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**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  
KLONDIKE MORTGAGE &  
FINANCIAL SERVICES LLC**

**ORDER NO. O-03-0016  
CEASE AND DESIST ORDER AND  
CONSENT TO ISSUANCE OF A  
CONDITIONAL LICENSE**

**To: Klondike Mortgage & Financial Services LLC  
20989 West View Drive  
Bend Oregon 97702**

**WHEREAS** the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Klondike Mortgage & Financial Services LLC in connection with issuing a mortgage lender license to the company and that there exist grounds to deny or condition a mortgage lender license pursuant to ORS 59.865; and

**WHEREAS** Klondike Mortgage & Financial Services LLC wishes to resolve and settle this matter with the Director;

**NOW THEREFORE**, as evidenced by the authorized signatures subscribed on this order Klondike Mortgage & Financial Services 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. Klondike Mortgage & Financial Services LLC (hereinafter "Respondent") is an Oregon limited liability company formed on February 14, 2003 that wishes to engage in

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

3 2. Respondent first applied for an Oregon mortgage lender license from the  
4 Director on April 1, 2003.

5 3. Eldon C. Pearson, Robert A. Buckmann and Marianne L. Martin each are one-  
6 third owners of Respondent.

7 4. Eldon C. Pearson was the subject of a cease and desist order entered on April  
8 20, 2001 by the Director after notice and opportunity for a hearing in case number O-01-  
9 0001, In the Matter of Eldon C. Pearson dba Pearson Mortgage Services (hereinafter  
10 "the 2001 Consent Order").

11 5. The 2001 Consent Order ordered Eldon C. Pearson dba Pearson Mortgage  
12 Services to pay a civil penalty of \$5,250 but suspended payment of 95% of the order for  
13 a three-year period beginning on April 20, 2001.

14 6. If Eldon C. Pearson dba Pearson Mortgage Services does not violate any  
15 provision of the Oregon Mortgage Lender Law, OAR 441-850-0050 through 441-885-  
16 0010 or any rule, order or policy issued by the Director within the three-year period  
17 following April 20, 2001, the suspended portion of the civil penalty ordered in the 2001  
18 Consent Order would be waived.

19 7. If Eldon C. Pearson dba Pearson Mortgage Services does violate any  
20 provision of the Oregon Mortgage Lender Law, OAR 441-850-0050 through 441-885-  
21 0010 or any rule, order or policy issued by the Director within the three-year period  
22 following April 20, 2001, the suspended portion of the civil penalty ordered in the 2001  
23 Consent Order would be immediately due and payable in addition to any other penalty  
24 assessed as a result of the new violation.

25 8. The Director received one payment of \$50 toward the non-suspended portion  
26 of the civil penalty ordered in the 2001 Consent Order. There is still \$212.50 due on the

1 2001 Consent Order.

2 9. In addition to ordering Eldon C. Pearson dba Pearson Mortgage Services to  
3 pay a civil penalty, the 2001 Consent Order ordered Eldon C. Pearson dba Pearson  
4 Mortgage Services to cease and desist from committing any violation of the Oregon  
5 Mortgage Lender Law, OAR 441-850-0050 through 441-885-0010 and any rule, order  
6 or policy issued by the Director.

7 10. Eldon C. Pearson is a partner, officer or director of Respondent.

8 11. Respondent agrees to be bound by and abide by the orders contained in the  
9 2001 Consent Order.

10 12. Respondent agrees that the findings of fact, conclusions of law and order  
11 entered into in this matter shall be available to the Director to use as grounds for any  
12 future order against Respondent.

### 13 CONCLUSIONS OF LAW

14 The Director **CONCLUDES** that:

15 1. Eldon C. Pearson is the subject of a cease and desist order entered after  
16 notice and opportunity for hearing and issued by the Director within the last five years  
17 which permits the Director to condition, deny, suspend or revoke a license issued to  
18 Eldon C. Pearson pursuant to the provisions of ORS 59.865(13).

19 2. Because Eldon C. Pearson is the subject of a cease and desist order entered  
20 after notice and opportunity for hearing and issued by the Director on April 20, 2001,  
21 Eldon C. Pearson is guilty of an act which would be cause for denying, suspending or  
22 revoking a mortgage lender license.

23 3. Eldon C. Pearson is a partner, officer or director of Respondent.

24 4. The Director may enter an order against Respondent because Eldon C.  
25 Pearson is a partner, officer or director of Respondent who is has been guilty of an act  
26 which would be cause for denying, suspending or revoking a mortgage lender license.

**ORDER**

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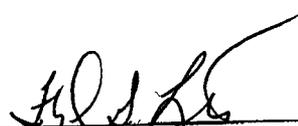
The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Klondike Mortgage & Financial Services LLC will **CEASE AND DESIST** from violating any provision of Oregon Revised Statutes, Chapter 59 and any provision of the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order, or policy issued by the Division.

The Director, pursuant to ORS 59.996 hereby **ORDERS** that the Oregon mortgage lender license issued to Klondike Mortgage & Financial Services LLC shall be subject to the following conditions: 1) Klondike Mortgage & Financial Services LLC shall pay the \$212.50 unpaid portion of the civil penalty and 2) Klondike Mortgage & Financial Services LLC shall be subject to the provisions of the 2001 Consent Order as if Klondike Mortgage & Financial Services LLC was party to the 2001 Consent Order.

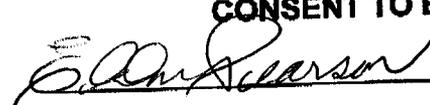
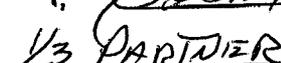
The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

Dated this 30th day of APRIL, 2003.

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

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

**CONSENT TO ENTRY OF ORDER**

I, , state that I am the  of Klondike Mortgage & Financial Services LLC, and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and

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

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

9 Dated this 22nd day of April, 2003.

10 By ELDON PEARSON PARTNER  
11 (Office Held)

12 Eldon Pearson  
13 (Signature)

14 **CORPORATE ACKNOWLEDGMENT**

15 There appeared before me this 22nd day of April, 2003,  
 16 ELDON PEARSON, who was first duly sworn on oath, and stated that s/he was  
 17 and is the PARTNER of Klondike Mortgage & Financial Services LLC and  
 18 he is authorized and empowered to sign this Consent to Entry of  
 19 Order on behalf of Klondike Mortgage & Financial Services LLC and to bind Klondike  
 20 Mortgage & Financial Services LLC to the terms hereof.

21 Angela Hicks  
 22 Signature of Notary Public  
 23 Notary Public for the State of: Oregon  
 My Commission expires: 4.8.2007

