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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

LAND HOME FINANCIAL SERVICES
INC.

ORDER NO. O-02-0043

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES

To: Land Home Financial Services Inc.
1355 Willow Way Suite 250
Concord CA 94520

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

WHEREAS Land Home Financial Services Inc. wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order Land Home Financial Services Inc. 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. Land Home Financial Services Inc. (hereinafter "Respondent"), incorporated in California on March 18, 1988, engages in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation.

1 2. Respondent has been licensed by the Director to engage in Oregon residential
2 Mortgage transactions since January 30, 1997.

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

6 4. In January 2002, the Director published a new issue of the Mortgage Lender
7 News on the web site that included an explanation of the new notification requirements.

8 5. On February 14, 2002, the Director sent a notice to all licensees that the final
9 rules had been approved and were available on the web site along with the January
10 2002 issue of the Mortgage Lender News that explained the new requirements.

11 6. On July 24, 2002, the Director sent a letter to Respondent informing
12 Respondent that the Director had not received notification of Respondent's loan
13 originators and requesting that Respondent provide the required information by
14 September 1, 2002 to avoid civil penalties.

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

17 8. On September 13, 2002, the Director left a voice mail message for John
18 Waite, an owner of slightly more than 13% of Respondent, indicating that the Director
19 had not received the loan originator information as required and indicating that the
20 Director was beginning the process of issuing civil penalties to those licensees that had
21 failed to comply but if the required information was received prior to beginning the
22 process, the Director would not pursue a civil penalty.

23 9. On September 16, 2002, the Director received a call from Vladim, an
24 employee of Respondent's, that indicated that Respondent does not have loan
25 originators. Instead, Respondent issues rate sheets to manufactured home dealers who
26 tell the consumers the rates. The consumers then call Respondent, whose employees

1 take the loan application.

2 10. The Director told Vladim, Respondents' employee, in the September 16, 2002
3 telephone conversation, that those people who sign the loan application on behalf of the
4 company are loan originators and Respondent must provide the Director with notification
5 of those loan originators.

6 11. On September 16, 2002, the Director sent a three page facsimile to John
7 Waite, an owner of Respondent, which included a cover page, the July 24, 2002 letter
8 and the loan originator notification form for completion.

9 12. As of October 21, 2002, Respondent had not further contacted the Director or
10 produced the loan originator information as required.

11 **CONCLUSIONS OF LAW**

12 The Director **CONCLUDES** that:

- 13 1. Respondent violated OAR 441-880-0030(1) by failing to produce the required
14 information about Respondent's loan originators by January 30, 2002.
- 15 2. Respondent violated ORS 59.969(1) by failing to provide to the Director information
16 about Respondent's loan originators.

17 **ORDER**

18 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Land Home
19 Financial Services Inc. will **CEASE AND DESIST** from violating any provision of Oregon
20 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order,
21 or policy issued by the Division.

22 The Director, pursuant to ORS 59.996 hereby **ORDERS** Land Home Financial
23 Services Inc. to pay the State of Oregon a civil penalty of \$5,000.

24 The Director suspends payment of \$2,500 of the assessed civil penalty for a
25 three year period. If in the period between the date of the Order to three years from the
26 date of the Order, Land Home Financial Services Inc. violates any provision of the

1 Oregon Mortgage Lender Law. OAR 441-850-0005 through 441-885-0010 or any rule,
2 order, or policy issued by the Division, the suspended portion of the assessed civil
3 penalty will become immediately due and payable. If Land Home Financial Services Inc.
4 does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-
5 885-0010 or any rule, order, or policy issued by the Division in three years from the date
6 of the Order, the suspended portion of the civil penalty is waived.

7 The date of this order is the day the Director signs the order. The entry of this
8 Order in no way limits further remedies which may be available to the Director under
9 Oregon law.

10 Dated this _____ day of _____, 2003.

11
12 **CORY STREISINGER, DIRECTOR**
13 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

14
15 *David T. ...*
16 ~~FLOYD G. LANIER, ADMINISTRATOR~~ *David T. ...*, *Chief of Enforcement*
17 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

18 **CONSENT TO ENTRY OF ORDER**

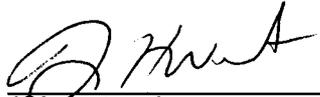
19 I, Bradley H. Waite, state that I am the
20 President of Land Home Financial Services Inc., and I am authorized
21 to act on its behalf; that I have read the foregoing Order and that I know and fully
22 understand the contents hereof; that Land Home Financial Services Inc. admits the
23 findings of fact herein, voluntarily consents to the entry of this Order without further
24 hearing, expressly waiving any right to a hearing in this matter; that Land Home
25 Financial Services Inc. understands that the Director reserves the right to take further
26 actions to enforce this order or to take appropriate action upon discovery of other
violations of Oregon Mortgage Lender Law; and that Land Home Financial Services Inc.

1 will fully comply with Oregon Mortgage Lender Law.

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

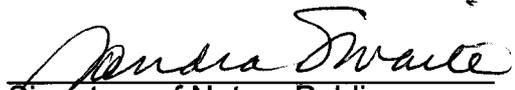
3 Dated this 6th day of May, 2003.

4 By Bradley H. Waite President
5 (Office Held)

6 
7 (Signature)

8 **CORPORATE ACKNOWLEDGMENT**

9 There appeared before me this 6th day of May, 2003,
10 Bradley H. Waite, who was first duly sworn on oath, and stated that s/he was
11 and is the President of Land Home Financial Services Inc. and
12 Bradley H. Waite is authorized and empowered to sign this Consent to Entry of
13 Order on behalf of Land Home Financial Services Inc. and to bind Land Home Financial
14 Services Inc. to the terms hereof.

15
16 
17 Signature of Notary Public
18 Notary Public for the State of: California
19 My Commission expires: 3/18/07

