

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 DISCOVER FINANCIAL GROUP
8 OF OREGON, INC. DBA FIRST
9 DISCOVER MORTGAGE AND
10 FINANCIAL CORP

ORDER NO. O-02-0038

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES

11 To: Sarah Roy
12 Discover Financial Group Of Oregon, Inc.
13 dba First Discover Mortgage and Financial Corp
14 181 N Grant Street Ste 207A
15 Canby, Oregon 97013

16 **WHEREAS** the Director of the Department of Consumer and Business Services
17 for the State of Oregon (hereinafter "the Director") conducted an investigation of
18 Discover Financial Group of Oregon, Inc. dba First Discover Mortgage and Financial
19 Corp, and determined that Discover Financial Group of Oregon, Inc. dba First Discover
20 Mortgage and Financial Corp engaged in activities constituting violations of ORS 59.840
21 through 59.965 (hereinafter [the Oregon Mortgage Lender Law]); and

22 **WHEREAS** Discover Financial Group of Oregon, Inc. dba First Discover
23 Mortgage and Financial Corp wishes to resolve and settle this matter with the Director;

24 **NOW THEREFORE**, as evidenced by the authorized signatures subscribed on
25 this order Discover Financial Group of Oregon, Inc. dba First Discover Mortgage and
26 Financial Corp hereby **CONSENTS** to entry of this order upon the Director's Findings
of Fact and Conclusions of Law as stated hereinafter:

1 **FINDINGS OF FACT**

2 The Director **FINDS** that:

3 1. Discover Financial Group of Oregon, Inc. dba First Discover Mortgage and
4 Financial Corp (hereinafter "Respondent"), incorporated in Oregon on December 30,
5 1993 engages in residential mortgage transactions in Oregon or on Oregon real property
6 in expectation of compensation.

7 2. Sarah Roy is the sole owner of Respondent.

8 3. On October 12, 2001, the Director sent notice to all licensees that there had
9 been changes in the Oregon Mortgage Lender Law and proposed changes in the
10 administrative rules.

11 4. In January 2002, the Director published a new issue of the Mortgage Lender
12 News on the web site which included an explanation of the new notification
13 requirements.

14 5. On February 14, 2002, the Director sent a notice to all licensees that the final
15 rules had been approved and were available on the web site along with the January
16 2002 issue of the Mortgage Lender News which explained the new requirements.

17 6. On July 23, 2002, the Director sent a letter to Respondent informing
18 Respondent that the Director had not received notification of Respondent's loan
19 originators and requesting that Respondent provide the required information by
20 September 1, 2002 to avoid civil penalties.

21 7. On September 1, 2002, the Director had not received notification of
22 Respondent's loan originators.

23 8. On September 13, 2002, the Director left a message for Respondent to
24 contact the Director regarding the Respondent's failure to produce the loan originator
25 information.

26 9. As of October 2, 2002, Respondent still had not contacted the Director or

1 produced the loan originator information as requested.

2 **CONCLUSIONS OF LAW**

3 The Director **CONCLUDES** that:

4 1. Respondent violated OAR 441-880-0030(1) by failing to produce the required
5 information about Respondent's loan originators by January 30, 2002.

6 2. Respondent violated ORS 59.969(1) by failing to provide to the Director information
7 about Respondent's loan originators.

8 **ORDER**

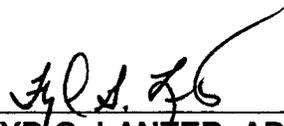
9 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Discover
10 Financial Group of Oregon, Inc. dba First Discover Mortgage and Financial Corp will
11 **CEASE AND DESIST** from violating any provision of Oregon Mortgage Lender Law,
12 OAR 441-850-0005 through 441-885-0010 and any rule, order, or policy issued by the
13 Division.

14 The Director, pursuant to ORS 59.996 hereby **ORDERS** Discover Financial
15 Group of Oregon, Inc. dba First Discover Mortgage and Financial Corp to pay the State
16 of Oregon a civil penalty of \$5,000. Discover Financial Group of Oregon, Inc. dba First
17 Discover Mortgage and Financial Corp shall pay \$1,000 immediately and the balance
18 of the penalty in minimum monthly installments of \$100 per month until the entire \$5,000
19 penalty is paid in full.

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

22 Dated this 24th day of February, 2003.

23 **CORY STREISINGER, DIRECTOR**
24 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

25 by 

26 **FLOYD G. LANTER, ADMINISTRATOR**
DIVISION OF FINANCE AND CORPORATE SECURITIES

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CONSENT TO ENTRY OF ORDER

I, Sarah E. Roy, state that I am the
owner of Discover Financial Group of Oregon, Inc. dba First
Discover Mortgage and Financial Corp, 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 Discover Financial Group of Oregon, Inc. dba First Discover Mortgage and Financial
Corp 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
Discover Financial Group of Oregon, Inc. dba First Discover Mortgage and Financial
Corp 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 Discover Financial Group of Oregon, Inc. dba First
Discover Mortgage and Financial Corp will fully comply with Oregon Mortgage Lender
Law.

I understand that this Consent Order is a public document.

Dated this 21 day of January, 2003.

By President
(Office Held)

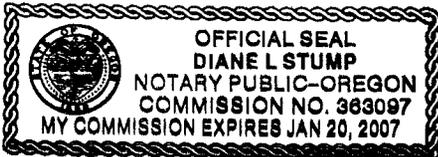
Sarah E. Roy
(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 31st day of January, 2003,
Sarah E Roy, who was first duly sworn on oath, and stated that s/he was
and is the President of Discover Financial Group of Oregon, Inc. dba First
Discover Mortgage and Financial Corp and she is authorized and

1 empowered to sign this Consent to Entry of Order on behalf of Discover Financial Group
2 of Oregon, Inc. dba First Discover Mortgage and Financial Corp and to bind Discover
3 Financial Group of Oregon, Inc. dba First Discover Mortgage and Financial Corp to the
4 terms hereof.

5
6 *Diane L Stump*
7 Signature of Notary Public
8 Notary Public for the State of: *Oregon*
9 My Commission expires: *1-20-07*



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