

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

OLD MILL MORTGAGE GROUP LLP  
DBA OLD MILL MORTGAGE

ORDER NO. O-02-0066

CEASE AND DESIST ORDER AND  
CONSENT TO IMPOSITION OF CIVIL  
PENALTIES

To: Old Mill Mortgage Group LLP dba Old Mill Mortgage

251 Scalehouse Loop Suite 202

Portland OR 97702-1277

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FISCAL SECTION

**WHEREAS** the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Old Mill Mortgage Group LLP dba Old Mill Mortgage, and determined that Old Mill Mortgage Group LLP dba Old Mill Mortgage engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter Athe Oregon Mortgage Lender Law); and

**WHEREAS** Old Mill Mortgage Group LLP dba Old Mill Mortgage wishes to resolve and settle this matter with the Director;

**NOW THEREFORE**, as evidenced by the authorized signatures subscribed on this order Old Mill Mortgage Group LLP dba Old Mill Mortgage 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. Old Mill Mortgage Group LLP dba Old Mill Mortgage (hereinafter "Respondent"), formed a limited liability partnership in Oregon on March 13, 2000 to

1 engage in residential mortgage transactions in Oregon or on Oregon real property in  
2 expectation of compensation.

3 2. Respondent has been licensed as a mortgage lender by the Director since  
4 April 3, 2000.

5 3. Wm. Lee Ransdall and Robert "Casey" M. Jones each own 50% of  
6 Respondent.

7 4. Respondent is only licensed to operate from a location of 231 Scalehouse  
8 Loop, Suite 202, Bend OR 97702-97470.

9 5. In February of 2002, Respondent contacted the Director to inquire about the  
10 necessary requirements to open a branch location. Among other things, Respondent  
11 was advised of the requirement to increase its surety bond by \$5,000.

12 6. In March of 2002, Respondent increased its surety bond by \$5,000.

13 7. Kenneth Osborne was a loan originator originating Oregon residential  
14 mortgage transactions for Respondent as a remote loan originator. As such, Kenneth  
15 Osborne worked using Respondent's Oregon mortgage lender license and subject to the  
16 supervision of Respondent pursuant to ORS 59.865(15).

17 8. Sometime after March of 2002, without prior approval from or knowledge of the  
18 Respondent, Kenneth Osborne, either personally or as Osbsorne Home Lending,  
19 entered into a lease for an office at 1022 NE Stephens in Roseburg, Oregon (hereinafter  
20 "the branch location") from which Kenneth Osborne engaged in Oregon residential  
21 mortgage transactions. Respondent did not sign the lease, establish a telephone  
22 number or bank account or conduct any advertising in the Roseburg area.

23 9. Respondent provided a pipeline of activity for the branch location that indicated  
24 that 24 loan applications were taken from the branch location.

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

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

4 12. Respondent's bond on file with the Director evidences coverage of \$30,000.

5 13. The branch location was subsequently licensed to Osborne Home Lending,  
6 Inc. on October 17, 2002.

### 7 **CONCLUSIONS OF LAW**

8 The Director **CONCLUDES** that:

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

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

### 15 **ORDER**

16 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Old Mill  
17 Mortgage Group LLP dba Old Mill Mortgage will **CEASE AND DESIST** from violating any  
18 provision of Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010  
19 and any rule, order, or policy issued by the Director.

20 The Director, pursuant to ORS 59.996 hereby **ORDERS** Old Mill Mortgage Group  
21 LLP dba Old Mill Mortgage to pay the State of Oregon a civil penalty of \$7,400.00. The  
22 civil penalty is based upon a base penalty of \$5,000.00 and additional penalty of  
23 \$100.00 per loan application for 24 applications originated through the unlicensed  
24 branch for a total additional penalty of \$2,400.00.

25 The Director suspends payment of \$6,660.00 of the assessed civil penalty for a  
26 three year period. If in the period between the date of the Order to three years from the

1 date of the Order, Old Mill Mortgage Group LLP dba Old Mill Mortgage substantially,  
2 knowingly or willfully violates any material provision of the Oregon Mortgage Lender  
3 Law. OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by  
4 the Division, the suspended portion of the assessed civil penalty will be assessed by the  
5 Director as part of an order for the subsequent violation. "Material" is defined as  
6 anything that may have a detrimental effect on a consumer, such as failure to provide  
7 disclosures required by state or federal law, rule or regulation. If Old Mill Mortgage  
8 Group LLP dba Old Mill Mortgage does not violate the Oregon Mortgage Lender Law,  
9 OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the  
10 Division in the three year period, the suspended portion of the civil penalty is waived.

11 The date of the Order is the date the Director signs the Order.

12 Order in no way limits further remedies which may be available to the Director  
13 under Oregon law for any other violation of the Oregon Mortgage Lender Law not  
14 related to circumstances that were the basis of this Order.

15  
16 Dated this 21ST day of JANUARY, 2003.

17  
18 **MARY C. NEIDIG, DIRECTOR**  
**DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

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

23  
24 **CONSENT TO ENTRY OF ORDER**

25 I, Wm. Lee Ransdall, state that I am a partner of Old Mill Mortgage Group LLP  
26 dba Old Mill Mortgage, and I am authorized to act on its behalf; that I have read the

1 foregoing Order and that I know and fully understand the contents hereof; that Old Mill  
2 Mortgage Group LLP dba Old Mill Mortgage admits the findings of fact herein, voluntarily  
3 consents to the entry of this Order without further hearing, expressly waiving any right to  
4 a hearing in this matter; that Old Mill Mortgage Group LLP dba Old Mill Mortgage  
5 understands that the Director reserves the right to take further actions to enforce this  
6 order or to take appropriate action upon discovery of other violations of Oregon  
7 Mortgage Lender Law; and that Old Mill Mortgage Group LLP dba Old Mill Mortgage will  
8 fully comply with Oregon Mortgage Lender Law.

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

10 Dated this 7<sup>TH</sup> day of January, 2003.

11 By Wm Lee Ransdall  
12 Wm. Lee Ransdall, Partner

13 **CORPORATE ACKNOWLEDGMENT**

14 There appeared before me this \_\_\_\_ day of January, 2003, Wm. Lee Ransdall, who  
15 was first duly sworn on oath, and stated that he was and is a partner of Old Mill  
16 Mortgage Group LLP dba Old Mill Mortgage and is authorized and empowered to sign  
17 this Consent to Entry of Order on behalf of Old Mill Mortgage Group LLP dba Old Mill  
18 Mortgage and to bind Old Mill Mortgage Group LLP dba Old Mill Mortgage to the terms  
19 hereof.

20  
21 Therese Willis  
Signature of Notary Public

22 Notary Public for the State of Oregon

23 My Commission expires: March 14, 2003

