

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)

ORDER NO. O-01-0026

7 JUSTIN DILLON AND REAL ESTATE)
8 LENDING GROUP, INC. DBA)
9 JACKSON FUNDING)

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES

10 To: Justin Dillon

11 Real Estate Lending Group, Inc. dba Jackson Funding

12 47 W. 29th Avenue

13 Eugene, Oregon 97405

14 **WHEREAS** the Director of the Department of Consumer and Business Services
15 for the State of Oregon (hereinafter "the Director") conducted an investigation of Justin
16 Dillon and Real Estate Lending Group, Inc. dba Jackson Funding, and determined that
17 Justin Dillon and Real Estate Lending Group, Inc. dba Jackson Funding engaged in
18 activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon
19 Mortgage Lender Law"); and

20 **WHEREAS** Justin Dillon and Real Estate Lending Group, Inc. dba Jackson
21 Funding wish to resolve and settle this matter with the Director;

22 **NOW THEREFORE**, as evidenced by the authorized signatures subscribed on
23 this order Justin Dillon and Real Estate Lending Group, Inc. dba Jackson Funding
24 hereby **CONSENT** to entry of this order upon the Director's Findings of Fact and
25 Conclusions of Law as stated hereinafter:

26 **FINDINGS OF FACT**

The Director **FINDS** that:

1 1. Real Estate Lending Group, Inc. dba Jackson Funding (hereinafter "RELG"),
2 incorporated in Oregon on September 6, 1999 engages in residential mortgage
3 transactions in Oregon or on Oregon real property in expectation of compensation.

4 2. Justin Dillon is the sole owner of RELG.

5 3. On August 22, 2001, the Director conducted an examination of the books and
6 records of RELG.

7 4. The examination revealed that although RELG had copies of some
8 advertising, it had not maintained copies of all print advertising as required.

9 5. Although it appeared that RELG was reconciling the clients' trust account,
10 Justin Dillon was not signing the reconciliation as required.

11 6. The examination included a review of 23 borrowers' loan files.

12 7. Of the 23 files reviewed, eleven files did not contain an application executed
13 by the borrower.

14 8. Of the 23 files reviewed, no files contained an executed float or lock
15 agreement.

16 9. Of the 23 files reviewed, four files did not contain an executed release of credit
17 information.

18 10. Of the 23 files reviewed, three files did not contain a copy of the credit report.

19 11. Of the 23 files reviewed, one file did not contain a copy of the good faith
20 estimate, at least five files did not contain a copy of a good faith estimate prepared
21 within three days of the loan application, and an additional three files lacked dates
22 sufficient to determine if the three-day requirement for the delivery or mailing of a good
23 faith estimate had been met.

24 12. Of the 23 files reviewed, four did not contain a copy of the Truth in Lending
25 disclosure, an additional six files did not contain a copy of a Truth in Lending disclosure
26 prepared within three days of the date of the loan application, and an additional two files

1 lacked dates sufficient to determine if the three-day requirement for the delivery or
2 mailing of the Truth in Lending disclosure had been met.

3 13. Of the 23 files, five files did not contain the final HUD-1 as required.

4 14. RELG engages in private money transactions but did not maintain investor
5 files.

6 15. RELG did not provide the investors on the private money transactions the
7 required disclosures.

8 **CONCLUSIONS OF LAW**

9 The Director **CONCLUDES** that:

10 1. Justin Dillon and RELG violated OAR 441-875-0040(1)(a)(B) by failing to sign and
11 date the monthly reconciliation of the clients' trust account.

12 2. Justin Dillon and RELG violated OAR 441-865-0060 by failing to maintain borrower
13 files.

14 3. Specifically, Justin Dillon and RELG violated OAR 441-865-0060(1)(a) by failing to
15 maintain a copy of each executed loan application in eleven borrower files.

16 4. Justin Dillon and RELG violated OAR 441-865-0060(1)(c) by failing to maintain a
17 copy of a signed lock or float agreement in twenty-three borrower files.

18 5. Justin Dillon and RELG violated OAR 441-865-0060(1)(d) by failing to maintain a
19 copy of the good faith estimate in one borrower file.

20 6. Justin Dillon and RELG violated OAR 441-865-0060(1)(e) by failing to maintain a
21 copy of the executed Authorization to Release Credit Information Form in four borrower
22 files.

23 7. Justin Dillon and RELG violated OAR 441-865-0060(1)(f) by failing to maintain a
24 copy of the final credit report in three borrower files.

25 8. Justin Dillon and RELG violated OAR 441-865-0060(1)(g) by failing to maintain a
26 copy of the Truth in Lending disclosure in four borrower files.

1 9. Justin Dillon and RELG violated OAR 441-865-0060(1)(h) by failing to maintain a
2 copy of the final HUD-1 in five borrower files.

3 10. Justin Dillon and RELG violated OAR 441-865-0030 by failing to maintain copies of
4 all print advertising.

5 11. Justin Dillon and RELG violated OAR 441-865-0080 by failing to maintain investor
6 files either separately or as part of the borrower file on private money transactions.

