



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

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

NO. C-10-090-11-FO01

GREEN CREDIT SOLUTIONS, CURTIS
MELONE, President, and CHRISTOPHER W.
FOX, CEO

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), pursuant to RCW 34.05.440(2). On May 27, 2010, the Director, through Consumer Services Division Director Deborah Bortner, entered a Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry, Impose Fine, Order Restitution, and Collect Investigation Fee (Statement of Charges). A 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 May 28, 2010, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents Green Credit Solutions, Curtis Melone and Christopher W. Fox (collectively Respondents). The Department served the Statement of Charges, cover letter, Notice of Opportunity to Defend and Opportunity for

1 Hearing, and blank Applications for Adjudicative Hearing for Respondents on June 24, 2010¹, by
2 United States Postal Service First-Class mail (First-Class mail) and Federal Express overnight
3 delivery. The Federal Express overnight delivery was signed for on June 25, 2010.

4 On July 15, 2010, Respondents each filed an Application for Adjudicative Hearing. On
5 October 4, 2010, the Department made a request to the Office of Administrative Hearings (OAH) to
6 assign an Administrative Law Judge (ALJ) to schedule and conduct a hearing on the Statement of
7 Charges.

8 On November 16, 2010, OAH issued a Notice of Conference by Telephone, which set a
9 telephonic conference for Monday, December 13, 2010, at 3:00 pm. The Notice of Conference by
10 Telephone contained the following instruction to the parties **“You must participate in the
11 conference. If you do not, a default may be entered. This means you lose the opportunity to
12 further challenge the agency action.”**

13 On December 13, 2010, the telephonic conference was convened by ALJ Thomas P. Rack
14 (ALJ Rack) at 3:04 pm. The Department appeared and was represented by Assistant Attorney General
15 Jennifer Elias. Respondents did not appear. The Department then moved for an Order of Default
16 based on Respondents’ failure to appear. On December 14, 2010, ALJ Rack issued an Order of
17 Default affirming the Statement of Charges. On December 14, 2010, OAH sent the Order of Default
18 to the last known addresses for Respondents.

19 Pursuant to RCW 34.05.440(3), Respondents had seven (7) days from the date of service of the
20 Order of Default to file a written motion with OAH requesting that the Order of Default be vacated,
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24 ¹ The Statement of Charges and accompanying documents were originally sent via Federal Express overnight delivery and
25 First-Class mail on May 28, 2010. However, all were returned undeliverable. The Department then obtained new addresses
and resent the materials as noted above on June 24, 2010.

1 and stating the grounds relied upon. Respondents did not make a request to vacate during the statutory
2 period. Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from
3 the date of service of the Order of Default to file a Petition for Review of the Order of Default and with
4 the Director. Respondents did not file a Petition for Review during the statutory period.

5 B. Record Presented. The record presented to the Director for his review and for entry of
6 a final decision included the following:

- 8 1. Statement of Charges, cover letter, and Notice of Opportunity to Defend and
9 Opportunity for Hearing, with documentation of service;
- 10 2. Applications for Adjudicative Hearing for all Respondents;
- 11 3. Request to OAH for Assignment of Administrative Law Judge;
- 12 4. Notice of Conference by Telephone dated November 16, 2010, with documentation of
13 service;
- 14 5. Order of Default dated December 14, 2010, with documentation of service.

15 C. Factual Findings and Grounds For Order. Pursuant to RCW 34.05.440(2), the
16 Director hereby adopts the Statement of Charges, which is attached hereto.

17 II. FINAL ORDER

18 Based upon the foregoing, and the Director having considered the record and being
19 otherwise fully advised, NOW, THEREFORE:

20 A. IT IS HEREBY ORDERED, That:

- 21 1. Respondents Green Credit Solutions, Curtis Melone, and Christopher W. Fox are
22 prohibited from participation in the conduct of the affairs of any mortgage broker
23 subject to licensure by the Director, in any manner, for a period of five (5) years; and
- 24 2. Respondents Green Credit Solutions, Curtis Melone, and Christopher W. Fox, jointly
25 and severally pay restitution in the amount of \$6,990 to the consumers identified in
the attached restitution schedule; and

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- 2 3. Respondents Green Credit Solutions, Curtis Melone, and Christopher W. Fox jointly
and severally pay a fine of \$4,500; and
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- 4 4. Respondents Green Credit Solutions, Curtis Melone, and Christopher W. Fox jointly
and severally pay an investigation fee of \$768; and
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- 6 5. Respondents Green Credit Solutions, Curtis Melone, and Christopher W. Fox
maintain records in compliance with the Act, and provide the Department with the
7 location of the books, records, and other information relating to Respondent Green
Credit Solutions' loan origination business, and the name, address and telephone
8 number of the individual responsible for maintenance of such records in compliance
with the Act.

