

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 National Funding Service Inc.

8 ) O-00-0010  
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  
13 for the State of Oregon has conducted an investigation of National Funding Service Inc,  
14 and has determined that National Funding Service Inc engaged in activities constituting  
15 violations of ORS 593840 through 59.965 (hereinafter "the Oregon Mortgage Lender  
16 Law"); and

17 WHEREAS National Funding Service Inc wishes to resolve and settle this matter  
18 with the Director;

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

22 **FINDINGS OF FACT**

23 The Director **FINDS** that:

- 24 1. National Funding Service Inc (herein "Respondent"), with a principal office at 724 S.  
25 Central Ave, Suite 103 in Medford, Oregon, is engaged in the business of a  
26 mortgage broker.
2. Respondent had been licensed by the Division of Finance and Corporate Securities  
(herein "Division") from January 23, 1997 through April 29, 1999.
3. On March 29, 1999, CBIC sent the Division a cancellation notice for Respondent's

- 1 bond indicating that the bond would be cancelled effective April 29, 1999.
- 2 4. The Division sent an undated certified letter to Respondent notifying the company  
3 of the intent to cancel the license if the bond was not reinstated or a replacement  
4 bond was not received prior to April 29, 1999.
- 5 5. On April 5, 1999, James Nistler signed for the certified letter from the Division.
- 6 6. The license was cancelled retroactive to the bond cancellation date
- 7 7. On May 13, 1999, the Division received a reinstatement notice dated May 11, 1999  
8 reinstating the bond back to April 29, 1999 which was filed in the then closed file.
- 9 8. On November 17, 1999, the Division received a new Notice of Clients' Trust Account  
10 and Authorization to Examine Clients' Trust Account for Respondent which resulted  
11 in the Division calling Respondent to indicate that the company was not licensed and  
12 could not conduct mortgage loan activity until the company was licensed.
- 13 9. On November 19, 1999, the Division received Respondent's application which was  
14 not complete.
- 15 10. Respondent was issued a new license on February 29, 2000.
- 16 11. Respondent provided a pipeline report at the request of the Director which indicates  
17 that one hundred (100) loans have been funded and two applications have been  
18 taken but not funded during the period of time in which the Respondent was not  
19 licensed.

20 **CONCLUSIONS OF LAW**

21 The Director **CONCLUDES** that:

- 22 1. Respondent conducted unlicensed activity from April 29, 1999 through February  
23 29, 2000 in violation of ORS 59.845.
- 24 2. Respondent has remedied the violations through the submission of an application  
25 for a mortgage lender license.
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**ORDER**

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

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

The Director, pursuant to ORS 59.996 hereby **ORDERS** Respondent to pay the State of Oregon a civil penalty of \$15,100.00, \$5,000.00 for knowingly conducting a mortgage broker business without a license and \$10,100.00 (\$100.00 for each of the 100 funded loans and \$50 for both of the loans that were not funded) for the loan activity conducted during the unlicensed period.

The Director suspends payment of \$13,590.00 of the assessed civil penalty for a three year period. If in the period between the date of the Order to three years from the date of the Order, Respondent violates any provision of Oregon's Mortgage Lender Law, the suspended portion of the assessed civil penalty will become immediately due and payable. If the Respondent does not violate Oregon's Mortgage Lender Law in the three year period, the suspended portion of the civil penalty is waived. The date of the Order is the date the Director signs the Order.

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

Dated this 29<sup>th</sup> day of April, 2000.

**MICHAEL GREENFIELD, DIRECTOR  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

by R.M. Nockleby  
**R.M. NOCKLEBY, ADMINISTRATOR  
DIVISION OF FINANCE AND CORPORATE SECURITIES**

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**CONSENT TO ENTRY OF ORDER**

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

I understand that this Consent Order is a public document.

Dated this 27 day of March, 2000

By President (Office Held)

(Signature) James C Nistler

**CORPORATE ACKNOWLEDGMENT**

There appeared before me this 27 day of March, 00, James Nistler, who was first duly sworn on oath, and stated that he was and is the President of National Funding Service Inc and he is authorized and empowered to sign this Consent to Entry of Order on behalf of National Funding Service Inc and to bind National Funding Service Inc to the terms hereof.

Monique Penrose  
Signature of Notary Public  
Notary Public for the State of: Oregon  
My Commission expires: 8-29-2003

