

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 Western Finance Inc.

8) O-00-0001

9) ORDER TO CEASE AND DESIST
10) ORDER TO ASSESS CIVIL PENALTY
11) CONSENT TO ENTRY OF ORDER
12)

13 WHEREAS the Director of the Department of Consumer and Business Services for
14 the State of Oregon has conducted an investigation of Western Finance Inc., and has
15 determined that Western Finance Inc. engaged in activities constituting violations of ORS
16 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

17 WHEREAS Western Finance Inc. wishes to resolve and settle this matter with the
18 Director;

19 NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order,
20 Western Finance Inc. hereby CONSENTS to entry of this order upon the Director's Findings
21 of Fact and Conclusions of Law as state hereinafter:

22 FINDINGS OF FACT

23 The Director FINDS that:

24 1. Western Finance Inc. (herein "Respondent"), with a principal office at 2280 S. Xanadu
25 Way Suite 380 in Aurora, Colorado, is engaged in the business of a mortgage broker.
26 Respondent also operates one branch location in Oregon.

27 2. Respondent has been licensed by the Division of Finance and Corporate Securities
28 (herein "Division") since September 30, 1998 and currently possesses an active license to
operate at their principal location and one branch location.

3. About October 15, 1999, Respondent opened one branch located at 16239 SE
McLoughlin Blvd., Suite 201 in Milwaukie, Oregon.

1 4. On December 15, 1999, Respondent notified the Division that is was operating the
2 Milwaukie branch.

3 5. On December 15, 1999, Respondent was notified verbally that Respondent was
4 conducting unlicensed activity and that the branch needed to be licensed under the Oregon
5 Mortgage Lender Law. Respondent was also notified that no business could originate from
6 the branch location until the branch was licensed.

7 6. On December 20, 1999, the Division licensed the Milwaukie branch..

8 7. Respondent provided a pipeline report at the request of the Director which indicates that
9 seven (7) loans applications had been taken but not funded at the Milwaukie branch while it
10 was unlicensed.

11 12 **CONCLUSIONS OF LAW**

13 The Director **CONCLUDES** that:

14 1. Respondent conducted unlicensed activity at the Milwaukie branch in violation of ORS
15 59.845, ORS 59.950(2), and OAR 441-860-0030.

16 2. Respondent has remedied the violations through the submission of a branch license
17 request for the Milwaukie branch and discontinuing unlicensed activity under the Mortgage
18 Lender Law until such branch license was issued.

19 20 **ORDER**

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

- 23 1. Violating any provision of ORS 59.840 through 59.960; and
24 2. Operating any unlicensed location in the future.

25 The Director, pursuant to ORS 59.996 hereby **ORDERS** Respondent to pay the State
26 of Oregon a civil penalty of \$5,350.00, \$5,000.00 for knowingly conducting a mortgage broker
27 business without a license and \$350.00 (\$50.00 each) for the 7 loan applications taken during
28 the unlicensed period.

1 The Director suspends payment of \$4,815.00 of the assessed civil penalty for a three
2 year period. If in the period between the date of the Order to three years from the date of the
3 Order, Respondent violates any provision of Oregon's Mortgage Lender Law, the suspended
4 portion of the assessed civil penalty will become immediately due and payable. If the
5 Respondent does not violate Oregon's Mortgage Lender Law in the three year period, the
6 suspended portion of the civil penalty is waived. The date of the Order is the date the
7 Director signs the Order.

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

10
11 Dated this 2nd day of February, 2000.

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

15
16 by 
17 **R.M. NOCKLEBY, ADMINISTRATOR**
DIVISION OF FINANCE AND CORPORATE SECURITIES

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19
20 **CONSENT TO ENTRY OF ORDER**

21 I, Richard Stewart, state that I am the President of Western Finance Inc., and I am
22 authorized to act on its behalf; that I have read the foregoing Order and that I know and fully
23 understand the contents hereof; that Western Finance Inc. admits the findings of fact herein,
24 voluntarily consents to the entry of this Order without further hearing, expressly waiving any
25 right to a hearing in this matter; that Western Finance Inc. understands that the Director
26 reserves the right to take further actions to enforce this order or to take appropriate action
27 upon discovery of other violations of Oregon's Mortgage Lender Law; and that Western
28 Finance Inc. will fully comply with Chapter 59 of Oregon's Mortgage Lender Law.

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I understand that this Consent Order is a public document.

Dated this 1st day of January, 2000.

By Richard Stewart President
(Name) (Office Held)

[Signature]
(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 1st day of January, 2000,
Richard Stewart, who was first duly sworn on oath, and stated that he was and
is the President of Western Finance Inc. and he is authorized and
empowered to sign this Consent to Entry of Order on behalf of Western Finance Inc. and
to bind Western Finance Inc. to the terms hereof.

[Signature]
Signature of Notary Public
Notary Public for the State of: OREGON
My Commission expires: Jan. 5 2004

