

1  
2  
3 **STATE OF OREGON**  
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**  
5 **DIVISION OF FINANCIAL REGULATION**

6 **In the Matter of:**

7 **USA Private Money Fund LLC, nka Flip**  
8 **Your Capital Fund LLC,**

9 **Respondent.**

**Case No. M-18-0105**

**Final Order to Cease and Desist and**  
**Consent to Entry of Order**

10 The Director of the Department of Consumer and Business Services for the State of  
11 Oregon (the Director) conducted an investigation of USA Private Money Fund LLC, nka Flip  
12 Your Capital Fund LLC (USA) and determined that USA engaged in activities constituting  
13 violations of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (collectively  
14 cited as the Oregon Mortgage Lender Laws).

15 USA wishes to resolve and settle this matter with the Director. As evidenced by the  
16 authorized signature subscribed on this order, USA consents to entry of this order upon the  
17 Director's Findings of Fact and Conclusions of Law as stated below.

18 **FINDINGS OF FACT**

19 The Director finds that:

20  
21 1. At all times material to this order, USA conducted business at 4135 South Power Road,  
22 #115, Mesa AZ. USA was registered with the Arizona Corporation Commission eCorp with a  
23 domestic address of 1846 E Innovation DR STE 100, Oro Valley, AZ. USA was organized in the  
24 State of Wyoming and listed 412 N Main Street, #100, Buffalo, WY as its principal address.

25 2. At all times material, USA have never been registered with the State of Oregon to do  
26 business in Oregon.





1           3. At all times material, USA has never obtained a mortgage license to engage in mortgage  
2 activities in Oregon nor have they ever been licensed in the Nationwide Multistate Licensing  
3 System (NMLS).

4           4. On or about June 25, 2016, USA entered into a Broker Registration Agreement with a  
5 company that was licensed to engage in mortgage lending activities in Oregon. The terms of the  
6 agreement stated that USA would receive a referral fee for referring clients to the other  
7 company. USA was designated as the Broker in the Agreement and the other company was  
8 designated as the Lender.

9           5. During a routine examination of the Lender, an examiner for the Oregon Division of  
10 Financial Regulation (DFR) discovered that USA had brokered two residential mortgage loans in  
11 Oregon.

12           6. One of the properties in question was located in Hillsboro, Oregon (the Hillsboro  
13 property). The loan application listed USA as the broker and stated that USA had received  
14 \$2,170 as a Broker Origination Fee for the Hillsboro property transaction.

15           7. DFR received a copy of Invoice No. 1029, prepared by USA and dated May 15, 2017, for  
16 the \$2,170 Broker Origination Fee for the Hillsboro property. The Broker Origination Fee paid  
17 to USA was also listed on the ALTA Settlement Statement. USA was also listed as the broker on  
18 the Loan Summary documents for the Hillsboro property.

19           8. The other property in question was located in Portland, Oregon (the Portland property).  
20 The loan application for this property listed USA as the Broker and stated that USA had received  
21 \$1,945 as a Broker Origination Fee. The Broker Origination Fee paid to USA was listed on the  
22 ALTA Settlement Statement. USA was listed as the Broker on the Loan Summary documents for  
23 the Portland property.

24           9. At all times material to this order, USA had an active website that included a blank  
25 Consulting Fee Agreement that described the scope of the services provided by USA. Those  
26 services included: providing a loan analysis to the client; assisting the client in structuring the



1 loan; discussing loan options with the client; collecting items from the client for a loan package;  
2 processing the client's loan application in preparation for submission to the lender; marketing the  
3 loan pack to potential lenders; assisting in loan negotiation for the client, including negotiating  
4 on the clients behalf with title companies; and assisting the client with the closing process.

5 10. The Consulting Fee Agreement stated that an up-front fee of \$1,000 would be charged for  
6 document collection, pre-approval and securing a loan for the client.

7 11. The Consulting Fee Agreement contained a section on licensing that gave the impression  
8 that USA had all necessary licenses to perform the services they offered when in fact they were  
9 not licensed in Oregon.

10 12. USA's website listed services provided by USA as both a Broker and a Lender. The  
11 services included statements that USA offered state specific loan documents and that they were  
12 lending and Securities law compliant. Included on the website were pictures of properties  
13 purported to be from various states that USA had assisted the borrower in obtaining funding with  
14 a projected profit on the project.

15 13. The combined information on the website would give potential borrowers the impression  
16 that USA was compliant with all state laws and that USA was licensed to conduct business in all  
17 states when in fact that was not true and was misleading.

## 18 CONCLUSIONS OF LAW

19 The Director concludes that:

20 1. USA acted as a mortgage broker under ORS 86A.100(5)(a)(C) when USA, for  
21 compensation, or in the expectation of compensation, either directly or indirectly made,  
22 negotiated, or offered to make or negotiate a mortgage loan for two residential properties  
23 located in Oregon.

24 2. USA violated 86A.103(1) by engaging in two residential mortgage transactions in Oregon  
25 without first obtaining a license as a mortgage broker in Oregon.  
26



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

5. Respondent shall post on its website and keep posted on its website that mortgage loans in Oregon are not available from Respondent so long as Respondent remains unlicensed in Oregon.

6. USA shall pay \$1,000 per month beginning on the 1<sup>st</sup> day of the month following the execution of this Order and continue to be due on the same day each month thereafter until the full amount of the \$5,000 has been paid. In no event shall the total amount paid be less than \$5,000.

Dated this 6th day of March, 2019.

CAMERON C. SMITH, Director  
Department of Consumer and Business Services

/S/Dorothy Bean  
Dorothy Bean, Chief of Enforcement  
Division of Financial Regulation

*[The remainder of this page is intentional left blank]*

Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387



1 ENTITY CONSENT TO ENTRY OF ORDER

2 I, Scott Brown state that I am an officer of USA and I am authorized to act on its  
3 behalf. I have read the foregoing order and I know and fully understand the contents hereof. I have  
4 been advised of the right to a hearing and of the right to be represented by counsel in this matter and  
5 have been represented by Jason Powell of Cara Stone, LLP. USA voluntarily and without any force or  
6 duress consents to the entry of this Order expressly waiving any right to a hearing in this matter. USA  
7 understands that the Director reserves the right to take further actions to enforce this Order or to take  
8 appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law. USA will  
9 fully comply with the terms and conditions stated herein.

10 USA further assures the Director that neither USA nor its officers, directors, employees, or  
11 agents will effect mortgage transactions in Oregon unless such activities are in full compliance with  
12 the Oregon Mortgage Lender Law. USA understands that this consent order is a public document.

13  
14 By /S/Scott Brown Managing Member  
Title

15 ACKNOWLEDGMENT

16 State of Arizona )  
17 )ss.  
18 County of Maricopa )

19 This instrument was acknowledged before me on March 4th, 2019 by  
20 Scott Brown

21  
22 /S/Derik L. Dalby  
23 Notary Public

24  
25  
26  
Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387

