

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 Portland Mortgage Company

8 O-99-0016  
9 ORDER TO CEASE AND DESIST  
10 ORDER TO ASSESS CIVIL PENALTY  
11 CONSENT TO ENTRY OF ORDER

12 WHEREAS the Director of the Department of Consumer and Business Services has  
13 conducted an investigation of PORTLAND MORTGAGE COMPANY, and has determined that  
14 PORTLAND MORTGAGE COMPANY engaged in activities constituting violations of ORS  
15 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

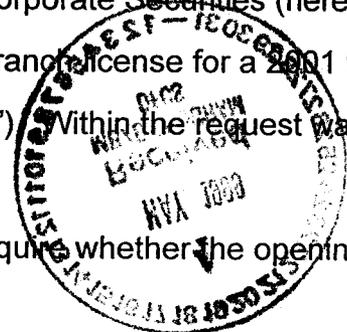
16 WHEREAS PORTLAND MORTGAGE COMPANY wishes to resolve and settle this  
17 matter with the Director;

18 NOW THEREFORE, as evidenced by the authorized signature(s) subscribed on this  
19 Order, PORTLAND MORTGAGE COMPANY hereby CONSENTS to entry of this order upon  
20 the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

21 FINDINGS OF FACT

22 The Director FINDS that:

- 23 1. PORTLAND MORTGAGE COMPANY (herein "Respondent") can be located at 2020  
24 SW Fourth Ave. Ste. 1010, Portland, Oregon, 97201. Respondent has been licensed to  
25 conduct a mortgage banker business since January 17, 1994. Respondent's current  
26 license expires on July 15, 2000.
- 27 2. John P. Arnold is an officer of Respondent, and is authorized to act on it's behalf.
- 28 3. On or about April 15, 1999, the Division of Finance and Corporate Securities (herein  
"Division") received a request from Respondent to obtain a branch license for a 2001 9th  
Street, Tillamook, Oregon, 97141. (Herein "Tillamook branch") Within the request was an  
opening date for the Tillamook branch of May 1, 1997.
4. Representatives of the Division contacted Mr. Arnold to inquire whether the opening



- 1 date of May 1, 1997 was correct. Mr. Arnold indicated that the date was in fact accurate.  
2 5. Representatives of the Division requested that Mr. Arnold forward a listing of all loan  
3 applications taken and closed since the Tillamook location opened.  
4 6. The listing forwarded by Respondent to the Division indicated that, since opening, the  
5 Tillamook branch has closed 99 loans.  
6 7. Respondent maintains that the failure to license the Tillamook location was merely an  
7 oversight.

#### 8 **CONCLUSIONS OF LAW**

9 The Director **CONCLUDES** that:

- 10 1. Respondent conducted unlicensed activity at the Tillamook branch in violation of ORS  
11 59.845 AND OAR 441-860-0030.  
12 2. Respondent has remedied the violation through submission of a branch application for  
13 the Tillamook branch.

#### 14 **ORDER**

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

- 17 1. Violating any provisions of ORS 59.840 through 59.960; and  
18 2. Operating any unlicensed branch locations in the future.

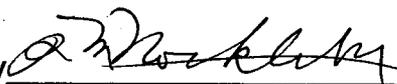
19 The Director, pursuant to ORS 59.996, hereby **ORDERS** Respondent to pay the  
20 State of Oregon a civil penalty of \$14,900.00, \$5,000.00 for knowingly conducting a  
21 mortgage broker business without a license, and \$100.00 for each of the 99 closed loans.

22 The Director suspends payment of \$13,410.00 of the assessed civil penalty for a  
23 three year period. If in the period from the date of the Order to three years from the date of  
24 this Order, Respondent violates any provision of Oregon's Mortgage Lender Law, the  
25 suspended portion of the assessed civil penalty will become immediately due and payable.  
26 If no violation of Oregon's Mortgage Lender Law by Respondent occurs, in the three year  
27 period, the suspended portion of the civil penalty is waived. The date of the Order is the  
28 date the Director signs the Order.

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

3 Dated this 24<sup>th</sup> day of May, 1999 at Salem, Oregon.

4  
5 **MICHAEL GREENFIELD, DIRECTOR**  
6 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

7 by   
8 **R.M. NOCKLEBY, ADMINISTRATOR**  
9 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

10 **CONSENT TO ENTRY OF ORDER**

11 I, John P. Arnold, state that I am the Vice President/Finance of PORTLAND MORTGAGE  
12 COMPANY, and I am an officer authorized to act on its behalf; that I have read the  
13 foregoing Order and that I know and fully understand the contents hereof; that PORTLAND  
14 MORTGAGE COMPANY has been advised of its right to a hearing; that PORTLAND  
15 MORTGAGE COMPANY admits the findings of fact herein, voluntarily consenting to the  
16 entry of this Order without further hearing, expressly waiving any right to a hearing in this  
17 matter; that PORTLAND MORTGAGE COMPANY understands that the Director reserves  
18 the right to take further actions to enforce this Order or to take appropriate action upon  
19 discovery of other violations of Oregon's Mortgage Lender Law; and that PORTLAND  
20 MORTGAGE COMPANY will fully comply with Chapter 59 of Oregon's Mortgage Lender  
21 Law.

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

23 Dated this 11<sup>th</sup> day of May, 1999.

24  
25 By JOHN P. ARNOLD  
26 (Printed Name)

VP/FINANCE  
(Office Held)

27   
28 (Signature)

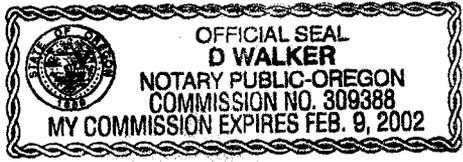
CORPORATE ACKNOWLEDGMENT

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There appeared before me this 11<sup>th</sup> day of May, 1999, JOHN P ARNOLD  
who was first duly sworn on oath, and stated that he was and is the VP/FINANCE  
of PORTLAND MORTGAGE COMPANY and he is authorized and empowered to sign this  
Consent to Entry of Order on behalf of PORTLAND MORTGAGE COMPANY and to bind  
PORTLAND MORTGAGE COMPANY to the terms hereof.

Notary Public in and for the State of: OREGON

D Walker  
Signature of Notary Public



My Commission expires: 2/9/02