

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

6 In the Matter of:) O-94-0046
7 REAL ESTATE MORTGAGE GROUP, INC.) ORDER TO CEASE AND DESIST
8 Respondent.) ASSESSMENT OF CIVIL PENALTIES
9) ORDER TO REVOKE LICENSE
10) CONSENT TO ENTRY OF ORDER

11 WHEREAS the Director of the Department of Consumer and Business Services
12 has conducted an investigation of REAL ESTATE MORTGAGE GROUP, INC (hereinafter
13 "REMG") and has determined that REMG engaged in activities constituting
14 violations of the ORS 59.840 through 59.960 (hereinafter "the Oregon Mortgage
15 Lender Law"); and

16 WHEREAS Respondent wishes to resolve and settle this matter with the
17 Director;

18 NOW THEREFORE, as evidenced by the authorized signature subscribed on this
19 Order, Respondent REMG hereby CONSENTS to entry of this Order upon the
20 Director's Findings of Facts and Conclusions of Law as stated hereinafter:

21 FINDINGS OF FACT

22 The Director FINDS that:

23 1. REMG is an Oregon corporation in good standing formed on January 11,
24 1993 and located at 390 Coburg Rd., Suite E.;

25 2. Connie Anderson is President of REMG, and Agent for Service of Process
26 and may be served at 225 Crona, Junction City, Oregon 97448;

1 3. REMG was licensed as a mortgage broker under the Oregon Securities Law
2 from November 8, 1993 to the present and was subject to Oregon's Mortgage
3 Lender Law from January 1, 1994 to the present.

1 4. REMG voluntarily ceased operations on or about September 1, 1994;

2 5. Commencing on January 14, 1994 REMG established a Clients' Trust
3 Account (hereinafter "CTA") at U.S. Bank, Oakway-Coburg branch, as required
4 under the provisions of Oregon's Mortgage Lender Law; and,

5 6. From January 14, 1994 to on or about September 1, 1994 REMG deposited
6 non trust account funds into the CTA on at least 10 occasions and made payments
7 from the CTA on at least 19 occasions for expenses unrelated to the CTA such as
8 payment of payroll, postage, supplies and other operating expenses.

9 7. Because CTA funds were used for operating and other expenses,
10 insufficient funds remained for payment of CTA expenses and Respondent REMG paid
11 Calciano & Associates, a Oregon licensed real estate appraiser, only about
12 \$15,000.00 of \$25,000.00 owed for appraisals ordered by REMG and completed by
13 Calciano & Associates.

14 CONCLUSIONS OF LAW

15 The Director CONCLUDES that:

16 1. At all times relevant herein, Respondent REMG conducted business as a
17 Mortgage Broker;

18 2. Respondent REMG violated the trust account provisions of ORS 59.935(1)
19 and OAR 441-875-030 on 19 occasions by using CTA funds to pay operating
20 expenses, including payroll, postage, supplies and other operating expenses; and,

21 3. Respondent REMG violated the trust account provisions of ORS 59.935(8)
22 at least 10 times by depositing into the CTA funds which were not clients' trust
23 funds.

24 ORDER

25 NOW THEREFORE, THE DIRECTOR ORDERS:

26 1. Pursuant to the authority of ORS 59.885, Respondent REMG shall CEASE

1 AND DESIST from participating in any violations of the Oregon Mortgage Lender
2 Law, ORS 59.840 through 59.960.

3 2. Pursuant to the authority of ORS 59.865, the Director REVOKES the
4 mortgage broker license of Respondent REMG.

5 3. Pursuant to the authority of ORS 59.996, the Director HEREBY ASSESSES
6 the following civil penalties:

7 a. Respondent REMG is ORDERED to pay \$10,000.00 for continuing violations
8 of ORS 59.935(1) and (8) except that the Director suspends payment of \$9,000.00
9 for three years. The remaining \$1,000.00 is due and payable if and when
10 Respondent REMG or its owner makes application to be licensed as a Mortgage
11 Broker. If in the period from the date of this Order to three years from the
12 date of this Order Respondent REMG violates any of the provisions of this Order
13 or of Oregon's Mortgage Lender Law, the \$9,000.00 suspended Civil Penalty shall
14 be immediately due and payable. If at the end of the three year period,
15 Respondent REMG has complied with the provisions of this Order and Oregon's
16 Mortgage Lender Law, the suspended penalty shall be waived.

17 Dated this 6th day of March, 1995 at Salem, Oregon.

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KERRY BARNETT
DIRECTOR

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

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22 CONSENT TO ENTRY OF ORDER

23 I, Connie Anderson, state that I am officer of Real Estate Mortgage Group,
24 Inc., and I am authorized to act on its behalf; that I have read the foregoing
25 Order and that I know and fully understand the contents hereof; that the factual
26 allegations stated herein are true and correct; that Real Estate Mortgage

1 Group, Inc. has been advised of its right to a hearing, and to be represented by
2 counsel in this matter; that Real Estate Mortgage Group, Inc. voluntarily
3 consents to the entry of this Order without further hearing without any force or
4 duress, expressly waiving any right to a hearing in this matter; that Real
5 Estate Mortgage Group, Inc. understands that the Director reserves the right to
6 take further actions to enforce this Order or to take appropriate action upon
7 discovery of other violations of the Oregon's Mortgage Lender Law; and that Real
8 Estate Mortgage, Inc. will fully comply with the terms and conditions stated
9 herein. Real Estate Mortgage Group, Inc. and Connie Anderson individually
10 further assures the Director that they will not transact business as a Mortgage
11 Broker unless such activities are in full compliance with the Oregon Mortgage
12 Lender Law and further, will not make application to be licensed as a mortgage
13 broker for at least three years from the date of this Order.

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

15 Dated this 20th day of Febr., 1995.

16 By Connie Anderson
17 Connie Anderson
18 President, Real Estate Mortgage
19 Group, Inc.

20 CORPORATE ACKNOWLEDGMENT

21 There appeared before me this 20th day of February, 1995
22 Connie Anderson, who was first duly sworn on oath, and stated that she
23 was and is the President of Real Estate Mortgage Group, Inc. and that she is
24 authorized and empowered to sign this Consent to Entry of Order on behalf of
25 Real Estate Mortgage Group, Inc., and to bind Real Estate Mortgage Group, Inc.
26 to the terms hereof.

23 Victoria S. West
24 Notary Public in and for the State of : OREGON

25 Victoria S. West
26 Name of Notary Public

26 My commission expires: 9/24/96

