

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 SPECIAL MORTGAGE SOLUTIONS
8 OF OREGON INC.

9 ORDER NO. O-02-0048

10 CEASE AND DESIST ORDER AND
11 CONSENT TO IMPOSITION OF CIVIL
12 PENALTIES

13 To: Special Mortgage Solutions of Oregon Inc.
14 82822 Bear Creek Rd
15 Creswell OR 97426



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 Special
18 Mortgage Solutions of Oregon, Inc., and determined that Special Mortgage Solutions
19 of Oregon, Inc. engaged in activities constituting violations of ORS 59.840 through
20 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

21 WHEREAS Special Mortgage Solutions of Oregon, Inc. wishes to resolve and
22 settle this matter with the Director;

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

FINDINGS OF FACT

The Director **FINDS** that:

1. Special Mortgage Solutions of Oregon, Inc. (hereinafter "Respondent"),
incorporated in Oregon on October 16, 2001 engages in residential mortgage
transactions in Oregon or on Oregon real property in expectation of compensation.

1 2. Respondent has been licensed as a mortgage lender by the Director since
2 November 6, 2001.

3 3. Emmet Konow and Janice Konow each own 50% of Respondent.

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

7 5. In January 2002, the Director published a new issue of the Mortgage Lender
8 News on the web site which included an explanation of the new notification
9 requirements.

10 6. On February 14, 2002, the Director sent a notice to all licensees that the final
11 rules had been approved and were available on the web site along with the January
12 2002 issue of the Mortgage Lender News which explained the new requirements.

13 7. On August 9, 2002, the Director sent a letter to Respondent informing
14 Respondent that the Director had not received notification of Respondent's loan
15 originators and requesting that Respondent provide the required information by
16 September 1, 2002 to avoid civil penalties.

17 8. On September 1, 2002, the Director had not received notification of
18 Respondent's loan originators.

19 9. On September 16, 2002, the Director attempted to contact Respondent by
20 telephone to discuss the missing loan originator information however the telephone was
21 not answered.

22 10. On September 16, 2002, the Director sent a facsimile to Respondent
23 indicating that the records show that the Director had not received Respondent's loan
24 originator information, that the Director was beginning to assess civil penalties for the
25 violation and that if Respondent submitted the loan originator information before the
26 Director began the process to assess a civil penalty, the information would be accepted

1 as compliant with the notification requirements.

2 11. As of October 22, 2002, Respondent still had not produced the loan originator
3 information as requested.

4 12. Respondent's license was cancelled on November 6, 2001 based upon
5 Respondent's failure to maintain the surety bond.

6 13. Respondent is experience financial difficulties and does not have the means
7 to pay the civil penalty or make monthly payments.

8 14. Emmet Konow or Janice Konow agree that if either or both should obtain a
9 new Oregon mortgage lender license that the terms of this order shall apply to any new
10 Oregon mortgage lender license that should be granted to any company in which
11 Emmet Konow and/or Janice Konow have ownership.

12 **CONCLUSIONS OF LAW**

13 The Director **CONCLUDES** that:

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

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

18 **ORDER**

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

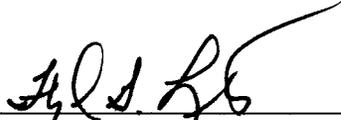
23 The Director, pursuant to ORS 59.996 hereby **ORDERS** Special Mortgage
24 Solutions of Oregon, Inc. to pay the State of Oregon a civil penalty of \$5,000. The
25 Director suspends payment of the entire \$5,000 of the assessed civil penalty for a three
26 year period based upon Special Mortgage Solutions of Oregon, Inc.'s representation of

1 financial difficulty and inability to pay. If in the period between the date of the Order to
2 three years from the date of the Order, Special Mortgage Solutions of Oregon, Inc.
3 violates any provision of the Oregon Mortgage Lender Law. OAR 441-850-0005 through
4 441-885-0010 or any rule, order, or policy issued by the Division, the suspended portion
5 of the assessed civil penalty will become immediately due and payable. If Special
6 Mortgage Solutions of Oregon, Inc. does not violate the Oregon Mortgage Lender Law,
7 OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the
8 Division in the three-year period, the suspended portion of the civil penalty is waived.
9 This order shall apply to any Oregon mortgage lender license granted to any company
10 in which Emmet Konow and/or Janice Konow have ownership.

