

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

FOUNDATION FUNDING GROUP INC
DBA GREATSTONE MORTGAGE

ORDER NO. O-01-0019

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES

To: Foundation Funding Group Inc. dba Greatstone Mortgage
3627 W Waters Ave Suite 800
Tampa, Florida 33614

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Foundation Funding Group Inc dba Greatstone Mortgage, and determined that Foundation Funding Group Inc dba Greatstone Mortgage engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS Foundation Funding Group Inc dba Greatstone Mortgage wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order Foundation Funding Group Inc dba Greatstone Mortgage 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 1. Foundation Funding Group Inc dba Greatstone Mortgage (hereinafter
2 "Respondent"), incorporated on January 6, 1994 in New Jersey engages in residential
3 mortgage transactions in Oregon or on Oregon real property in expectation of
4 compensation. Respondent has been continuously licensed as a mortgage lender by
5 the Director since January 7, 1999.

6 2. On February 22, 2001, an Oregon consumer signed a promissory note and
7 trust deed to refinance his primary residence located in Oregon.

8 3. The consumer delivered notice that he did not intend to rescind the transaction
9 on February 25, 2001 or February 26, 2001, thus completing the paperwork necessary
10 to conclude the transaction, but in no case did the rescission period last beyond
11 February 27, 2001.

12 4. The consumer contacted the Director on March 14, 2001 because Respondent
13 still had not funded the consumer's refinance loan. The consumer was concerned
14 because the payment on his current mortgage that he was seeking to refinance was due
15 on March 23, 2001 and he needed to know if he should pay that mortgage payment or
16 if that loan would be paid off from the proceeds of the refinance loan prior to the due
17 date. The consumer was concerned that he needed to make the payment soon if it was
18 necessary so that the payment would not be late. The consumer also reported that the
19 contractor scheduled to perform work on the residence for the consumer which would
20 be financed from the loan proceeds could not begin the work because the loan did not
21 fund in the first week of March 2001 as expected and that contractor was no longer able
22 to perform the contracted work due to other commitments not affected by the delay in
23 funding.

24 5. The Director attempted to contact Respondent on March 14, 2001 and March
25 15, 2001, but was not able to establish live contact with the appropriate parties to
26 resolve the issue and was only able to leave voice mail messages for a return call.

1 6. The Director did speak with Karen Gromsky, Respondent's employee, on
2 March 16, 2001 who indicated that the loan would fund on March 16, 2001.

3 7. Karen Gromsky further indicated that Respondent had not funded the loan
4 until that time due to an over-commitment of Respondent's funding capacity.

5 8. The consumer's loan was funded on March 16, 2001 and Respondent did
6 provide additional funds to cover the interest costs through March 19, 2001.

7 9. The escrow officer stated that loan was not recorded until the loan was
8 funded.

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CONCLUSIONS OF LAW

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The Director **CONCLUDES** that:

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1. Respondent violated ORS 59.865(2) by engaging in unfair or unethical practices of
13 conduct in connect with the mortgage business by failing to fund the consumer's loan
14 for over two weeks after the consumer became committed to the loan.

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2. The Director notes that the violation has been mitigated by Respondent's voluntary
16 payment of the additional interest accrued due to the delay in funding the loan.

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ORDER

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

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The Director, pursuant to ORS 59.996 hereby **ORDERS** Foundation Funding
24 Group Inc dba Greatstone Mortgage to pay the State of Oregon a civil penalty of
25 \$500.00 for the one violation.

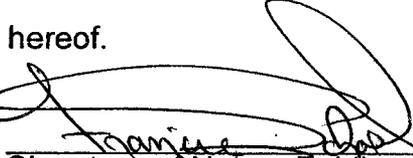
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The entry of this Order in no way limits further remedies which may be available

CORPORATE ACKNOWLEDGMENT

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There appeared before me this 2nd day of May, 2001,
Steven A. Cohn, who was first duly sworn on oath, and stated that s/he was
and is the Chief Operating Officer of Foundation Funding Group Inc dba Greatstone
Mortgage and Steven A. Cohn is authorized and empowered to sign this Consent
to Entry of Order on behalf of Foundation Funding Group Inc dba Greatstone Mortgage
and to bind Foundation Funding Group Inc dba Greatstone Mortgage to the terms
hereof.



Signature of Notary Public
Notary Public for the State of: Florida
My Commission expires: Oct 13/2001

