

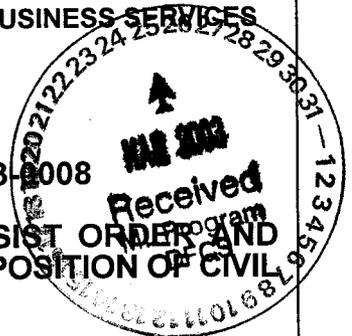
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
FINANCE SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
STATE OF OREGON

In the Matter of
HAMMOND SECURITIES COMPANY
LLC

ORDER NO. O-03-0008

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES



To: Hammond Securities Company LLC
23807 Aliso Creek Road Suite 200
Laguna Niguel, California 92607

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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 Hammond Securities Company LLC, and determined that Hammond Securities Company LLC engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS Hammond Securities Company LLC wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order Hammond Securities Company LLC 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. Hammond Securities Company LLC (hereinafter "Respondent"), a Delaware limited liability company formed on July 18, 1997, engages in residential mortgage

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1 transactions in Oregon or on Oregon real property in expectation of compensation.

2 2. Respondent first obtained an Oregon mortgage lender license on December
3 16, 1997. That license expired on December 15, 2002 when Respondent failed to
4 renew the license.

5 3. On January 23, 2003, the Director received an application for an Oregon
6 mortgage lender license from Respondent.

7 4. On January 26, 2003, the Director issued an Oregon mortgage lender license
8 to Respondent.

9 5. On January 27, 2003, the Director sent a letter to Respondent requesting a list
10 of any Oregon residential mortgage loan applications taken between December 16,
11 2002 and January 26, 2003, the period of time in which Respondent was not licensed
12 to engage in Oregon residential mortgage loans.

13 6. On February 4, 2003, the Director received a letter from Respondent indicating
14 that Respondent took six Oregon residential mortgage loan applications during the
15 unlicensed period between December 16, 2002 and January 26, 2003.

16
17 **CONCLUSIONS OF LAW**

18 The Director **CONCLUDES** that:

19 1. Respondent violated ORS 59.845(1) when Respondent took six loan applications
20 between December 16, 2002 and January 26, 2003 when Respondent did not have an
21 Oregon residential mortgage license.

22
23 **ORDER**

24 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Hammond
25 Securities Company LLC will **CEASE AND DESIST** from violating any provision of
26 Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule,

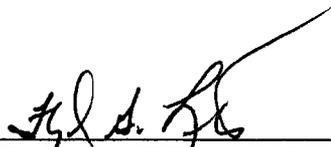
1 order, or policy issued by the Director.

2 The Director, pursuant to ORS 59.996 hereby **ORDERS** Hammond Securities
3 Company LLC to pay the State of Oregon a civil penalty of \$5,300. The civil penalty is
4 based upon \$5,000 for engaging in Oregon residential mortgage transactions without
5 a license and \$300 for taking six loan applications while not licensed based upon \$50
6 per application.

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

10 Dated this 26th day of MARCH, 2003.

11
12 **CORY STREISINGER, DIRECTOR**
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

13
14
15 by 
16 **FLOYD G. LANTER, ADMINISTRATOR**
DIVISION OF FINANCE AND CORPORATE SECURITIES

17
18 **CONSENT TO ENTRY OF ORDER**

19 I, James P. Cross, state that I am the
20 Secretary of Hammond Securities Company LLC, and I am authorized
21 to act on its behalf; that I have read the foregoing Order and that I know and fully
22 understand the contents hereof; that Hammond Securities Company LLC admits the
23 findings of fact herein, voluntarily consents to the entry of this Order without further
24 hearing, expressly waiving any right to a hearing in this matter; that Hammond Securities
25 Company LLC understands that the Director reserves the right to take further actions
26 to enforce this order or to take appropriate action upon discovery of other violations of

1 Oregon Mortgage Lender Law; and that Hammond Securities Company LLC will fully
2 comply with Oregon Mortgage Lender Law.

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

4 Dated this 20 day of March, 2003.

5
6 By James P. Cross Secretary
(Office Held)

7
8 [Signature]
(Signature)

9
10 **CORPORATE ACKNOWLEDGMENT**

11 There appeared before me this 20th day of March, 2003,
12 James P. Cross, who was first duly sworn on oath, and stated that ~~she~~ was
13 and is the Secretary of Hammond Securities Company LLC and
14 James P. Cross is authorized and empowered to sign this Consent to Entry of
15 Order on behalf of Hammond Securities Company LLC and to bind Hammond Securities
16 Company LLC to the terms hereof.

17 Cathy O'Neil
18 Signature of Notary Public
19 Notary Public for the State of: California
My Commission expires: 3/29/06

