ORDER SUMMARY – Case Number: C-15-1681

Names: Crouse Law Group, PLLC; Michael E. Crouse

Order Number: C-15-1681-16-FO01

Effective Date: 8/8/2016

License Number: NMLS ID# 1535928
Or **NMLS Identifier** [U/L] Crouse Law Group, PLLC NMLS ID# 1530730

License Effect:

Not Apply Until: 08/08/2021

Not Eligible Until:

Prohibition/Ban Until: 5 years from date of entry

Investigation Costs	$1,228.38	Due 9/7/2016	Paid ☐ Y ☒ N	Date
Fine	$18,000.00	Due 9/7/2016	Paid ☐ Y ☒ N	Date
Assessment(s)	$	Due	Paid ☐ Y ☐ N	Date
Restitution	$17,751.00	Due 9/7/2016	Paid ☐ Y ☒ N	Date
Judgment	$	Due	Paid ☐ Y ☐ N	Date
Satisfaction of Judgment Filed?		☐ Y ☐ N		
No. of Victims:		6		

Comments: Cease and desist ordered. Requirement to maintain records in compliance with MBPA.

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: CROUSE LAW GROUP, PLLC, MICHAEL CROUSE, Owner, Respondents.	No.: C-15-1681-16-FO01 FINAL ORDER

I. DIRECTOR'S CONSIDERATION

Procedural History. 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 July 27, 2015, the Director, through his designee, Consumer Services Division Director Charles E. Clark, 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 Crouse Law Group, PLLC and Michael Crouse ("Respondents"). On July 28, 2015, the Department of Financial Institutions ("Department") served Respondents with the Statement of Charges and accompanying documents, sent by First-Class mail and Federal Express overnight delivery. The Statement of Charges was accompanied by a cover letter dated July 28, 2015, a Notice of Opportunity to Defend and Opportunity for Hearing, and blank Applications for Adjudicative Hearing for Respondents. On August 17, 2015, Respondents filed an Application for Adjudicative Hearing. On August 18, 2015, the Department made a request to the Office of Administrative Hearings ("OAH") to assign an Administrative Law Judge ("ALJ") to schedule and conduct a hearing on the Statement of Charges.

On August 25, 2015, Administrative Law Judge Robert Krabill (ALJ Krabill) issued a Notice of Prehearing Conference scheduling a prehearing conference on Tuesday, September 15, 2015, at 2:00 p.m. On September 15, 2015, representatives for the Department and Respondents' counsel attended a prehearing conference. On September 22, 2015, Administrative Law Judge Lisa Dublin (ALJ Dublin) issued a Prehearing Conference Order and Notice of Hearing scheduling a hearing on January 14, 2016. On December 15, 2015, OAH issued a Notice of Reassignment of Administrative Law Judge re-assigning the case to Administrative Law Judge Terry Schuh (ALJ Schuh). On December 28, 2015, ALJ Schuh issued an Order Granting Continuance and Notice of Hearing continuing the original hearing date and scheduling a hearing on April 18, 2016, at 9:00 a.m..

On April 18, 2016 the hearing was convened by ALJ Schuh at 9:00 a.m. Respondents failed to appear and the Department moved for an order of default dismissing the administrative appeal. On April 25, 2016, ALJ Schuh issued an Order Dismissing Appeal dismissing Respondents' administrative appeal. On April 25, 2016, ALJ Schuh sent the Order Dismissing Appeal to Respondents via First-Class mail.

Pursuant to RCW 34.05.440(3), Respondents had seven (7) days from the date of service of the Order Dismissing Appeal to file a written motion with OAH requesting that the Order Dismissing Appeal be vacated, and stating the grounds relied upon. Respondents did not make a request to vacate during the statutory period.

Pursuant to RCW 34.05.464 and WAC 10-08-211, Respondents had twenty (20) days from the date of service of the Order Dismissing Appeal to file a Petition for Review of the Order Dismissing Appeal. Respondents did not file a Petition for Review during the statutory period.

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

1. Statement of Charges, cover letter dated July 28, 2015, and Notice of Opportunity to Defend and Opportunity for Hearing, with documentation of service.

2. Applications for Adjudicative Hearing for Crouse Law Group, PLLC and Michael Crouse.

3. Request to OAH for Assignment of Administrative Law Judge.

4. Notice of Prehearing Conference dated August 25, 2015, with documentation of service.

5. Prehearing Conference Order and Notice of Hearing dated September 22, 2015, with documentation of service.

6. Notice of Re-Assignment of Administrative Law Judge dated December 15, 2015, with documentation of service.

7. Order Granting Continuance and Notice of Hearing dated December 28, 2015, with documentation of service.

8. Order Dismissing Appeal dated April 25, 2016, with documentation of service.

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

II. FINAL ORDER

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

A. IT IS HEREBY ORDERED, That:

1. Respondents Crouse Law Group, PLLC and Michael Crouse cease and desist engaging in the business of a mortgage broker.

2. Respondent Michael Crouse cease and desist engaging in the business of a loan originator.

3. Respondents Crouse Law Group, PLLC and Michael Crouse 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. Respondents Crouse Law Group, PLLC and Michael Crouse jointly and severally pay restitution to the six consumers identified in Appendix A to the attached

Statement of Charges in the amount set forth therein within thirty (30) days of receipt of this order.

