** Respondents Secured Marketing Concepts Corp. and Christopher Nelson Beard jointly  
21 and severally pay an investigation fee. As of the date of this Statement of Charges, the  
22 investigation fee totals \$1,680.
- 23 **4.7** Respondents Secured Marketing Concepts Corp. and Christopher Nelson Beard jointly  
24 and severally 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 declaration with  
supporting documentation in event of default by Respondent.

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**V. AUTHORITY AND PROCEDURE**

This Statement of Charges is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223, RCW 19.146.230, RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (the Administrative Procedure Act). Respondents may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 19<sup>th</sup> day of May, 2017.

/s/ \_\_\_\_\_  
CHARLES E. CLARK  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

/s/ \_\_\_\_\_  
STEVEN C. SHERMAN  
Enforcement Chief