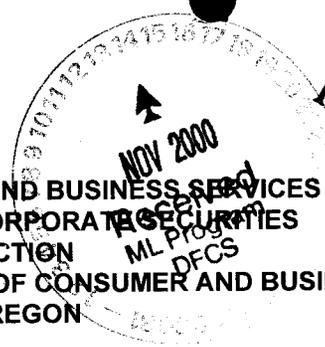


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FISCAL SECTION



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

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In the Matter of )  
NWLG MORTGAGE fka NORTHWEST ) O-00-0031  
LENDING GROUP ) CEASE AND DESIST ORDER AND  
 ) CONSENT TO IMPOSITION OF CIVIL  
 ) PENALTIES

To: NWLG Mortgage  
fka Northwest Lending Group  
100 Second Ave S. Suite 200  
Edmonds, WA 98020

**WHEREAS** the Director of the Department of Consumer and Business Services for the State of Oregon conducted an investigation of NWLG Mortgage fka Northwest Lending Group, and determined that NWLG Mortgage fka Northwest Lending Group engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

**WHEREAS** NWLG Mortgage fka Northwest Lending Group wishes to resolve and settle this matter with the Director;

**NOW THEREFORE**, as evidenced by the authorized signatures subscribed on this Order, NWLG Mortgage fka Northwest Lending Group hereby **CONSENTS** to entry of this order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

**FINDINGS OF FACT**

The Director **FINDS** that:

1. NWLG Mortgage fka Northwest Lending Group (hereinafter "Respondent") incorporated in Washington State on June 1, 1999 using the name Northwest Lending

1 Group.

2 2. On September 23, 1999, Respondent applied for an Oregon Mortgage Lender  
3 license under the name Northwest Lending Group as respondent wanted to engage in  
4 the business of Oregon residential real estate transactions.

5 3. The application showed a principal location of 100 Second Ave S, Suite 200  
6 in Edmonds, Washington 98020 (hereinafter "Principal Location"). The application also  
7 showed a branch location at the same address as the principal location, but no other  
8 branch locations. The application reveal company ownership of 34% by Daniel Gruell  
9 and 66% by Joseph Lance Raquiza.

10 4. The Division issued license number ML 1973 to Northwest Lending Group on  
11 September 28, 2000

12 5. On June 9, 2000, the Division issued a new license to Respondent changing  
13 the company to NWLG Mortgage pursuant to the company's request for the name  
14 change.

15 6. On August 30, 2000, the Division received an inquiry into the status of  
16 NWLG's license. The inquiry indicated that there was a branch location, but the Division  
17 had no record of a branch location at 10570 SE Washington Suite 213 in Portland  
18 Oregon 97216 (hereinafter "Portland Branch").

19 7. On August 30, 2000, Kirsten Jepsen, an employee of the Division, contacted  
20 the Portland branch. After confirming the address and license number, Kirsten Jepsen  
21 instructed the employee that answered the phone that the Portland Branch was not  
22 licensed and must cease and desist all activity until licensed.

23 8. On August 30, 2000, Kirsten Jepsen spoke with Paul Thompson, the manager  
24 of the Portland Branch. Kirsten Jepsen instructed Paul Thompson that the branch was  
25 not licensed and must cease and desist all activity until licensed.

26 9. On August 30, 2000, the Division mailed a letter to the Principal Location and

1 a copy to the Portland Branch indicating that the Portland Branch was not licensed,  
2 explaining the licensing requirements, and requesting a list of all loan activity from the  
3 Portland Branch.

4 10. On August 30, 2000, Kirsten Jepsen spoke with Todd Kesterson, an  
5 employee of Respondent's, about the branch licensing requirements and instructed  
6 Todd Kesterson that the branch was not licensed and must cease and desist all activity  
7 until licensed.

8 11. On August 31, 2000, the Division received the materials necessary to license  
9 Respondent's Portland Branch from Todd Kesterson. On August 31, 2000, the Division  
10 issued a branch license for the Portland Branch.

11 12. The Division received a list of loan activity from Respondent which revealed  
12 that 24 loan applications were handled at the unlicensed location and 7 loans funded  
13 prior to licensing. The list does show that no applications were taken during the period  
14 after Respondent was instructed to cease and desist activity but before the Portland  
15 Branch was licensed.

#### 16 **CONCLUSIONS OF LAW**

17 The Director **CONCLUDES** that:

18 1. Respondent violated ORS 59.845, ORS 59.950(2), and OAR 441-860-0030 by  
19 conducting unlicensed branch activity through August 31, 2000.

#### 20 **ORDER**

21 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that NWLG Mortgage  
22 fka Northwest Lending Group will **CEASE AND DESIST** from violating any provision of  
23 Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule,  
24 order, or policy issued by the Division.

25 The Director, pursuant to ORS 59.996 hereby **ORDERS** NWLG Mortgage fka  
26 Northwest Lending Group to pay the State of Oregon a civil penalty of \$6,900.00. The

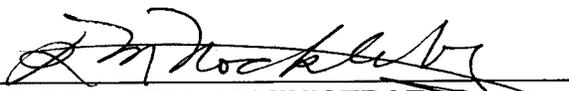
1 civil penalty is based upon \$5000 fine for conducting unlicensed branch activity plus  
2 \$100 for each of seven (7) loans closed and \$50 for each of twenty four (24) loan  
3 application taken before Respondent was licensed.

4 The Director suspends payment of \$6,210.00 of the assessed civil penalty for a  
5 three year period. If in the period between the date of the Order to three years from the  
6 date of the Order, Respondent violates any provision of the Oregon Mortgage Lender  
7 Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by  
8 the Division, the suspended portion of the assessed civil penalty will become  
9 immediately due and payable. If the Respondent does not violate the Oregon Mortgage  
10 Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy  
11 issued by the Division in the three year period, the suspended portion of the civil penalty  
12 is waived. The date of the Order is the date the Director signs the Order.

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

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

16  
17 **MARY C. NEIDIG, DIRECTOR**  
**DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

18  
19  
20 by   
21 **R.M. NOCKLEBY, ADMINISTRATOR**  
**DIVISION OF FINANCE AND CORPORATE SECURITIES**

22  
23 **CONSENT TO ENTRY OF ORDER**

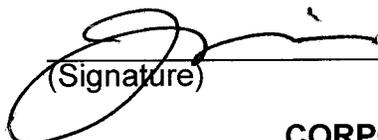
24 I, JOE RAQUIZA, state that I am PRESIDENT  
25 of NWLG Mortgage fka Northwest Lending Group, and I am authorized to act on its  
26 behalf; that I have read the foregoing Order and that I know and fully understand the

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

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

9 Dated this 31 day of OCTOBER, 2000.

10 By PRESIDENT  
11 \_\_\_\_\_ (Office Held)

12  
13   
14 \_\_\_\_\_  
(Signature)

15 **CORPORATE ACKNOWLEDGMENT**

16 There appeared before me this 31 day of OCTOBER, 2000,  
17 JOE L. RAQUIZA, who was first duly sworn on oath, and stated that he was  
18 and is the PRESIDENT of NWLG Mortgage fka Northwest Lending Group  
19 and JOE L. RAQUIZA is authorized and empowered to sign this Consent to Entry  
20 of Order on behalf of NWLG Mortgage fka Northwest Lending Group and to bind NWLG  
21 Mortgage fka Northwest Lending Group to the terms hereof.

22   
23 \_\_\_\_\_  
24 Signature of Notary Public  
25 Notary Public for the State of: WASHINGTON  
26 My Commission expires: 11-9-01

