

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

O-03-0018

FREEDOM MORTGAGE SERVICES
LLC DBA COMMUNITY MORTGAGE
SERVICES OF REDMOND LLC

FINAL ORDER BY DEFAULT -
DENIAL OF MORTGAGE
LENDER LICENSE

To: Clyde Fladwood

Freedom Mortgage Services LLC

dba Community Mortgage Services of Redmond LLC

858 SW 6th Street, Suite III

Redmond, Oregon 97756

On May 8, 2003, the Director, Department of Business and Consumer Services, (hereinafter "Director") served Clyde Fladwood, designated Oregon Agent for Service of Process for Freedom Mortgage Services LLC dba Community Mortgage Services of Redmond LLC, by certified mail with certified true copies of a Cease and Desist Order and a Notice of Intent to Deny Mortgage Banker/Broker License. The certified mail was accepted on May 12, 2003. This notice alleged that (1) Freedom Mortgage Services LLC dba Community Mortgage Services of Redmond LLC (hereinafter "Respondent"). Does not meet the experience person requirement of ORS 59.850(3) and (2) that the application for a mortgage banker/broker license was incomplete in a material respect pursuant to ORS 59.865(5) because the application did not list a qualified experience person. The Notice further granted to Respondent an opportunity for hearing, if requested within 21 days of service of the Notice. No such request for hearing has been received by the Director. The Notice designated the Division of Finance and Corporate

1 Securities' file on this matter as the record for purposes of default.

2 NOW THEREFORE, after consideration of the records and files of the Division
3 of Finance and Corporate Securities relating to this matter, the Director enters the
4 following Order:

5 **FINDINGS OF FACT**

6 1. Respondent is an Oregon limited liability company that wishes to engage in
7 Oregon residential mortgage transactions. The Director has never issued a license to
8 Respondent.

9 2. Respondent submitted an application for an Oregon mortgage lender license
10 on March 6, 2003.

11 3. The application listed Clyde Fladwood as the experience person for
12 Respondent.

13 4. The application showed that Clyde Fladwood has the three years experience
14 as a loan originator to be the experience person based solely upon his employment as
15 a loan originator for Community Mortgage Services, Inc. from January 1, 2000 through
16 March 6, 2003.

17 5. The Director's records indicate that Community Mortgage Services, Inc.
18 employed Clyde Fladwood as a loan originator from November 11, 2000 through March
19 20, 2003 which is less than the three years experience as a loan originator required to
20 qualify as Respondent's experience person.

21 6. On April 14, 2003, the Director received a letter from Community Mortgage
22 Services, Inc. stating that the company had hired Clyde Fladwood as a loan originator
23 on April 1, 2000.

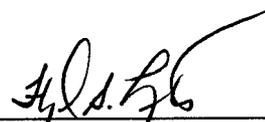
24 7. The Director compared the signature of Dan Higgins on the letter to other
25 documents signed by Dan Higgins that the Director had previously received and
26 determined that the signatures were not similar.

1 list a person who is qualified to be Respondent's experience person, the application is
2 incomplete in a material respect which constitutes grounds for the denial of an Oregon
3 mortgage lender license pursuant to ORS 59.865(5).

4 **ORDER**

5 The Director, pursuant to ORS 59.865, hereby **DENIES** the mortgage lender
6 license issued to Freedom Mortgage Services LLC dba Community Mortgage Services
7 of Redmond LLC.

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9 Dated this 5th day of JUNE, 2003.

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12 _____
13 Floyd G. Lanter, Administrator
14 Division of Finance and Corporate Securities

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