7 12. Justin Dillon and RELG violated ORS 59.860 by failing to keep records as proscribed
8 by OAR 441-865-0030, OAR 441-865-0060, and OAR 441-865-0080.

9 13. Justin Dillon and RELG violated ORS 59.865(11) by failing to comply with the
10 requirements of ORS 59.860 to make and keep records which constitutes grounds to
11 revoke RELG's Oregon mortgage lender license.

12 14. Justin Dillon and RELG violated OAR 441-875-0050 by failing to provide the required
13 disclosure on private money transactions to investors.

14 15. Violations of OAR 441-875-0050 are considered a fraudulent, deceptive, or
15 manipulative act or practice.

16 16. Fraudulent, deceptive or manipulative acts or practices are considered to be
17 dishonest, fraudulent or illegal practices or conduct and unfair or unethical practices or
18 conduct pursuant to OAR 441-870-0010.

19 17. Justin Dillon and RELG violated ORS 59.865(2) by engaging in dishonest,
20 fraudulent or illegal practices or conduct and unfair or unethical practices or conduct by
21 failing to provide investor disclosures as required by OAR 441-875-0050 which
22 constitutes grounds to revoke RELG's Oregon mortgage lender license.

23 **ORDER**

24 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Justin Dillon and
25 Real Estate Lending Group, Inc. dba Jackson Funding will **CEASE AND DESIST** from
26 violating any provision of Oregon Mortgage Lender Law, OAR 441-850-0005 through

1 441-885-0010 and any rule, order, or policy issued by the Director.

2 The Director, pursuant to ORS 59.996 hereby **ORDERS** Justin Dillon and Real
3 Estate Lending Group, Inc. dba Jackson Funding to pay the State of Oregon a civil
4 penalty of \$2,000.00. The civil penalty is based upon \$1,000.00 for failing to maintain
5 the borrower files pursuant to OAR 441-865-0060 and \$1,000.00 for failing to maintain
6 the investor files pursuant to OAR 441-865-0080.

7 The Director suspends payment of \$1,800.00 of the assessed civil penalty for a
8 three year period. If in the period between the date of the Order to three years from the
9 date of the Order, Justin Dillon and Real Estate Lending Group, Inc. dba Jackson
10 Funding violates any provision of the Oregon Mortgage Lender Law, OAR 441-850-0005
11 through 441-885-0010 or any rule, order, or policy issued by the Director, the
12 suspended portion of the assessed civil penalty will become immediately due and
13 payable. If Justin Dillon and Real Estate Lending Group, Inc. dba Jackson Funding
14 does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-
15 885-0010 or any rule, order, or policy issued by the Director in the three year period, the
16 suspended portion of the civil penalty is waived. The date of the Order is the date the
17 Director signs the Order.

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

20 Dated this 4th day of September, 2002.

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

23
24
25 by 
26 **JAMES G. HARLAN, ACTING ADMINISTRATOR**
DIVISION OF FINANCE AND CORPORATE SECURITIES

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CONSENT TO ENTRY OF ORDER

I, Justin Dillon, state that I am the President of Real Estate Lending Group, Inc. dba Jackson Funding, 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 Real Estate Lending Group, Inc. dba Jackson Funding 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 Real Estate Lending Group, Inc. dba Jackson Funding 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 Real Estate Lending Group, Inc. dba Jackson Funding will fully comply with Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 23rd day of July, 2002.

By President _____ (Office Held)

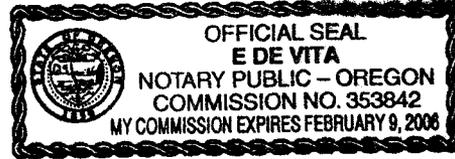
Justin Dillon
(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 23 day of July, 2002, JUSTIN DILLON, who was first duly sworn on oath, and stated that s/he was and is the PRESIDENT of Real Estate Lending Group, Inc. dba Jackson Funding and HE is authorized and empowered to sign this Consent to Entry of Order on behalf of Real Estate Lending Group, Inc. dba Jackson Funding

1 and to bind Real Estate Lending Group, Inc. dba Jackson Funding to the terms hereof.

2
3 [Signature]
4 Signature of Notary Public
5 Notary Public for the State of: Oregon
6 My Commission expires: 2-9-2006



7 **CONSENT TO ENTRY OF ORDER**

8 I, Justin Dillon, state that I have read the foregoing Order and that I know and
9 fully understand the contents hereof; that I admit the findings of fact herein, voluntarily
10 consent to the entry of this Order without further hearing, expressly waiving any right to
11 a hearing in this matter; that I understand that the Director reserves the right to take
12 further actions to enforce this order or to take appropriate action upon discovery of other
13 violations of Oregon Mortgage Lender Law; and that I will fully comply with Oregon
14 Mortgage Lender Law.

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

16 Dated this 23rd day of July, 2002.

17 By [Signature]
18 Justin Dillon

19 Sworn to before me this 23 day of July, 2002.

20
21 [Signature]
22 Signature of Notary Public
23 Notary Public for the State of: Oregon
24 My Commission expires: 2-9-2006