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

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

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

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

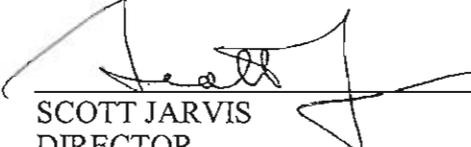
4 E. Non-compliance with Order. If you do not comply with the terms of this order, the
5 Department may seek its enforcement by the Office of Attorney General to include the collection of the
6 fines, restitution, and investigation fees imposed herein. The Department may also refer the matter to a
7 collection agency for collection of the debt owed.

8 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for
9 Judicial Review, service is effective upon deposit of this order in the U.S. mail, declaration of service
10 attached hereto.

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12 DATED this 31st day of January, 2011.



13 STATE OF WASHINGTON
14 DEPARTMENT OF FINANCIAL INSTITUTIONS

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17 SCOTT JARVIS
18 DIRECTOR

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

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

NO. C-10-090-10-SC01

GREEN CREDIT SOLUTIONS,
CURTIS MELONE, President, and
CHRISTOPHER W. FOX, CEO

STATEMENT OF CHARGES and
NOTICE OF INTENTION TO PROHIBIT FROM
INDUSTRY, IMPOSE FINE, ORDER RESTITUTION
AND COLLECT INVESTIGATION FEE

Respondents.

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 (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. **Green Credit Solutions (Respondent Green Credit Solutions)** is a California corporation located at 7525 Irvine Center, Suite 200, Irvine, California, 92618. Respondent Green Credit Solutions has never been licensed to conduct the business of a Mortgage Broker by the Department of Financial Institutions (Department).

B. **Curtis Melone (Respondent Melone)** is President of Respondent Green Credit Solutions. Respondent Melone has never been licensed to conduct the business of a Mortgage Broker or Loan Originator by the Department.

1 C. **Christopher W. Fox (Respondent Fox)** is CEO of Respondent Green Credit Solutions.
2 Respondent Fox has never been licensed to conduct the business of a Mortgage Broker or Loan Originator by
3 the Department.

4 **1.2 Unlicensed Activity.** Between at least November 1, 2008, and the date of this Statement of Charges,
5 Respondents held themselves out as able to assist at least two consumers in applying to obtain a loan
6 modification on property located in the state of Washington. The consumers involved in these loan
7 modifications paid fees to Respondent Green Credit Solutions totaling at least \$6,990.

8 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the Act by
9 Respondents continues to date.

10 II. GROUNDS FOR ENTRY OF ORDER

11 **2.1 Definition of Mortgage Broker.** Pursuant to RCW 19.146.010(14), "Mortgage Broker" means
12 any person who for compensation or gain, or in the expectation of compensation or gain (a) assists a person in
13 obtaining or applying to obtain a residential mortgage loan or (b) holds himself or herself out as being able to
14 assist a person in obtaining or applying to obtain a residential mortgage loan.

15 **2.2 Definition of Loan Originator.** Pursuant to RCW 19.146.010(11)(a), "Loan originator" means
16 a natural person who for direct or indirect compensation or gain, or in the expectation of direct or indirect
17 compensation or gain (i) takes a residential mortgage loan application for a mortgage broker, or (ii) offers or
18 negotiates terms of a mortgage loan. "Loan originator" also includes a person who holds themselves out to the
19 public as able to perform any of these activities. "Loan originator" does not mean persons performing purely
20 administrative or clerical tasks for a mortgage broker. For the purposes of this subsection, "administrative or
21 clerical tasks" means the receipt, collection, and distribution of information common for the processing of a
22 loan in the mortgage industry and communication with a borrower to obtain information necessary for the
23 processing of a loan. A person who holds himself or herself out to the public as able to obtain a loan is not
24 performing administrative or clerical tasks.

