

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

6 In the Matter of:
7 Qualfund LLC
8 dba Qualfund Lending

9 #O-99-0005
10 ORDER TO CEASE AND DESIST
11 ORDER TO ASSESS CIVIL PENALTY
12 CONSENT TO ENTRY OF ORDER

13 WHEREAS the Director of the Department of Consumer and Business Services has
14 conducted an investigation of QUALFUND LLC dba QUALFUND LENDING, and has
15 determined that QUALFUND LLC dba QUALFUND LENDING engaged in activities
16 constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage
17 Lender Law"); and

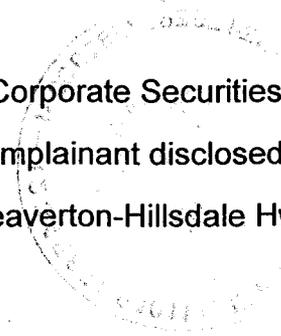
18 WHEREAS QUALFUND LLC dba QUALFUND LENDING wishes to resolve and
19 settle this matter with the Director;

20 NOW THEREFORE, as evidenced by the authorized signature(s) subscribed on this
21 Order, QUALFUND LLC dba QUALFUND LENDING hereby **CONSENTS** to entry of this
22 order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

23 **FINDINGS OF FACT**

24 The Director **FINDS** that:

- 25 1. QUALFUND LLC dba QUALFUND LENDING (herein "Respondent") is located at 15436
26 Bel-Red Rd., Ste. 100, Redmond, WA 98052 and is engaged in the business of a
27 mortgage broker. Brett Moreland is President of Respondent, and is authorized to act on
28 it's behalf.
2. Respondent became licensed as a mortgage broker in the State of Oregon on January
21, 1998, and is still actively licensed.
3. On or about January 21, 1999, the Division of Finance and Corporate Securities (herein
"Division") received a complaint regarding Respondent. The complainant disclosed that
the loan transaction they were involved in originated at 6443 Beaverton-Hillsdale Hwy.,



1 #330, Portland, OR 97221 (herein "Portland location").

2 4. After searching the Division's records, it was revealed that the Portland location was not
3 a licensed branch location of Respondent.

4 5. Respondent was notified of the consumer complaint and that the location was not
5 licensed to do business as a mortgage banker. Respondent answered that the Portland
6 location had opened in Mid-November 1998. Respondent provided a list of transactions
7 handled by the location.

8 6. Since opening, the Portland location has taken 82 applications, of which 44 were
9 closed.

10 7. Respondent asserts that the violation was not intentional, and has remedied the
11 violation through submission of an application for licensure of the Portland location. The
12 Portland location's license was issued effective January 23, 1999.

13 CONCLUSIONS OF LAW

14 The Director **CONCLUDES** that:

15 1. The activity conducted at the Portland location by Respondent constituted the activities
16 of a branch office, as defined in OAR 441-860-0010(1).

17 2. Respondent conducted unlicensed activity at the Portland location in violation of ORS
18 59.845 and OAR 441-860-0020 and 441-860-0030.

19 3. Respondent has remedied the violation through submission of branch applications for
20 the Portland location.

21 ORDER

22 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Respondent will
23 **CEASE AND DESIST** from:

24 1. Violating any provisions of ORS 59.840 through 59.960; and

25 2. Operating any unlicensed branch locations in the future.

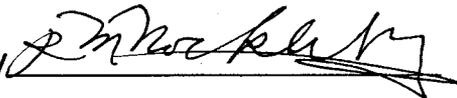
26 The Director, pursuant to ORS 59.996, hereby **ORDERS** Respondent to pay the
27 State of Oregon a civil penalty of \$9,400.00, \$5,000.00 for conducting a mortgage broker
28 business without a license, and \$100.00 for each of the 44 closed loans.

1 The Director suspends payment of \$8,460.00 of the assessed civil penalty for a
2 three year period. If in the period from the date of the Order to three years from the date of
3 this Order, Respondent violates any provision of Oregon's Mortgage Lender Law, the
4 suspended portion of the assessed civil penalty will become immediately due and payable.
5 If no violation of Oregon's Mortgage Lender Law by Respondent occurs in the three year
6 period, the suspended portion of the civil penalty is waived. The date of the Order is the
7 date the Director signs the Order.

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

10 Dated this 15th day of April, 1999 at Salem, Oregon.

11
12 **MICHAEL GREENFIELD, DIRECTOR**
13 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

14
15 by 

16 **R.M. NOCKLEBY, ADMINISTRATOR**
17 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

18 **CONSENT TO ENTRY OF ORDER**

19 I, Brett Moreland, state that I am the President of QUALFUND LLC dba QUALFUND
20 LENDING, and i am authorized to act on its behalf; that I have read the foregoing Order
21 and that I know and fully understand the contents hereof; that QUALFUND LLC dba
22 QUALFUND LENDING has been advised of its right to a hearing; that QUALFUND LLC
23 dba QUALFUND LENDING admits the Findings of Fact contained herein, voluntarily
24 consents to the entry of this Order, expressly waiving any right to a hearing in this matter;
25 that QUALFUND LLC dba QUALFUND LENDING understands that the Director reserves
26 the right to take further actions to enforce this Order or to take appropriate action upon
27 discovery of other violations of Oregon's Mortgage Lender Law; and that QUALFUND LLC
28 dba QUALFUND LENDING will fully comply with Chapter 59 of Oregon's Mortgage Lender

1 Law.

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

3
4 Dated this 12 day of April, 1999.

5 BRETT MORELAND
6 By Brett Moreland PRESIDENT
(Printed Name) (Office Held)

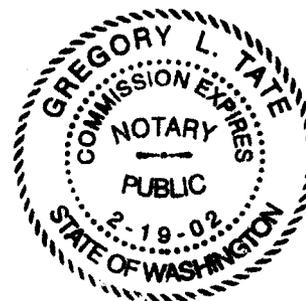
7
8 Brett Moreland
(Signature)

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10 **CORPORATE ACKNOWLEDGMENT**

11 There appeared before me this 12th day of April, 1999, Brett Moreland
12 who was first duly sworn on oath, and stated that he was and is the President of
13 QUALFUND LLC dba QUALFUND LENDING and he is authorized and empowered to sign
14 this Consent to Entry of Order on behalf of QUALFUND LLC dba QUALFUND LENDING
15 and to bind QUALFUND LLC dba QUALFUND LENDING to the terms hereof.

16
17 Notary Public in and for the State of: Washington

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20 Gregory L. Tate
Signature of Notary Public



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23 My Commission expires: 2/19/02

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