

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

O-02-0083

7 BRIGHTFIELD FINANCIAL
8 CORPORATION

9 FINAL ORDER BY DEFAULT -
10 REVOCATION OF MORTGAGE
11 LENDER LICENSE

12 To: Brightfield Financial Corporation
13 7000 SW Hampton Suite 218
14 Portland, Oregon 97223

15 On December 19, 2002, the Director, Department of Business and Consumer
16 Services, (hereinafter "Director") served Hal Broughton, the Oregon Agent for Service
17 of Process for Brightfield Financial Corporation (hereinafter "Respondent"), by certified
18 mail with certified true copies of a Cease and Desist Order and a Notice of Intent to
19 Revoke Mortgage Banker/Broker License and to Impose Civil Penalties. The certified
20 mail was accepted by Hal Broughton at 38 Green Ridge Court in Lake Oswego, the
21 address of record for Respondent's Oregon Agent for Service of Process, on or before
22 December 21, 2002 . This notice alleged that (1) Respondent failed to provide notice
23 to the Director of the change in Respondent's telephone and facsimile number within 30
24 days following the change; (2) Respondent's application for a mortgage lender license
25 was incomplete as of the date of the Notice of Intent to Revoke Mortgage Banker/Broker
26 License; (3) Respondent failed to provided notice to the Director of Respondent's
change of address within 30 days following the change; (4) Respondent failed to provide
the Director with a list of loan originators originating loans for Respondent by January
30, 2002; (5) Respondent failed to provide to the Director and keep current the list of

1 loan originators originating loans for Respondent; and (6) the Director is unable to locate
2 Respondent after reasonable search. The Notice further granted to Respondent an
3 opportunity for hearing, if requested within 21 days of service of the Notice. Hal
4 Broughton did contact the Director to indicate that the Notice of Intent to Revoke
5 Mortgage Banker/Broker License and Cease and Desist Order had been received and
6 that Respondent was no longer in business but Hal Broughton did not request a hearing
7 or indicate that company was even contemplating requesting a hearing. No request for
8 hearing has been received by the Director. The Notice designated the Division of
9 Finance and Corporate Securities' file on this matter as the record for purposes of
10 default.

11 NOW THEREFORE, after consideration of the records and files of the Division
12 of Finance and Corporate Securities relating to this matter, the Director enters the
13 following Order.

14 FINDINGS OF FACT

15 1. Respondent is an Oregon corporation formed on April 19, 1994 that engages
16 in Oregon residential mortgage transactions. The Director first issued a mortgage
17 lender license to Respondent on September 19, 1994. That license is currently due to
18 expire on September 18, 2003.

19 2. Hal Broughton owns 60% of Respondent and Steward Mah owns the
20 remaining 40% of Respondent.

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

24 4. In January 2002, the Director published a new issue of the Mortgage Lender
25 News on the web site which included an explanation of the new notification
26 requirements.

1 5. On February 14, 2002, the Director sent a notice to all licensees that the final
2 rules had been approved and were available on the web site along with the January
3 2002 issue of the Mortgage Lender News which explained the new requirements.

4 6. On July 23, 2002, the Director sent a letter to Respondent informing
5 Respondent that the Director had not received notification of Respondent's loan
6 originators and requesting that Respondent provide the required information by
7 September 1, 2002 to avoid civil penalties.

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

10 8. On September 13, 2002, the Director attempted to call Respondent about the
11 lack of response to the July 23, 2002 letter and discovered that the telephone and fax
12 numbers provided to contact Respondent on Respondent's mortgage lender license
13 application had either been disconnected or re-assigned to non-related businesses.

14 9. As of December 19, 2002, Respondent had not provided the Director with a
15 notice of a change in telephone or facsimile numbers.

16 10. Respondent's mortgage lender license application provided to the Director
17 does not contain valid telephone and facsimile numbers for the company.

18 11. Respondent's telephone and facsimile numbers are a material portion of the
19 mortgage lender license application.

20 12. On October 3, 2002, the Director visited Respondent's licensed location to
21 find that Respondent had vacated the location and the location is now occupied by a
22 different business.

23 13. As of December 19, 2002, Respondent has not provided the Director with
24 notice of a change of address.

25 14. Respondent's mortgage lender license application provided to the Director
26 does not list the current location of the company.

1 15. Respondent's current address is a material portion of the mortgage lender
2 license application.

