

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCE AND CORPORATE SECURITIES  
FINANCE SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
STATE OF OREGON

In the Matter of  
Sierra Pacific Mortgage  
Company Inc

O-99-0031

ORDER TO CEASE AND DESIST  
ORDER TO ASSESS CIVIL PENALTY  
CONSENT TO ENTRY OF ORDER

**WHEREAS** the Director of the Department of Consumer and Business Services for the State of Oregon has conducted an investigation of Sierra Pacific Mortgage Company Inc, and has determined that Sierra Pacific Mortgage Company Inc engaged in activities constituting violations of ORS 593840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

**WHEREAS** Sierra Pacific Mortgage Company Inc wishes to resolve and settle this matter with the Director;

**NOW THEREFORE**, as evidenced by the authorized signatures subscribed on this Order, Sierra Pacific Mortgage Company Inc hereby **CONSENTS** to entry of this order upon the Director's Findings of Fact and Conclusions of Law as state hereinafter:

**FINDINGS OF FACT**

The Director **FINDS** that:

1. Sierra Pacific Mortgage Company Inc (herein "Respondent"), with a principal office at 11344 Coloma Road, Suite 345 in Gold River, California 95670, is engaged in the business of a mortgage broker. Respondent also operates six branch locations in Northern Oregon and Southern Washington.
2. Respondent has been licensed by the Division of Finance and Corporate Securities (herein "Division") since August 18, 1994 and currently possesses an active license to operate at their principal location and six branch locations.

1 3. About May 1, 1999, Respondent opened two net branches. One net branch operates  
2 under the name Ideal Mortgage Group and is located at 13936 South Larae Street in Oregon  
3 City, Oregon 97045. The second net branch operates under the name Federal Mortgage  
4 Services and is located at 037 SW Hamilton Street #4 in Portland, Oregon 97201.

5 4. Sometime in 1999, Respondent began operating a net branch by the name of Pacific Coast  
6 Mortgage at 14860 Monticello Drive in Gladstone, Oregon 97027. Robb Hatley was a contact  
7 person for that net branch.

8 5. Pacific Coast Mortgage, with a contact person of Robb Hatley, has been licensed as a  
9 separate mortgage lender since November 1, 1996, has never surrendered its license, and  
10 never has been licensed as a branch or net branch of Respondent.

11 6. On August 19, 1999, the Division received a letter from Sweet Home Mortgage concerning  
12 the possibility of Michael and Kimberley Grayson operating an unlicensed net branch under  
13 the name Ideal Mortgage Group for Respondent. At that time, the Ideal Mortgage Group net  
14 branch was not licensed.

15 7. On August 20, 1999, Respondent was notified verbally that Respondent was conducting  
16 unlicensed activity and that the branch needed to be licensed under the Oregon Mortgage  
17 Lender Law. Respondent was also notified that no business could originate from the branch  
18 location until the branch was licensed.

19 8. On August 24, 1999, the Division informed Kimberley Grayson at the Ideal Mortgage Group  
20 net branch not to conduct any further business until the branch is licensed.

21 9. On August 27, 1999, Chuck Iverson, an employee of Respondent, contacted the Division.  
22 Mr. Iverson revealed that there were other net branches that had not been licensed and that  
23 they would license them immediately.

24 10. On September 7, 1999, the Division mailed certified letters to the Ms. Jamie Copelin at  
25 the principal office and to Mr. Iverson regarding the fact that the branches were still not  
26 licensed.

1 11. On September 20, 1999, the Division received the information and fees to license two net  
2 branches: Ideal Mortgage Group and Federal Mortgage Services.

3 12. On October 7, 1999, Ideal Mortgage Group and Federal Mortgage Services, along with  
4 three other net branches, not including Pacific Coast Mortgage, were licensed.

5 13. Respondent provided a pipeline report at the request of the Director which indicates that  
6 eight (8) loans have been funded by the Ideal Mortgage Group net branch while it was  
7 unlicensed and seven (7) loans have been funded by the Federal Mortgage Services net  
8 branch while it was unlicensed.

9 14. Pacific Coast Mortgage has not been licensed as a net branch and has ceased doing  
10 business as a net branch of Respondent.

11 15. Respondent provided a pipeline report at the request of the Director which indicates that  
12 sixty-nine (69) loans have been funded by the Pacific Coast Mortgage net branch while it was  
13 unlicensed.