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1 **2.3 Requirement to Obtain and Maintain License.** Based on the Factual Allegations set forth in
2 Section I above, Respondents are in apparent violation of RCW 19.146.0201(2) and (3) and RCW 19.146.200
3 for engaging in the business of a mortgage broker or loan originator without first obtaining and maintaining a
4 license under the Act. Individuals or entities negotiating residential mortgage loan terms act as mortgage
5 brokers or loan originators and must be licensed under the Act unless specifically exempt from the Act.

6 **III. AUTHORITY TO IMPOSE SANCTIONS**

7 **3.1 Authority to Prohibit from the Industry.** Pursuant to RCW 19.146.220(5)(a) and (d), the
8 Director may issue orders removing from office or prohibiting from participation in the conduct of the affairs of
9 a licensed mortgage broker, or both, any officer, principal, employee, or loan originator of any licensed
10 mortgage broker or any person subject to licensing under the Act for any violation of RCW 19.146.0201(1)
11 through (9), or RCW 19.146.200, or failure to comply with a directive or order of the Director.

12 **3.2 Authority to Impose Fine.** Pursuant to RCW 19.146.220(2) and (3) and WAC 208-660-530, the
13 Director may impose fines on a licensee, employee or loan originator of the licensee, or other person subject to
14 the Act for any violations of the Act, or any violations of RCW 19.146.0201(1) through (9), or RCW
15 19.146.200, or failure to comply with a directive or order of the Director.

16 **3.3 Authority to Order Restitution.** Pursuant to RCW 19.146.220(2), the Director may issue orders
17 directing a licensee or other person subject to the Act to pay restitution.

18 **3.4 Authority to Collect Investigation Fee.** Pursuant to RCW 19.146.228(2), WAC 208-660-550(4)
19 and WAC 208-660-520(9), upon completion of any investigation of the books and records of a licensee or other
20 person subject to the Act, the Department will furnish to the licensee or other person subject to the Act a billing to
21 cover the cost of the investigation. The investigation charge will be calculated at the rate of forty-eight dollars
22 (\$48) per hour that each staff person devoted to the investigation.

23 **IV. NOTICE OF INTENTION TO ENTER ORDER**

24 Respondents' violations of the provisions of chapter 19.146 RCW and chapter 208-660 WAC, as set forth
25 in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis

1 for the entry of an Order under RCW 19.146.220, RCW 19.146.221 and RCW 19.146.223. Therefore, it is the

2 Director's intention to ORDER that:

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4 **4.1** Respondents Green Credit Solutions, Curtis Melone and Christopher W. Fox be prohibited from
5 participation in the conduct of the affairs of any mortgage broker subject to licensure by the Director, in
6 any manner, for a period of five (5) years;

7 **4.2** Respondents Green Credit Solutions, Curtis Melone and Christopher W. Fox jointly and severally pay a
8 fine which as of the date of these charges totals \$4,500;

9 **4.3** Respondents Green Credit Solutions, Curtis Melone and Christopher W. Fox jointly and severally pay
10 restitution in at least the amount of \$6,990 to those consumers identified in paragraph 1.2 above;

11 **4.4** Respondents Green Credit Solutions, Curtis Melone and Christopher W. Fox jointly and severally pay an
12 investigation fee which as of the date of these charges totals \$768 calculated at \$48 per hour for the sixteen
13 (16) staff hours devoted to the investigation; and

14 **4.5** Respondents Green Credit Solutions, Curtis Melone and Christopher W. Fox maintain records in
15 compliance with the Act and provide the Department with the location of the books, records and other
16 information relating to Respondent Green Credit Solutions' loan origination business, and the name,
17 address and telephone number of the individual responsible for maintenance of such records in compliance
18 with the Act.

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V. AUTHORITY AND PROCEDURE

This Statement of Charges and Notice of Intention to Enter an Order to Prohibit From Industry, Impose Fine, Order Restitution, and Collect Investigation Fee is entered pursuant to the provisions of RCW 19.146.220, RCW 19.146.221, RCW 19.146.223 and RCW 19.146.230, 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 27th day of May, 2010.

Deborah Bortner
DEBORAH BORTNER
Director
Division of Consumer Services
Department of Financial Institutions



Presented by:

Marnie Sheeran
MARNIE SHEERAN
Financial Legal Examiner

Approved by:

James R. Brusselback
JAMES R. BRUSSELBACK
Enforcement Chief

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