3 16. The Director attempted to obtain a listing of Respondent's loan originators.

4 17. As of December 19, 2002, Respondent has not provided the Director with a
5 list of loan originators that are originating Oregon loans for Respondent.

6 18. Respondent's mortgage lender license application does not contain a
7 completed Section 6 for the loan originators originating loans for Respondent.

8 19. The completed Section 6 of the application is a material portion of the
9 mortgage lender license application.

10 20. The telephone and facsimile numbers for Respondent have been
11 disconnected or reassigned to unrelated businesses and Respondent has vacated the
12 address of record for Respondent yet Respondent has not provided updated contact
13 information.

14 21. The July 23, 2002 letter sent to Respondent was not returned by the Post
15 Office but Respondent did not respond to the Director's directive to produce information

16 22.. The Director has conducted a reasonable search to locate Respondent.

17 **ULTIMATE FINDINGS OF FACT**

18 1. Respondent failed to provide notice of change in telephone and facsimile numbers
19 within 30 days following the change.

20 2. Respondent's mortgage lender license application is incomplete in a material respect
21 as of December 19, 2002 due to the lack of valid telephone and facsimile numbers.

22 3. Respondent has failed to provide notice to the Director of a change of address within
23 30 days of the change of address.

24 4. Respondent's mortgage lender license application is incomplete in a material respect
25 as of December 19, 2002 due to the lack of current address.

26 5. Respondent failed to provide the Director by January 30, 3002 a list of loan

1 originators originating loans for Respondent.

2 6. Respondent failed to provide and keep current the list of Respondent's loan
3 originators.

4 7. Respondent's mortgage lender license application is incomplete in a material respect
5 as of December 19, 2002 due to the lack of a completed Section 6 of the mortgage
6 lender application for each loan originator originating Oregon loans for Respondent

7 8. The Director was unable to locate Respondent after conducting a reasonable search.

8 **CONCLUSIONS OF LAW**

9 1. Respondent violated OAR 441-860-0070(1)(i) by failing to provide the Director notice
10 of the change in telephone and facsimile numbers within 30 days following the
11 change.

12 2. Respondent's submission of a mortgage lender license application that is incomplete
13 in a material respect as the date of the Notice of Intent to Revoke Mortgage Lender
14 License due to the lack of valid telephone and facsimile numbers constitutes
15 grounds to revoke the mortgage lender license issued to Respondent pursuant to
16 ORS 59.865(5).

17 3. Respondent violated OAR 441-860-0070(1)(i) by failing to provide the Director notice
18 of a change in address within 30 days of the change.

19 4. Respondent's submission of a mortgage lender license application that is incomplete
20 in a material respect as the date of the Notice of Intent to Revoke Mortgage Lender
21 License due to the lack of a current address constitutes grounds to revoke the
22 mortgage lender license issued to Respondent pursuant to ORS 59.865(5).

23 5. Respondent violated OAR 441-880-0030(1) by failing to provide the Director by
24 January 30, 2002 a list of the loan originators originating loans for Respondent.

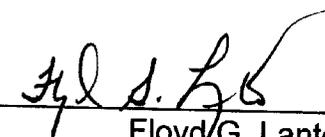
25 6. Respondent violated ORS 59.969(1) by failing to provide the Director and keep
26 current a list of loan originators originating loans for Respondent.

- 1 7. Respondent's submission of a mortgage lender license application that is incomplete
2 in a material respect as the date of the Notice of Intent to Revoke Mortgage Lender
3 License due to the lack of a completed Section 6 of the mortgage lender license
4 application for each loan originator originating Oregon loans for Respondent
5 constitutes grounds to revoke the mortgage lender license issued to Respondent
6 pursuant to ORS 59.865(5).
- 7 8. The Director's inability to locate Respondent after a reasonable search constitutes
8 grounds to cancel the license pursuant to ORS 59.875(1).

9 **ORDER**

10 The Director, pursuant to ORS 59.865, hereby **REVOKES** the mortgage lender
11 license issued to Brightfield Financial Corporation.

12
13 Dated this 21ST day of JANUARY, 2003.

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17 _____
18 Floyd G. Lanter, Administrator
19 Division of Finance and Corporate Securities

20 NOTICE: You are entitled to judicial review of this Order. Judicial review may be
21 obtained by filing a petition for review within 60 days from the service of this Order.
22 Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court of
23 Appeals.