

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

MAGSDEN CORP DBA MORTGAGE
LOAN ASSOCIATES

ORDER NO. O-02-001

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES

To: Magsden Corp. dba Mortgage Loan Associates
5 Centerpointe Dr. Ste. 400
Lake Oswego, Oregon 97035

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Magsden Corp. dba Mortgage Loan Associates, and determined that Magsden Corp. dba Mortgage Loan Associates engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS Magsden Corp. dba Mortgage Loan Associates wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order Magsden Corp. dba Mortgage Loan Associates 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. Magsden Corp. dba Mortgage Loan Associates (hereinafter "Respondent"), incorporated in Oregon on March 16, 1983 engages in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation.

2. Respondent has been continuously licensed by the Director to engage in Oregon mortgage loan transactions since October 17, 1995.

3. Dennis O'Neel and Alta O'Neel each own 50% of Respondent.

4. On June 11, 2001, the Director received from consumer John Dempsey a complaint regarding the Respondent's handling of the consumer's loan transaction.

5. While investigating the consumer complaint, the Director received a copy of John Dempsey's file and multiple pieces of correspondence from the Respondent and John Dempsey.

6. A review of the John Dempsey loan file indicated that Respondent provided John Dempsey with a Truth in Lending disclosure that did not contain dates for the repayment of the obligation.

7. A review of the John Dempsey loan file indicated that John Dempsey signed a blank Tax Information Authorization.

8. On January 28, 2002, the Director received from consumer John Plyter a complaint regarding the Respondent's handling of the consumer's loan transaction.

9. While investigating the consumer complaint, the Director received a copy of John Plyter's file and correspondence from the Respondent and John Plyter.

10. A review of the John Plyter loan file indicated that Respondent provided John Plyter with a good faith estimate that did not contain an estimate of the yield spread premium that Respondent was likely to receive had this loan transaction closed.

11. A review of the John Plyter loan file indicated that Respondent provided John

1 Plyter with a Truth in Lending disclosure that did not contain dates for the repayment of
2 the obligation.

3 12.A review of the John Plyter loan file indicated that the file did not contain a
4 borrower acknowledged lock or float agreement.

5
6 **CONCLUSIONS OF LAW**

7 The Director **CONCLUDES** that:

8 1. Respondent violated ORS 59.955 by failing to provide John Dempsey with a
9 Truth in Lending disclosure in compliance with 12 CFR 226.18(g) which requires that
10 the Truth in Lending disclosure include the timing of payments scheduled to repay the
11 obligation.

12 2. Respondent violated ORS 59.865(2) by failing to provide John Plyter with a
13 Truth in Lending disclosure in compliance with the content described in 12 CFR 226.18
14 which requires that the disclosure contain the timing of payments scheduled to repay
15 the obligation.

16 3. Respondent violated ORS 59.865(2) by failing to provide John Plyter with a
17 good faith estimate in compliance with 24 CFR 3500.7(b) and Appendix A to Part 3500
18 which requires that a mortgage broker provide the consumer with a good faith estimate
19 that contains an estimate of the charges the consumer is likely to incur at closing
20 including any yield spread premium likely to be paid to the mortgage broker.

21 4. Respondent violated OAR 441-865-0060(1)(c) by failing to have a borrower
22 acknowledged lock or float agreement in the John Plyter loan file.

23 5. Respondent violated ORS 59.865(2) by having John Dempsey sign a blank
24 document.

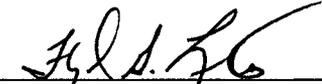
25 ///

26 ///

1 to the Director under Oregon law.

2 Dated this 21 day of JUNE, 2002.

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

6
7 by 
8 **FLOYD G. LANTER, ADMINISTRATOR**
9 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

10 **CONSENT TO ENTRY OF ORDER**

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

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

22 Dated this 21 day of JUNE, 2002.

23
24 By Dennis R. O'Neel, president
(Office Held)

25
26 
(Signature)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CORPORATE ACKNOWLEDGMENT

There appeared before me this 21st day of June, 2002,
Dennis O'Neal, who was first duly sworn on oath, and stated that ~~s~~he was
and is the President of Magsden Corp. dba Mortgage Loan Associates
and Dennis O'Neal is authorized and empowered to sign this Consent to Entry
of Order on behalf of Magsden Corp. dba Mortgage Loan Associates and to bind
Magsden Corp. dba Mortgage Loan Associates to the terms hereof.

Laura W. Flynn
Signature of Notary Public
Notary Public for the State of: Oregon
My Commission expires: 10-23-2003

