

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-02-0027

7 BANKS CAPITAL CORPORATION)

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES

8 To: Fredrick R. Cavendish
9 Banks Capital Corporation
10 PO Box 597
11 Banks, Oregon 97106-0597

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

17 **WHEREAS** Banks Capital Corporation wishes to resolve and settle this matter
18 with the Director;

19 **NOW THEREFORE**, as evidenced by the authorized signatures subscribed on
20 this order Banks Capital Corporation hereby **CONSENTS** to entry of this order upon the
21 Director's Findings of Fact and Conclusions of Law as stated hereinafter:

22 **FINDINGS OF FACT**

23 The Director **FINDS** that:

24 1. Banks Capital Corporation (hereinafter "Respondent") engages in residential
25 mortgage transactions in Oregon or on Oregon real property in expectation of
26 compensation.

1 issued by the Division.

2 The Director, pursuant to ORS 59.996 hereby **ORDERS** Banks Capital
3 Corporation to pay the State of Oregon a civil penalty of \$6,900.00. The civil penalty
4 is based upon \$5,000 for failing to provide the licensing fee and notification prior to
5 opening the branch location and \$1,800 for originating 18 loan applications (\$100 per
6 application) which funded and \$100 for taking 2 applications that did not fund prior to
7 notification (\$50 per application).

8 The Director suspends payment of \$6,210.00 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
20 Dated this 12th day of SEPTEMBER, 2002.

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

23
24
25 by 
26 **Floyd G. Lanter, ADMINISTRATOR**
DIVISION OF FINANCE AND CORPORATE SECURITIES

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CONSENT TO ENTRY OF ORDER

I, Frederick R. Cavendish, state that I am President
of Banks Capital Corporation, 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
Banks Capital Corporation 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 Banks Capital Corporation 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 Banks Capital
Corporation will fully comply with Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 4th day of September, 2002.

By Frederick R. Cavendish President
(Office Held)


(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 4th day of September, 2002,
Frederick R. Cavendish, who was first duly sworn on oath, and stated that s/he was
and is the President of Banks Capital Corporation and
he is authorized and empowered to sign this Consent to Entry of
Order on behalf of Banks Capital Corporation and to bind Banks Capital Corporation to
the terms hereof.

Meg Bucher

Signature of Notary Public

Notary Public for the State of: Oregon County: Washington

My Commission expires: 7-28-03

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