



1 broker in Oregon with the Department of Insurance and Finance, Division of  
2 Finance and Corporate Securities, Corporate Securities Section. On the same  
3 date, SHANKLAND applied to be licensed as IGR's sole salesperson. To date, no  
4 mortgage broker license or salesperson license has been issued.

5 4. On May 14, 1993, SHANKLAND, representing IGR, attended a mortgage  
6 broker presentation conducted by the Department of Insurance and Finance,  
7 Division of Finance and Corporate Securities, Corporate Securities Section  
8 during which representatives of the Section discussed Oregon Securities law as  
9 it relates to mortgage brokers.

10 5. In April of 1993, IGR, by and through SHANKLAND, conducted business as  
11 a mortgage broker by effecting three transactions involving the sale of real  
12 estate paper and the use of funds from private investors. The private investors  
13 were Don Burdick, John D. Sanderson and the Shizue Edmundson Trust.

14 6. In June of 1993, IGR, by and through SHANKLAND, conducted business as  
15 a mortgage broker by effecting two transactions involving the sale of real  
16 estate paper and the use of funds from private investors. The private investors  
17 were Pacific Northwest Trust Co. FBO Donald C. Burdick IRA and Janet L. Roberts,  
18 and the Roth Living Trust.

19 7. In July of 1993, IGR, by and through SHANKLAND, conducted business as  
20 a mortgage broker by effecting one transaction involving the sale of real estate  
21 paper and the use of funds from a private investor. The private investor was  
22 the Roth Living Trust.

23 8. In both transactions involving private investor the Roth Living Trust,  
24 as described in Findings of Fact numbers six and seven, IGR, by and through  
25 SHANKLAND, commingled client funds by depositing the funds from the Roth Living  
26 Trust into IGR's checking account rather than a client trust account.

**ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, ORDER ASSESSING CIVIL PENALTIES  
AND CONSENT TO ENTRY OF ORDER 5442-ENF PAGE 2**



1 paper, transacted business as a mortgage broker as defined by ORS 59.015(10).

2 3. Respondents IGR and SHANKLAND transacted business as a mortgage broker  
3 without being licensed in violation of ORS 59.165(1).

4 4. Respondents IGR and SHANKLAND, by pooling funds of two private  
5 investors in real estate paper as set forth in Finding of Fact number ten, sold  
6 unregistered securities in violation of ORS 59.055(1).

7 5. Respondents IGR and SHANKLAND, by omitting the necessary disclosures  
8 set forth in Finding of Fact number nine, sold unregistered securities in  
9 violation of ORS 59.055(1).

10 6. Respondents IGR and SHANKLAND, by commingling client funds with funds  
11 in IGR's checking account as set forth in Finding of Fact number eight, violated  
12 Oregon Administrative Rule 441-205-150(1)(a) and (b).

13 **ORDER**

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

- 16 1. Transacting business in the State of Oregon in violation of ORS 59.165.  
17 2. Transacting business in the State of Oregon in violation of ORS 59.055.  
18 3. Transacting business in the State of Oregon in violation of Oregon  
19 Administrative Rule 441-205-150.  
20 4. Violating any of the provisions of ORS Chapter 59.

21 The Director, pursuant to ORS 59.045, hereby **DENIES** Respondents the use of any  
22 exemption contained in ORS 59.025 and in ORS 59.035 for a period of two years  
23 from the date of this Order, unless use of a particular exemption is authorized  
24 in writing by the Director. The denial of exemptions does not apply to  
25 ORS 59.035(7).

26 //

**ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, ORDER ASSESSING CIVIL PENALTIES  
AND CONSENT TO ENTRY OF ORDER 5442-ENF PAGE 4**

1 The Director, pursuant to ORS 59.255, hereby imposes as **CIVIL PENALTY** of \$2,100  
2 against Respondent SHANKLAND.

3  
4 The entry of this Order in no way limits further remedies which may be available  
5 to the Director under Oregon law to enforce this Order.

