

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

PGNF HOME LENDING CORP.
Formerly known as MORTGAGE
EXPRESS, INC., A CORPORATION
OF ILLINOIS

ORDER NO. O-02-0054

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES

To: PGNF Home Lending Corp.,
formerly known as Mortgage Express, Inc., A Corporation of Illinois
801 N. Cass Ave., Suite 300
Westmont, Ill. 60559

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of PGNF Home Lending Corp., formerly known as Mortgage Express, Inc., A Corporation of Illinois, and determined that PGNF Home Lending Corp. engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS PGNF Home Lending Corp. wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order PGNF Home Lending Corp. 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. PGNF Home Lending Corp., formerly known as Mortgage Express, Inc., A Corporation of Illinois

1 Corporation of Illinois (hereinafter "Respondent"), incorporated in Illinois on March 19,
2 1998 engages in residential mortgage transactions in Oregon or on Oregon real property
3 in expectation of compensation.

4 2. The Director has licensed Respondent to engage in Oregon residential
5 mortgage lending since July 31, 2000.

6 3. Phil Lagori is the owner of Respondent.

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

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

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

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

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

21 9. On September 3, 2002, the Director received the August 9, 2002 letter back
22 from the United States Postal Service marked "return to sender, attempted, not known."

23 10. On September 3, 2002, the Director left a voice mail message for Respondent
24 indicating that the mail had been returned.

25 11. On September 4, 2002, Respondent spoke with the Director indicating that the
26 contact person for Respondent had been changed to Marlaine McVisk.

1 12. On September 4, 2002, the Director sent Respondent a letter addressed to
2 Marlane McVisk informing Respondent that the Director had not received notification
3 of Respondent's loan originators and requesting that Respondent provide the required
4 information by October 1, 2002 to avoid civil penalties.

5 13. As of October 23, 2002, Respondent still had produced the loan originator
6 information as requested so the Director initiated this administrative action.

7 14. Upon notification of the administration action, Respondent complied with the
8 reporting requirements.

9 15. Respondent further reported that the September 4, 2002 letter did not reach
10 the responsible party, which may have been the result of issues arising from a former
11 employee, and Respondent would not have knowingly failed to respond to the
12 September 4, 2002 letter.

13 CONCLUSIONS OF LAW

14 The Director **CONCLUDES** that:

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

19 ORDER

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

24 The Director, pursuant to ORS 59.996 hereby **ORDERS** PGNF Home Lending
25 Corp. to pay the State of Oregon a civil penalty of \$5,000.

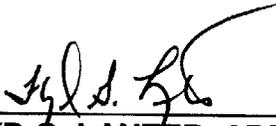
26 The Director suspends payment of the entire civil penalty for a three-year period.

1 If in the period between the date of the Order to three years from the date of the Order,
2 PGNF Home Lending Corp. violates any provision of the Oregon Mortgage Lender Law.
3 OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the
4 Division, the suspended portion of the assessed civil penalty will become immediately
5 due and payable. If PGNF Home Lending Corp. does not violate the Oregon Mortgage
6 Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy
7 issued by the Division in three years from the date of the Order, the suspended portion
8 of the civil penalty is waived.

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

12 Dated this 30th day of MAY, 2003.

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

15
16 by 
17 **FLOYD G. LANTER, ADMINISTRATOR**
18 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

19 **CONSENT TO ENTRY OF ORDER**

20 I, Kenneth J. O'Connor, state that I am the
21 Secretary of PGNF Home Lending Corp., formerly known as Mortgage
22 Express, Inc., A Corporation of Illinois, and I am authorized to act on its behalf; that I
23 have read the foregoing Order and that I know and fully understand the contents hereof;
24 that PGNF Home Lending Corp. admits the findings of fact herein, voluntarily consents
25 to the entry of this Order without further hearing, expressly waiving any right to a hearing
26 in this matter; that PGNF Home Lending Corp. understands that the Director reserves

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

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

5 Dated this 16th day of May, 2003.

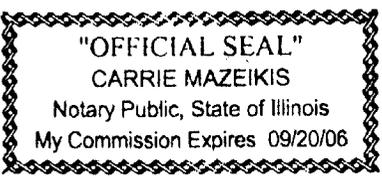
6
7 By Kenneth J. O'Connor, Secretary
(Office Held)

8
9 
(Signature)

10
11
12 **CORPORATE ACKNOWLEDGMENT**

13 There appeared before me this 16th day of May 2003,
14 Kenneth J. O'Connor, who was first duly sworn on oath, and stated that s/he was
15 and is the Secretary of PGNF Home Lending Corp. and
16 _____ is authorized and empowered to sign this Consent to Entry of
17 Order on behalf of PGNF Home Lending Corp. and to bind PGNF Home Lending Corp.
18 as to the terms hereof.

19
20 
Signature of Notary Public
21 Notary Public for the State of: Illinois
22 My Commission expires: 9-20-06



COBBOVILLE RECORDING
CLERK'S OFFICE
MAY 15 11:25