11 The date of the Order is the date the Director signs the Order. The entry of this
12 Order in no way limits further remedies which may be available to the Director under
13 Oregon law.

14 Dated this 27th day of February, 2003.

15
16 **CORY STREISINGER, DIRECTOR**
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

17
18
19 by 
20 **FLOYD G. LANTER, ADMINISTRATOR**
DIVISION OF FINANCE AND CORPORATE SECURITIES

21 **CONSENT TO ENTRY OF ORDER**

22 I, Emmet A. Konow, state that I am the
23 President of Special Mortgage Solutions of Oregon, Inc., and I am
24 authorized to act on its behalf; that I have read the foregoing Order and that I know and
25 fully understand the contents hereof; that Special Mortgage Solutions of Oregon, Inc.
26 admits the findings of fact herein, voluntarily consents to the entry of this Order without

1 further hearing, expressly waiving any right to a hearing in this matter; that Special
2 Mortgage Solutions of Oregon, Inc. understands that the Director reserves the right to
3 take further actions to enforce this order or to take appropriate action upon discovery
4 of other violations of Oregon Mortgage Lender Law; and that Special Mortgage
5 Solutions of Oregon, Inc. will fully comply with Oregon Mortgage Lender Law.

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

7 Dated this 24th day of February, 2003.

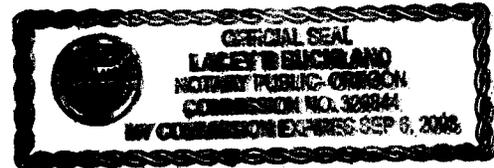
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9 By President (Office Held)

10 Emmet A. Konow
11 (Signature) Emmet A. Konow

CORPORATE ACKNOWLEDGMENT

12 There appeared before me this 24th day of February, 2003,
13 Emmet A. Konow, who was first duly sworn on oath, and stated that s/he was
14 and is the President of Special Mortgage Solutions of Oregon, Inc. and
15 he is authorized and empowered to sign this Consent to Entry of
16 Order on behalf of Special Mortgage Solutions of Oregon, Inc. and to bind Special
17 Mortgage Solutions of Oregon, Inc. to the terms hereof.

18
19 Lacey Bickland
20 Signature of Notary Public
21 Notary Public for the State of: Oregon
My Commission expires: Sept 8, 2003



CONSENT TO ENTRY OF ORDER

22
23 I, Emmet Konow, state that I have read the foregoing Order and that I know and
24 fully understand the contents hereof; that I admit the findings of fact herein, voluntarily
25 consent to the entry of this Order without further hearing, expressly waiving any right to
26 a hearing in this matter; that I understand that the Director reserves the right to take

1 further actions to enforce this order or to take appropriate action upon discovery of other
2 violations of Oregon Mortgage Lender Law; and that I will fully comply with Oregon
3 Mortgage Lender Law.

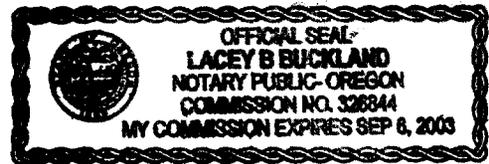
4 I understand that this Consent Order is a public document.

5 Dated this 24th day of February, 2003.

6 By *Emmet Konow*
7 Emmet Konow

8 Sworn to before me this 24th day of February, 2003.

9
10 *Lacey B. Buckland*
11 Signature of Notary Public
12 Notary Public for the State of: Oregon
13 My Commission expires: Sep 6, 2003



14 **CONSENT TO ENTRY OF ORDER**

15 I, Janice Konow, state that I have read the foregoing Order and that I know and
16 fully understand the contents hereof; that I admit the findings of fact herein, voluntarily
17 consent to the entry of this Order without further hearing, expressly waiving any right to
18 a hearing in this matter; that I understand that the Director reserves the right to take
19 further actions to enforce this order or to take appropriate action upon discovery of other
20 violations of Oregon Mortgage Lender Law; and that I will fully comply with Oregon
21 Mortgage Lender Law.

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

23 Dated this 24th day of February, 2003.

24 By *Janice Konow*
25 Janice Konow

26 Sworn to before me this 24th day of February, 2003.

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Lacey B Buckland

Signature of Notary Public
Notary Public for the State of: Oregon
My Commission expires: Sep 6, 2008

