

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 SILVER SIERRA MORTGAGE INC)

ORDER NO. O-01-00-36

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES

8 To: Paul Kuzmich
9 Silver Sierra Mortgage, Inc.
10 4062 Flying C Rd Suite 35
11 Cameron Park CA 95682
12

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

18 **WHEREAS** Silver Sierra Mortgage, Inc. wishes to resolve and settle this matter
19 with the Director;

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

24 **FINDINGS OF FACT**

25 The Director **FINDS** that:

- 26 1. Silver Sierra Mortgage, Inc. (hereinafter "Respondent"), incorporated in

1 Nevada on May 23, 1990 engages in residential mortgage transactions in Oregon or on
2 Oregon real property in expectation of compensation.

3 2. Respondent is owned by Paul M. Kuzmich and Jean C. Kuzmich.

4 3. On July 12, 2001, the Division was contacted by appraiser Dean Martin
5 regarding an unpaid appraisal ordered by the Respondent from a location in Gig
6 Harbor, WA.

7 4. The Division determined that the location of the Respondent was not duly
8 licensed to engage in Oregon residential mortgage transactions.

9 5. Respondent acknowledged in a letter dated July 24, 2001 that one application
10 for an Oregon residential mortgage transaction was accepted and funded from the Gig
11 Harbor, WA location.

12 6. On July 19, 2001, the Mortgage Lender Section received Respondent's
13 application to renew Respondent's Oregon mortgage lender license. The renewal
14 application disclosed Paul Kuzmich and Jean C. Kuzmich to be sole stockholders of the
15 Respondent. The previous application received July 29, 1999 disclosed Paul Kuzmich
16 and Jean C. Kuzmich as 50 percent owners and Robert Rodriguez as 50 percent owner.

17 7. Respondent acknowledged in a letter dated July 24, 2001 that the Respondent
18 and Robert Rodriguez reached an agreement in September 2000 to replace Robert
19 Rodriguez' equity in the company.

20 8. Respondent did not provide notice to the Director of the change in control
21 within 30 days.

23 CONCLUSIONS OF LAW

24 The Director **CONCLUDES** that:

25 1. Respondent violated ORS 59.845(1) by engaging in Oregon residential mortgage
26 transactions from an unlicensed location.

1 2. Respondent violated ORS 59.850(7) and OAR 441-860-0070(1)(f) by failing to notify
2 the Director within 30 days of the occurrence of a change in control, defined as a
3 change of ownership by a person or group acting in concert to acquire ten percent of
4 the stock.

5
6 **ORDER**

7 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Silver Sierra
8 Mortgage, Inc. will **CEASE AND DESIST** from violating any provision of Oregon
9 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order,
10 or policy issued by the Division.

11 The Director, pursuant to ORS 59.996 hereby **ORDERS** Silver Sierra Mortgage,
12 Inc. to pay the State of Oregon a civil penalty of \$5,600. The civil penalty is based upon
13 \$5,000 for engaging in unlicensed activity and \$100 for taking an application and
14 subsequent funding of an Oregon mortgage transaction without a license and \$500 for
15 failure to notify the Director within 30 days of the occurrence of a change in ownership.

16 The Director suspends payment of \$5,040 of the assessed civil penalty for a
17 three year period. If in the period between the date of the Order to three years from the
18 date of the Order, Silver Sierra Mortgage, Inc. violates any provision of the Oregon
19 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or
20 policy issued by the Division, the suspended portion of the assessed civil penalty will
21 become immediately due and payable. If Silver Sierra Mortgage, Inc. does not violate
22 the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any
23 rule, order, or policy issued by the Division in the three year period, the suspended
24 portion of the civil penalty is waived. The date of the Order is the date the Director signs
25 the Order.

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

1 to the Director under Oregon law.

2 Dated this 2nd day of October, 2001.

3
4 **MARY C. NEIDIG, DIRECTOR**
5 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

6
7 by 
8 **GREGORY A. MALKASIAN, ACTING ADMINISTRATOR**
9 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

10 **CONSENT TO ENTRY OF ORDER**

11 I, Paul Kozmich, state that I am the
12 PRESIDENT of Silver Sierra Mortgage, Inc., and I am authorized to act on
13 its behalf; that I have read the foregoing Order and that I know and fully understand the
14 contents hereof; that Silver Sierra Mortgage, Inc. admits the findings of fact herein,
15 voluntarily consents to the entry of this Order without further hearing, expressly waiving
16 any right to a hearing in this matter; that Silver Sierra Mortgage, Inc. understands that
17 the Director reserves the right to take further actions to enforce this order or to take
18 appropriate action upon discovery of other violations of Oregon Mortgage Lender Law;
19 and that Silver Sierra Mortgage, Inc. will fully comply with Oregon Mortgage Lender Law.

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

21 Dated this 10 day of SEPT, 2001.

22 By PRESIDENT
23 (Office Held)

24 
25 (Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 10th day of September, 2001, PAUL KUZMICH, who was first duly sworn on oath, and stated that s/he was and is the PRESIDENT of Silver Sierra Mortgage, Inc. and PAUL KUZMICH is authorized and empowered to sign this Consent to Entry of Order on behalf of Silver Sierra Mortgage, Inc. and to bind Silver Sierra Mortgage, Inc. to the terms hereof.

Signature of Notary Public
Notary Public for the State of CALIFORNIA
My Commission expires Jan 1, 2003



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