

1 DEPARTMENT OF INSURANCE AND FINANCE  
 2 DIVISION OF FINANCE AND CORPORATE SECURITIES  
 3 SECURITIES SECTION  
 4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCE  
 5 STATE OF OREGON

4 In the Matter of: ) 5 ) 6 CLEVELAND BRIGHAM JR dba ) MORTGAGE LENDERS UNLIMITED; ) and ) 7 MORTGAGE LENDERS UNLIMITED INC. ) 8 ) Respondents. )	4 O-92-0036 5 ) 6 ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTIES, AND 7 CONSENT TO ENTRY OF ORDER 8 )
--	---

9 WHEREAS the Director of the Department of Insurance and Finance has  
 10 conducted an investigation of Cleveland Brigham, Jr. and Mortgage Lenders  
 11 Unlimited Inc. and has determined that they transacted securities and mortgage  
 12 broker business in the State of Oregon in violation of ORS Chapter 59, The  
 13 Oregon Securities Law; and

14 WHEREAS Cleveland Brigham Jr. and Mortgage Lenders Unlimited Inc. wish to  
 15 resolve and settle this matter, and agree to conduct all future business in  
 16 compliance with the statutory requirements of ORS Chapter 59, The Oregon  
 17 Securities Law;

18 NOW THEREFORE, as evidenced by the signature on this Order, Respondents  
 19 Cleveland Brigham Jr. and Mortgage Lenders Unlimited Inc. **CONSENT** to the entry  
 20 of this Order, to Cease and Desist, Denying Exemptions, and Assessing Civil  
 21 Penalties, based on the Director's Findings of Fact and Conclusions of Law as  
 22 stated hereinafter.

23 **FINDINGS OF FACT**

24 The Director **FINDS** that:

- 25 1. Respondent Cleveland Brigham, Jr. (hereinafter BRIGHAM) registered the
- 26 assumed business name of Mortgage Lenders Unlimited in Oregon in June of 1991.

1 Between June of 1991 and January of 1992, BRIGHAM engaged in the business of  
2 loan brokering from his home at 15833 NE Rosepark Way, Portland, Oregon 97230.  
3 In January of 1992, BRIGHAM began to conduct loan brokering, under the assumed  
4 business name of Mortgage Lenders Unlimited, at 800 SE 181st Ave., Gresham,  
5 Oregon 97233.

6 2. Respondent Mortgage Lenders Unlimited, Inc. (MLU INC.) is a Nevada  
7 corporation incorporated in August of 1991. Respondent BRIGHAM is the president  
8 of MLU INC. and the sole shareholder. MLU INC. was purportedly registered to do  
9 business as a foreign corporation in the State of Oregon. However, as of August  
10 31, 1992 no such filing had been made. MLU INC. is engaged in the business of  
11 loan brokering. At the times material to this Order, MLU INC. was doing  
12 business at 800 SE 181st Ave., Gresham, Oregon 97233. The current address for  
13 MLU INC. is 10150 SE Ankeny, Portland, Oregon 97216.

14 3. The loan brokering activity of BRIGHAM and MLU INC. involved assisting  
15 borrowers to obtain loans through institutional lenders. That activity did not  
16 require a license from the Oregon Securities Section.

17 4. On March 20th, 1992, BRIGHAM and MLU INC. applied to be licensed as a  
18 mortgage broker in Oregon. To date, the license application has not been  
19 completed and no mortgage broker license has been issued. Neither BRIGHAM nor  
20 MLU INC. have ever been licensed as a mortgage broker or as a mortgage broker  
21 salesperson in Oregon.

22 5. From March of 1992 through July of 1992, MLU INC., by and through  
23 BRIGHAM, effected sales of notes secured by trust deeds to private investors in  
24 seven known transactions.

25 6. In the course of the sales of notes secured by trust deeds to private  
26 investors, as described in Findings of Fact # 5, BRIGHAM and MLU INC. failed to

1 provide the necessary disclosures, as required under Oregon Administrative Rule  
2 441-35-021, prior to the time of sale. These non-disclosures included but were  
3 not limited to:

- 4 (a) a credit report on the borrower current within ninety days;
- 5 (b) a financial statement of the borrower;
- 6 (c) a statement of whether the investor would be the beneficiary of  
7 casualty insurance on the underlying property;
- 8 (d) a written disclosure document providing a summary of all the  
9 necessary disclosed information.

#### 10 CONCLUSIONS OF LAW

11 The Director **CONCLUDES** that:

12 1. Notes secured by trust deeds constitute real estate paper as defined in  
13 ORS 59.015(13).

14 2. Respondents BRIGHAM and MLU INC., by engaging in the sale of real  
15 estate paper, transacted business as mortgage brokers as defined in ORS  
16 59.015(10).

17 3. Respondents BRIGHAM and MLU INC. transacted business as mortgage  
18 brokers without being licensed in violation of ORS 59.165.

19 4. Respondents BRIGHAM and MLU INC., by omitting the necessary disclosures  
20 set forth in Findings of Fact #6, sold real estate paper in violation of  
21 ORS 59.135(2).

#### 22 ORDER

23 The Director, pursuant to ORS 59.245 hereby **ORDERS** that Respondents shall  
24 **CEASE AND DESIST** from:

- 25 1. Transacting business in the State of Oregon in violation of ORS 59.165.
- 26 2. Transacting business in the State of Oregon in violation of ORS 59.135.