5. Respondents Crouse Law Group, PLLC and Michael Crouse shall jointly and severally pay to the Washington State Department of Financial Institutions, within thirty (30) days of receipt of this order, a fine of eighteen thousand dollars ($18,000.00) .

6. Respondents Crouse Law Group, PLLC and Michael Crouse shall jointly and severally pay to the Washington State Department of Financial Institutions, within thirty (30) days of receipt of this order, an investigation fee of one thousand two hundred twenty eight dollars and thirty eight cents ($1,228.38).

7. Respondents Crouse Law Group, PLLC and Michael Crouse maintain records in compliance with chapter 19.146 RCW, the Mortgage Broker Practices Act (Act) and provide the Director with the location of the books, records and other information relating to Respondents Crouse Law Group, PLLC and Michael Crouse's loan modification business, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

B. Reconsideration. Pursuant to RCW 34.05.470, Respondents have the right to file a 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 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia, Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondents. The Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for Reconsideration a prerequisite for seeking judicial review in this matter.

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 written notice specifying the date by which it will act on a petition.

C. Stay of Order. The Director has determined not to consider a Petition to 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.

D. Judicial Review. 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 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

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

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

DATED this 8th day of August, 2016.

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS

[redacted]

SCOTT JARVIS
Director

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: CROUSE LAW GROUP, PLLC, MICHAEL CROUSE, Owner, Respondents.	No. C-15-1681-15-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 (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 Charles E. Clark, institutes this proceeding and finds as follows:

I. FACTUAL ALLEGATIONS

1.1 Respondents.

A. Crouse Law Group, PLLC (Respondent Crouse Law Group) has never been licensed by the Department of Financial Institutions of the State of Washington (Department) to conduct business as a mortgage broker.

B. Michael Crouse (Respondent Michael Crouse) is sole owner of Respondent Crouse Law Group. During the relevant time period, Respondent Michael Crouse was not licensed by the Department to conduct business as a mortgage broker or loan originator.

1.2 Unlicensed Activity. Between at least May 1, 2014, and February 6, 2015, Respondents were offering residential mortgage loan modification services to Washington consumers relating to

residential properties located in Washington State. Respondents entered into a contractual relationship with at least six Washington consumers to provide those services and collected an advance fee for the provision of those services. The Department has received at least one complaint alleging Respondents provided or offered to provide residential mortgage loan modification services while not licensed by the Department to provide those services. A list of Washington consumers with whom Respondents conducted business as a mortgage broker or loan originator, and the amount paid by each is appended hereto and incorporated herein by reference.

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

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), "Mortgage broker" means any person who for direct or indirect compensation or gain, or in the expectation of direct or indirect compensation or gain (a) assists a person in obtaining or applying to obtain a residential mortgage loan or performs residential mortgage loan modification services or (b) holds himself or herself out as being able to assist a person in obtaining or applying to obtain a residential mortgage loan or provide residential mortgage loan modification services.

2.2 Loan Originator Defined. Pursuant to RCW 19.146.010(11)(b), "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 performs residential mortgage loan modification services or holds himself or herself out as being able to perform residential mortgage loan modification services.

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

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

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

2.6 Prohibition against Taking Advance Fees. Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 19.146.353 for taking advance fees for loan modification services.

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 the Act.

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

3.4 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.

IV. NOTICE OF INTENT TO ENTER ORDER

Respondents' violations of the provisions of chapter 19.146 RCW, 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 Crouse Law Group, PLLC and Michael Crouse cease and desist engaging in the business of a mortgage broker.

4.2 Respondent Michael Crouse cease and desist engaging in the business of a loan originator.

4.3 Respondents Crouse Law Group, PLLC and Michael Crouse 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.

4.4 Respondents Crouse Law Group, PLLC and Michael Crouse jointly and severally pay restitution to the six consumers identified in Appendix A to this Statement of Charges 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 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.

4.5 Respondents Crouse Law Group, PLLC and Michael Crouse jointly and severally pay a fine, which as of the date of this Statement of Charges totals $18,000.

4.6 Respondents Crouse Law Group, PLLC and Michael Crouse jointly and severally pay an investigation fee, which as of the date of this Statement of Charges totals $1,228.38.

4.7 Respondents Crouse Law Group, PLLC and Michael Crouse maintain records in compliance with the Act and provide the Department with the location of the books, records and other information relating to Respondents' provision of residential mortgage loan modification services in Washington or to Washington consumers, and the name, address and telephone number of the individual responsible for maintenance of such records in compliance with the Act.

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, 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 July, 2015.

[redacted]

CHARLES E. CLARK
Director, Division of Consumer Services
Department of Financial Institutions

Presented by:

[redacted]

ROBERT E. JONES
Financial Legal Examiner

Approved by:

[redacted]

STEVEN C. SHERMAN
Enforcement Chief

APPENDIX A

Borrower	Fees Paid
T.E.	$650.00
C.P.	$5,100.00
P.K.	$3,100.00
K.C.	$3,875.00
K.S.	$3,000.00
T.S.	$2,026.00
	TOTAL $17,751.00

DEPARTMENT OF FINANCIAL INSTITUTIONS
Division of Consumer Services
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