

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 SUNSET MORTGAGE CO. )

8 ORDER NO. O-01-0003  
9 CEASE AND DESIST ORDER AND  
10 CONSENT TO IMPOSITION OF CIVIL  
11 PENALTIES

12 To: Sunset Mortgage Co.  
13 4230 Galewood St #200  
14 Lake Oswego OR 97035

15 **WHEREAS** the Director of the Department of Consumer and Business Services  
16 for the State of Oregon (hereinafter "the Director") conducted an investigation of Sunset  
17 Mortgage Co., and determined that Sunset Mortgage Co. engaged in activities  
18 constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage  
19 Lender Law"); and

20 **WHEREAS** Sunset Mortgage Co. wishes to resolve and settle this matter with  
21 the Director;

22 **NOW THEREFORE**, as evidenced by the authorized signatures subscribed on  
23 this order Sunset Mortgage Co. hereby **CONSENTS** to entry of this order upon the  
24 Director's Findings of Fact and Conclusions of Law as stated hereinafter:

25 **FINDINGS OF FACT**

26 The Director **FINDS** that:

1. Sunset Mortgage Co. (hereinafter "Respondent"), incorporated in Oregon on  
July 20, 1992 engages in residential mortgage transactions in Oregon or on Oregon real  
property in expectation of compensation.

2. Sometime prior to December 19, 2000, Respondent opened a branch location

1 at 2137 A NW Hwy 101 in Lincoln City, Oregon (hereinafter "the Lincoln City Branch")  
2 and began originating loan applications at the Lincoln City Branch.

3 3. Respondent did not provide notice to the Division at least 30 days prior to  
4 opening the Lincoln City branch that contained the address, telephone numbers and  
5 supervisor's information for the branch location.

6 4. Respondent did not provide the licensing fee for the Lincoln City branch prior  
7 to opening the branch.

8 5. Upon notification by the Director, Respondent immediately took steps to  
9 license the branch location.

10 6. Respondent did check with HUD about the licensing requirements for the  
11 branch and mistakenly believed that since HUD did not require licensing that the state  
12 did not either.

13 7. Respondent funded at least 25 loans from applications taken at the Lincoln  
14 City branch prior to the Division contacting Respondent on December 20, 2000 about  
15 the unlicensed location. The application for one loan was taken by another company  
16 and then transferred to Sunset Mortgage Co. before funding.

#### 17 **CONCLUSIONS OF LAW**

18 The Director **CONCLUDES** that:

- 19 1. Respondent violated ORS 59.950(2) by failing to provide notice to the Division at  
20 least 30 days prior to opening the branch location.
- 21 2. Respondent violated OAR 441-860-0030 by failing to pay the licensing fee and  
22 provide the branch location's address, telephone numbers, and supervisor's  
23 information to the Division prior to opening the branch location.

#### 24 **ORDER**

25 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Sunset  
26 Mortgage Co. will **CEASE AND DESIST** from violating any provision of Oregon

1 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order,  
2 or policy issued by the Division.

3 The Director, pursuant to ORS 59.996 hereby **ORDERS** Sunset Mortgage Co.  
4 to pay the State of Oregon a civil penalty of \$7,400.00. The civil penalty is based upon  
5 \$5,000 for failing to notify the Division of the opening of the branch and \$2,400.00 for  
6 closing 24 loans prior to notification (\$100 for each loan closed when the application  
7 was taken by Sunset Mortgage Co.).

8 The Director suspends payment of \$6,660.00 of the assessed civil penalty for a  
9 three year period. If in the period between the date of the Order to three years from the  
10 date of the Order, Respondent violates any provision of the Oregon Mortgage Lender  
11 Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by  
12 the Division, the suspended portion of the assessed civil penalty will become  
13 immediately due and payable. If the Respondent does not violate the Oregon Mortgage  
14 Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy  
15 issued by the Division in the three year period, the suspended portion of the civil penalty  
16 is waived. The date of the Order is the date the Director signs the Order.

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

19 Dated this 6<sup>th</sup> day of February, 2001.

20  
21 **MARY C. NEIDIG, DIRECTOR**  
**DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

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

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**CONSENT TO ENTRY OF ORDER**

I, Deborah Johnson, state that I am President  
of Sunset Mortgage Co., 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 Sunset  
Mortgage Co. 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  
Sunset Mortgage Co. 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 Mortgage Lender Law; and that Sunset Mortgage Co. will fully  
comply with Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 31<sup>st</sup> day of January, 2001.

By Deborah Johnson, President  
(Office Held)

Deborah Johnson  
(Signature)

**CORPORATE ACKNOWLEDGMENT**

There appeared before me this 31<sup>st</sup> day of January, 2001,  
Deborah Johnson, who was first duly sworn on oath, and stated that s/he was  
and is the President of Sunset Mortgage Co. and Deborah Johnson  
is authorized and empowered to sign this Consent to Entry of Order on behalf of Sunset  
Mortgage Co. and to bind Sunset Mortgage Co. to the terms hereof.

[Signature]  
Signature of Notary Public  
Notary Public for the State of: Oregon  
My Commission expires: Nov 21, 2001