#### 14 **CONCLUSIONS OF LAW**

15 The Director **CONCLUDES** that:

16 1. Respondent conducted unlicensed activity at the Ideal Mortgage Group, Federal  
17 Mortgage Services, and Pacific Coast Mortgage net branches in violation of ORS 59.845,  
18 ORS 59.950(2), and OAR 441-860-0030.

19 2. Respondent has remedied the violations through the submission of an application for  
20 the Ideal Mortgage Group and Federal Mortgage Services net branches and discontinuing  
21 unlicensed activity under the Mortgage Lender Law until such branch license was issued.

22 3. Respondent has remedied the violations through ceasing to do business with Pacific  
23 Coast Mortgage as a net branch.

#### 24 **ORDER**

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

1 1. Violating any provision of ORS 59.840 through 59.960; and

2 2. Operating any unlicensed location in the future.

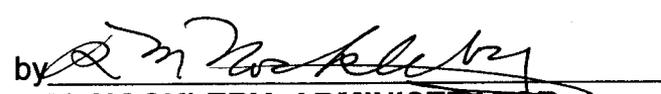
3 The Director, pursuant to ORS 59.996 hereby **ORDERS** Respondent to pay the State  
4 of Oregon a civil penalty of \$13,400.00, \$5,000.00 for knowingly conducting a mortgage broker  
5 business without a license and \$8,400.00 (\$100.00 each) for the 84 loans funded during the  
6 unlicensed period.

7 The Director suspends payment of \$12,060.00 of the assessed civil penalty for a three  
8 year period. If in the period between the date of the Order to three years from the date of the  
9 Order, Respondent violates any provision of Oregon's Mortgage Lender Law, the suspended  
10 portion of the assessed civil penalty will become immediately due and payable. If the  
11 Respondent does not violate Oregon's Mortgage Lender Law in the three year period, the  
12 suspended portion of the civil penalty is waived. The date of the Order is the date the Director  
13 signs the Order.

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

16 Dated this 14<sup>th</sup> day of December, 1999.

17  
18 **MICHAEL GREENFIELD, DIRECTOR**  
19 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

20  
21 by   
22 **R.M. NOCKLEBY, ADMINISTRATOR**  
23 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

24 **CONSENT TO ENTRY OF ORDER**

25 I, Jim Coffrin, state that I am the President of Sierra Pacific Mortgage Company Inc, and I am  
26 authorized to act on its behalf; that I have read the foregoing Order and that I know and fully

1 understand the contents hereof; that Sierra Pacific Mortgage Company Inc admits the findings  
2 of fact herein, voluntarily consents to the entry of this Order without further hearing, expressly  
3 waiving any right to a hearing in this matter; that Sierra Pacific Mortgage Company Inc  
4 understands that the Director reserves the right to take further actions to enforce this order or  
5 to take appropriate action upon discovery of other violations of Oregon's Mortgage Lender  
6 Law; and that Sierra Pacific Mortgage Company Inc will fully comply with Chapter 59 of  
7 Oregon's Mortgage Lender Law.

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

9

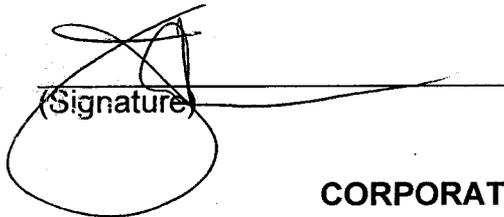
10 Dated this 14<sup>th</sup> day of December, 1999.

11

12 By James E. Colfrini President  
(Office Held)

13

14

(Signature) \_\_\_\_\_  


15

16

**CORPORATE ACKNOWLEDGMENT**

17 There appeared before me this 14<sup>th</sup> day of December, 1999,  
18 JAMES E. COLFRINI, who was first duly sworn on oath, and stated that he was and is  
19 the PRESIDENT of Sierra Pacific Mortgage Company Inc and he is authorized and  
20 empowered to sign this Consent to Entry of Order on behalf of Sierra Pacific Mortgage  
21 Company Inc and to bind Sierra Pacific Mortgage Company Inc to the terms hereof.

22

23

24

25

26

27

28

Signature of Notary Public  
Notary Public for the State of: CALIFORNIA  
My Commission expires: 5-1-2000

