

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
7 CAPITAL FUNDING CONSULTANTS
8 INC.

ORDER NO. O-02-0072

CEASE AND DESIST ORDER AND
CONSENT TO IMPOSITION OF CIVIL
PENALTIES

9 To: Capital Funding Consultants Inc.
10 2305 SW 19th Ave
11 Portland, Oregon 97201



12 **WHEREAS** the Director of the Department of Consumer and Business Services
13 for the State of Oregon (hereinafter "the Director") conducted an investigation of Capital
14 Funding Consultants Inc., and determined that Capital Funding Consultants Inc.
15 engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter
16 "the Oregon Mortgage Lender Law"); and

17 **WHEREAS** Capital Funding Consultants Inc. does not admit violating the law but
18 wishes to resolve and settle this matter with the Director;

19 **NOW THEREFORE**, as evidenced by the authorized signatures subscribed on
20 this order Capital Funding Consultants Inc. hereby **CONSENTS** to entry of this order
21 upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter
22 without admitting to violating the law:

23 **FINDINGS OF FACT**

24 The Director **FINDS** that:

022404-035-004-001-0500-0000100000

25 1. Capital Funding Consultants Inc. (hereinafter "Respondent"), incorporated in
26 Oregon on May 16, 1995 engages in residential mortgage transactions in Oregon or on

1 Oregon real property in expectation of compensation.

2 2. The Director has licensed Respondent to engage in Oregon residential
3 mortgage lending since June 5, 1996.

4 3. Shirley Bronson Rapp and Jeffrey Rapp each own 50% of Respondent.

5 4. On October 12, 2001, the Director sent notice to all licensees that there had
6 been changes in the Oregon Mortgage Lender Law and proposed changes in the
7 administrative rules.

8 5. In January 2002, the Director published a new issue of the Mortgage Lender
9 News on the web site that included an explanation of the new notification requirements.

10 6. On February 14, 2002, the Director sent a notice to all licensees that the final
11 rules had been approved and were available on the web site along with the January
12 2002 issue of the Mortgage Lender News that explained the new requirements.

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

17 8. Respondent admits that it did not submit the required information by January
18 31, 2002 but asserts that it did respond to the July 23, 2002 letter by submitting the
19 required information to the Director by mail on August 15, 2002. The mail was not
20 returned to Respondent, therefore Respondent concluded that the notification
21 requirements had been met.

22 9. The Director did not receive the required information prior to September 1,
23 2002.

24 10. The Director has since received the required information from Respondent.

25 11. Based upon the information provided to the Director from Respondent,
26 Respondent is in full compliance with the loan originator notification requirements.

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CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

- 1. Respondent violated OAR 441-880-0030(1) by failing to produce the required information about Respondent's loan originators by January 30, 2002.
- 2. Respondent violated ORS 59.969(1) by failing to provide to the Director information about Respondent's loan originators.

ORDER

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Capital Funding Consultants Inc. will **CEASE AND DESIST** from violating any provision of 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** Capital Funding Consultants Inc. to pay the State of Oregon a civil penalty of \$1,000.

The \$1,000 civil penalty shall be paid two installments of \$500. The first payment is due no later than November 1, 2003 and the final payment is due no later than December 1, 2003.

The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law for violation that is not the subject of this order.

Dated this 8th day of March, 2004.

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

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

1 **CONSENT TO ENTRY OF ORDER**

2 I, SHIRLEY RAPP, state that I am the
3 PRESIDENT of Capital Funding Consultants Inc., and I am authorized to
4 act on its behalf; that I have read the foregoing Order and that I know and fully
5 understand the contents hereof; that Capital Funding Consultants Inc. does not admit
6 to the findings of fact herein, but does voluntarily consent to the entry of this Order
7 without further hearing, expressly waiving any right to a hearing in this matter; that
8 Capital Funding Consultants Inc. understands that the Director reserves the right to take
9 further actions to enforce this order or to take appropriate action upon discovery of other
10 violations of Oregon Mortgage Lender Law; and that Capital Funding Consultants Inc.
11 will fully comply with Oregon Mortgage Lender Law.

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

13 Dated this 23 day of FEBRUARY, 2004.

14
15 By SHIRLEY RAPP PRESIDENT
(Signature) (Office Held)

17 **CORPORATE ACKNOWLEDGMENT**

18 There appeared before me this 23rd day of February, 2004,
19 Shirley Rapp, who was first duly sworn on oath, and stated that s/he was
20 and is the President of Capital Funding Consultants Inc. and
21 Sinc is authorized and empowered to sign this Consent to Entry of
22 Order on behalf of Capital Funding Consultants Inc. and to bind Capital Funding
23 Consultants Inc. to the terms hereof.

24
25 [Signature]
Signature of Notary Public
26 Notary Public for the State of: OREGON
My Commission expires: 9/26/2004