6 Dated this 20<sup>th</sup> day of July, 1993 at Salem, Oregon.

7  
8   
9 GARY K. WEEKS  
10 DIRECTOR  
11 DEPARTMENT OF INSURANCE AND FINANCE

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

14 I, Scott E. Shankland, state that I am the respondent herein; that I have  
15 read the foregoing order and that I know and fully understand the contents  
16 thereof; that I admit that the factual allegations contained herein are true and  
17 correct; that I have been advised of my right to a hearing, and that I consent  
18 to the entry of this order without further hearing; that I consent to the entry  
19 of this Order voluntarily, and without any force or duress; that I understand  
20 that the Director reserves the right to take further actions to enforce this  
21 Order, or, upon discovery, to enforce other violations of the Oregon Securities  
22 Laws by me; and that I will fully comply with the terms and conditions stated  
23 herein.

24 //  
25 //  
26 //

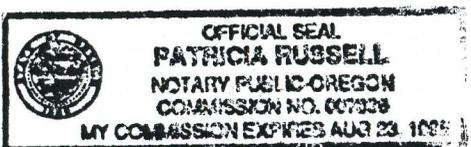
**ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, ORDER ASSESSING CIVIL PENALTIES**  
**AND CONSENT TO ENTRY OF ORDER 5442-ENF PAGE 5**

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

1 I, Scott E. Shankland, further assure the Director that I will not transact  
2 business in the State of Oregon unless such transactions are in full compliance  
3 with Chapter 59 of the Oregon Revised Statutes.

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

5 DATED this 20<sup>th</sup> day of July, 1993.



*Scott E. Shankland*  
Scott E. Shankland

8 SUBSCRIBED AND SWORN TO BEFORE ME THIS 20<sup>th</sup> day of July, 1993

*Patricia Russell*  
NOTARY PUBLIC FOR OREGON

11 My commission expires: 8/23/95

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

16 I, Scott E. Shankland, state that I am the president of Respondent IGR  
17 Mortgage Co. and that I am authorized to act on its behalf; that I have read the  
18 foregoing Order and that I know and fully understand the contents thereof; that  
19 Respondent admits that the factual allegations contained herein are true and  
20 correct; that Respondent has been advised of its right to a hearing, and that  
21 Respondent consents to the entry of this Order without further hearing; that  
22 Respondent consents to the entry of this Order voluntarily without any force or  
23 duress; that Respondent understands that the Director reserves the right to take  
24 further actions to enforce this Order, or, upon discovery, to enforce other  
25 violations of the Oregon Securities Laws by Respondent; that Respondent will  
26 fully comply with the terms and conditions stated herein.

**ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, ORDER ASSESSING CIVIL PENALTIES**  
**AND CONSENT TO ENTRY OF ORDER 5442-ENF PAGE 6**

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

1 Respondent IGR Mortgage Co. further assures the Director that it will not  
2 transact any business in the State of Oregon unless such transactions are in  
3 full compliance with Chapter 59 of the Oregon Revised Statutes.

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

5 Dated this 20<sup>th</sup> day of July, 1993.

6 

7 Scott E. Shankland  
8 President  
IGR Mortgage Co.

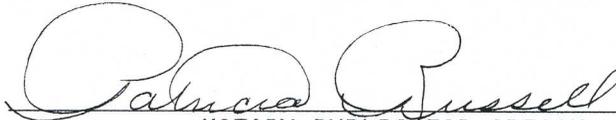
9 STATE OF OREGON )

10 County of Marion ) ss.

Dated this 20<sup>th</sup> day of July, 1993.

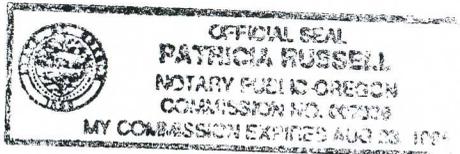
11 Personally appeared Scott E. Shankland who, being duly sworn, did say that he is  
12 the president of IGR Mortgage Co., and that this consent order was signed on  
13 behalf of said corporation by authority of its board of directors; and he  
acknowledged said instrument to be its voluntary act and deed.

14 Before me:

15 

16 NOTARY PUBLIC FOR OREGON

My Commission expires: 8/23/95



ORDER TO CEASE AND DESIST, DENYING EXEMPTIONS, ORDER ASSESSING CIVIL PENALTIES  
AND CONSENT TO ENTRY OF ORDER 5442-ENF PAGE 7