

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-02-0051

7 **GFS, INC. DBA GATEWAY**  
8 **FINANCIAL SERVICES**

**CEASE AND DESIST ORDER AND**  
**CONSENT TO IMPOSITION OF CIVIL**  
**PENALTIES**

9 To: GFS, Inc. dba Gateway Financial Services  
10 9400 SW Barnes Road, Suite 100  
11 Portland, Oregon 97225

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 GFS,  
14 Inc. dba Gateway Financial Services, and determined that GFS, Inc. dba Gateway  
15 Financial Services engaged in activities constituting violations of ORS 59.840 through  
16 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

17 **WHEREAS** GFS, Inc. dba Gateway Financial Services wishes to resolve and  
18 settle this matter with the Director;

19 **NOW THEREFORE**, as evidenced by the authorized signatures subscribed on  
20 this order GFS, Inc. dba Gateway Financial Services hereby **CONSENTS** to entry of this  
21 order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

22 **FINDINGS OF FACT**

23 The Director **FINDS** that:

24 1. GFS, Inc. dba Gateway Financial Services (hereinafter "Respondent"),  
25 incorporated in Oregon on February 1, 1995 engages in residential mortgage  
26 transactions in Oregon or on Oregon real property in expectation of compensation.

2. Respondent has been continuously licensed as mortgage lender by the  
Director since February 15, 1995.

1 3. Craig Everett and Scott Everett each own 50% of Respondent.

2 4. Respondent is only licensed to operate from a location of 9400 SW Barnes  
3 Road, Suite 100, in Portland, Oregon.

4 5. Sometime prior to September 25, 2002, Respondent commenced mortgage  
5 lending operations at a branch location at 502 Washington Street, Suite 204 in The  
6 Dalles, Oregon (hereinafter "branch location").

7 6. Respondent provided a pipeline of activity for the branch which indicated that  
8 three loan applications were taken from the branch location.

9 7. Respondent did not provide the Director with notice of intent to operate the  
10 branch location at least 30 days prior to commencing branch operations.

11 8. Respondent did not provide the Director with the address, telephone number,  
12 fax number and a completed Section 5 for the branch manager at least 30 days prior  
13 to commencing operations at the branch location.

14 9. Respondent's bond on file with the Director evidences coverage of only  
15 \$25,000.

16 10. Respondent did not provide the Director with evidence of an additional \$5,000  
17 in surety bond coverage to cover the branch location.

### 18 **CONCLUSIONS OF LAW**

19 The Director **CONCLUDES** that:

20 1. Respondent violated ORS 59.950(2) by failing to provide notification of the intent to  
21 operate a branch office at least 30 days prior to commencing branch operations.

22 2. Respondent violated OAR 441-860-0030 by failed to provide written notification of  
23 the branch address, telephone and fax numbers and a completed Section 5 of the  
24 mortgage lender application for the branch manager at least 30 days prior to  
25 commencing branch operations.

26 3. Respondent violated OAR 441-860-0090(5) by failing to increase its surety bond by

1 \$5,000 prior to commencing branch operations.

2 **ORDER**

3 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that GFS, Inc. dba  
4 Gateway Financial Services will **CEASE AND DESIST** from violating any provision of  
5 Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule,  
6 order, or policy issued by the Director.

7 The Director, pursuant to ORS 59.996 hereby **ORDERS** GFS, Inc. dba Gateway  
8 Financial Services to pay the State of Oregon a civil penalty of \$5,000.

9 The Director suspends payment of \$2,500 of the assessed civil penalty for a  
10 three year period. If in the period between the date of the Order to three years from the  
11 date of the Order, GFS, Inc. dba Gateway Financial Services violates any provision of  
12 the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any  
13 rule, order, or policy issued by the Division, the suspended portion of the assessed civil  
14 penalty will become immediately due and payable. If GFS, Inc. dba Gateway Financial  
15 Services does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005  
16 through 441-885-0010 or any rule, order, or policy issued by the Division in three years  
17 from the date of the Order, the suspended portion of the civil penalty is waived.

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

21 Dated this 25th day of FEBRUARY, 2003.

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

24  
25 by   
26 **FLOYD G. LANTER, ADMINISTRATOR**  
**DIVISION OF FINANCE AND CORPORATE SECURITIES**

1 **CONSENT TO ENTRY OF ORDER**

2 I, Scott Everett, state that I am the  
3 President/Owner of GFS, Inc. dba Gateway Financial Services, and I am  
4 authorized to act on its behalf; that I have read the foregoing Order and that I know and  
5 fully understand the contents hereof; that GFS, Inc. dba Gateway Financial Services  
6 admits the findings of fact herein, voluntarily consents to the entry of this Order without  
7 further hearing, expressly waiving any right to a hearing in this matter; that GFS, Inc.  
8 dba Gateway Financial Services understands that the Director reserves the right to take  
9 further actions to enforce this order or to take appropriate action upon discovery of other  
10 violations of Oregon Mortgage Lender Law; and that GFS, Inc. dba Gateway Financial  
11 Services will fully comply with Oregon Mortgage Lender Law.

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

13 Dated this 20 day of February, 2003.

14  
15 By Scott Everett, President and Owner  
(Office Held)

16  
17 (Signature)

18 **CORPORATE ACKNOWLEDGMENT**

19 There appeared before me this 20 day of February, 2003,  
20 Scott Everett, who was first duly sworn on oath, and stated that s/he was  
21 and is the President/Owner of GFS, Inc. dba Gateway Financial Services and  
22 Scott Everett is authorized and empowered to sign this Consent to Entry of  
23 Order on behalf of GFS, Inc. dba Gateway Financial Services and to bind GFS, Inc. dba  
24 Gateway Financial Services to the terms hereof.

25  
26 (Signature)  
Signature of Notary Public  
Notary Public for the State of: Oregon  
My Commission expires: 9-19-04