**CLEVELAND BRIGHAM, JR ET AL ORDER TO CEASE AND DESIST,  
ORDER ASSESSING CIVIL PENALTIES, CONSENT TO ORDER**

**3998-ENF**

**PAGE 3**

OREGON DEPARTMENT OF INSURANCE AND FINANCE  
Corporate Securities Section  
21 Labor and Industries Building  
Salem OR 97310  
(503) 378-4387

1 3. Violating any of the provisions of ORS Chapter 59.

2

3 The Director, pursuant to ORS 59.045, hereby **DENIES** Respondents the use of any  
4 exemption contained in ORS 59.025 and 59.035, except ORS 59.035(7), as it  
5 pertains to the sale of real estate paper.

6

7 The Director, pursuant to ORS 59.995, hereby imposes a **CIVIL PENALTY** of \$5,000  
8 against Respondent BRIGHAM. The civil penalty shall be paid at a rate of \$500 a  
9 month with payments due on or before the first of each calendar month. The  
10 balance of the civil penalty shall be paid in full on or before January 15,  
11 1993. Failure to timely pay any of the monthly payments makes the balance of  
12 the civil penalty due and owing immediately. Failure to pay the entire civil  
13 penalty shall constitute a violation of this Order.

14

15 The entry of this Order in no way limits further remedies which may be  
16 available to the Director under Oregon law to enforce this Order.

17 Dated this 8<sup>th</sup> day of September 1992 at Salem, Oregon.

18

19

20

21

22

23

24

  
GARY WEEKS  
DIRECTOR  
DEPARTMENT OF INSURANCE AND FINANCE

**CONSENT TO ENTRY OF ORDER  
ADMISSION OF FACTS**

25

26

I, Cleveland Brigham, Jr., state that I am the respondent herein; that I  
have read the foregoing order and that I know and fully understand the contents

**CLEVELAND BRIGHAM, JR ET AL ORDER TO CEASE AND DESIST,  
ORDER ASSESSING CIVIL PENALTIES, CONSENT TO ORDER**

3998-ENF

PAGE 4

1 thereof; that I admit that the factual allegations contained herein are true and  
2 correct; that I have been advised of my right to a hearing, and that I consent  
3 to the entry of this order without further hearing; that I consent to the entry  
4 of this Order voluntarily, and without any force or duress; that I understand  
5 that the Director reserves the right to take further actions to enforce this  
6 Order, or, upon discovery, to enforce other violations of the Oregon Securities  
7 Laws by me; and that I will fully comply with the terms and conditions stated  
8 herein.

9 I, Cleveland Brigham, Jr., further assure the Director that I will not  
10 transact business in the State of Oregon unless such transactions are in full  
11 compliance with Chapter 59 of the Oregon Revised Statutes.

12 I understand that this Consent Order is a public document.

13 DATED this 4 day of September, 1992.

14

15

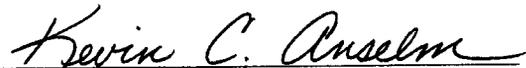
16

  
Cleveland Brigham, Jr.

17

18 SUBSCRIBED AND SWORN TO BEFORE ME THIS 4<sup>th</sup> day of September, 1992

19

  
NOTARY PUBLIC FOR OREGON

20

21 My commission expires: ~~9-4-93~~ 4-17-93

22

23

**CORPORATE CONSENT TO ENTRY OF ORDER  
ADMISSION OF FACTS**

24

25

26 I, Cleveland Brigham, Jr., state that I am the president of Respondent  
Mortgage Lenders Unlimited, Inc. and that I am authorized to act on its behalf;  
that I have read the foregoing Order and that I know and fully understand the

**CLEVELAND BRIGHAM, JR ET AL ORDER TO CEASE AND DESIST,  
ORDER ASSESSING CIVIL PENALTIES, CONSENT TO ORDER**

3998-ENF

PAGE 5

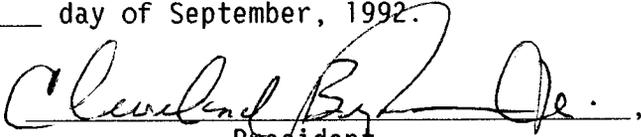
OREGON DEPARTMENT OF INSURANCE AND FINANCE  
Corporate Securities Section  
21 Labor and Industries Building  
Salem OR 97310  
(503) 378-4387

1 contents thereof; that Respondent admits that the factual allegations contained  
2 herein are true and correct; that Respondent has been advised of its right to a  
3 hearing, and that Respondent consents to the entry of this Order without further  
4 hearing; that Respondent consents to the entry of this Order voluntarily without  
5 any force or duress; that Respondent understands that the Director reserves the  
6 right to take further actions to enforce this Order, or, upon discovery, to  
7 enforce other violations of the Oregon Securities Laws by Respondent; that  
8 Respondent will fully comply with the terms and conditions stated herein.

9 Respondent Mortgage Lenders Unlimited, Inc. further assures the Director  
10 that it will not transact any business in the State of Oregon unless such  
11 transactions are in full compliance with Chapter 59 of the Oregon Revised  
12 Statutes.

13 I understand that this Consent Order is a public document.

14 Dated this 4 day of September, 1992.

  
President  
Mortgage Lenders Unlimited, Inc.

17 STATE OF OREGON )  
18 ) ss.  
19 County of Marion )

Dated this 4<sup>th</sup> day of September, 1992.

20 Personally appeared Cleveland Brigham, Jr. who, being duly sworn, did say that  
21 he is the president of Mortgage Lenders Unlimited, Inc., and that said  
22 instrument was signed on behalf of said corporation by authority of its board of  
23 directors; and he acknowledged said instrument to be its voluntary act and deed.

24 Before me:

  
NOTARY PUBLIC FOR OREGON  
My Commission expires: 4-17-93