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**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
ENFORCEMENT SECTION**

**BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES**

In the Matter of

M-05-0036

**MORRIS FINANCIAL, INC., a
Washington corporation, dba
Rainier Mortgage,**

**ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PENALTY
AND CONSENT TO ENTRY OF
ORDER**

Respondent.

WHEREAS the Director of the Department of Consumer and Business Services has conducted an investigation of certain business activities conducted by Morris Financial, Inc. and has determined that Morris Financial, Inc. has engaged in Oregon residential mortgage brokering activities without a license; and

WHEREAS Morris Financial, Inc. wishes to resolve and settle this matter with the **DIRECTOR;**

NOW THEREFORE, as evidenced by the authorized signature subscribed on this Order, Morris Financial, Inc. hereby **CONSENTS** to entry of this Order to Cease and Desist upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director **FINDS** that:

1. Morris Financial, Inc. (hereinafter "the Respondent") is a Washington corporation formed on March 1, 2002. The Respondent does business as Rainier Mortgage from offices located at 1002 Cole Street, Enumclaw, Washington 98022.





1 2. Jonathan Bench ("Bench") was, at all times relevant herein, employed as
2 a loan originator by Respondent at its Cole Street offices.

3 3. At all times relevant to this matter, Respondent was not licensed by the
4 Director to engage in Oregon residential mortgage loan transactions.

5 4. At all times relevant to this matter, Respondent had failed to notify the
6 Director that Bench was employed as a residential mortgage loan originator for
7 Respondent.

8 5. On or about October 12, 2004, Bench, acting as an agent for Respondent,
9 took an application for a residential mortgage loan from Oregon residents Ramiro and
10 Soledad Mansillas, 4513 Arabian Court SE, Salem, Oregon 97301 ("Mansillas loan").
11 Respondent submitted the loan application to mortgage lender Finance America. When
12 Liz Osborne ("Osborne") of Finance America was unable to confirm that Respondent
13 held an Oregon residential mortgage broker license, an employee of Respondent
14 identified only as "Jan" informed Osborne that Respondent's business registration with
15 the Oregon Secretary of State authorized Respondent to do mortgage lending business
16 in Oregon. When Osborne informed "Jan" she did not believe that the foreign
17 corporation business registration with the Secretary of State exempted Respondent
18 from the Oregon law requiring mortgage brokers to be licensed, Respondent's
19 employee "Jan" sent a letter by fax to Liz Osborne again claiming that Respondent was
20 not required to be licensed or was exempted from the licensing requirements of the
21 Oregon Mortgage Lender Law. The letter provided in part:

22 "We are not a financial institution and are not required to license thru [sic]
23 the Department of Finance [sic]. We are licensed as a Foreign Business
24 Corporation. If a Mortgage LO is working for a financial institution that also
25 does other financial business, other than just being a loan officer, then that
26 company needs, in some states, an authority also thru the Financial
Division. Oregon has not requested this of us due to our specific situation."

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1 Respondent subsequently acknowledged that it was not allowed to engage in Oregon
2 residential mortgage activity and the Mansillas loan was processed through another
3 broker.

4 CONCLUSIONS OF LAW

5 The Director **CONCLUDES** that:

- 6 1. Respondent violated ORS 59.845 (1) by engaging in Oregon residential
7 mortgage transactions without a license by taking the Oregon residential mortgage
8 application for Oregon residents Ramiro and Soledad Mansillas.
- 9 2. Respondent violated ORS 59.969 (1) by failing to notify the Director of the
10 employment of Bench as a loan originator within thirty days of hire.
- 11 3. Respondent violated ORS 59.865 (2) by engaging in unfair or unethical
12 behavior by issuing a letter to Finance America falsely claiming that Respondent was
13 not required to be licensed to engage in Oregon residential mortgage loan transactions.

14 ORDER

15 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Morris Financial,
16 Inc. will **CEASE AND DESIST** from violating any provision of Oregon Mortgage Lender
17 Law, OAR 441-850-005 through 441-885-0010 and any rule, order or policy issued by
18 the Division.

19 The Director, pursuant to ORS 59.996 hereby **ORDERS** Morris Financial, Inc. to
20 pay the State of Oregon a civil penalty of \$15,000.00. The civil penalty is based upon
21 \$5,000.00 for knowingly conducting a mortgage business without a license; \$5,000 for
22 failing to notify the Director of the employment of a loan originator; and \$5,000 for
23 engaging in unfair or unethical conduct in the issuance of the letter to Finance America
24 claiming Respondent was not required to be licensed in Oregon.

25 The Director suspends payment of \$10,000 of the assessed civil penalty for a
26 three-year period. If in the three-year period following the date of the Order, Morris

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3281
Telephone: (503) 378-4387



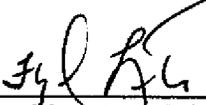
1 Financial, Inc. violates any provision of the Oregon Mortgage Lender Law, OAR 441-
2 850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division, the
3 suspended portion of the assessed civil penalty will become immediately due and
4 payable. If Morris Financial, Inc. does not violate the Oregon Mortgage Lender Law,
5 OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the
6 Division within three years from the date of the Order, the suspended portion of the civil
7 penalty is waived.

8 The date of this order is the day the Director signs the order.

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

11 Dated this 16th day of JUNE, 2005, at Salem, Oregon.

12 CORY STREISINGER, Director
13 Department of Consumer and Business Services

14 
15 _____
16 Floyd Lanter, Administrator
17 Division of Finance and Corporate Securities

18 **CORPORATE CONSENT TO ENTRY OF ORDER**
19 (for Morris Financial, Inc.)

20 I, Timothy G. Morris, state that I am an officer of Morris Financial, Inc. ("the
21 Respondent") and I am authorized to act on its behalf; that I have read the foregoing
22 Order and that I know and fully understand the contents hereof; that I and this entity
23 have been advised of the right to a hearing and of the right to be represented by
24 counsel in this matter; that the Respondent, voluntarily and without any force or duress,
25 consents to the entry of this Order, expressly waiving any right to a hearing in this
26 matter; that the Respondent, makes no admission of liability with respect to the Findings
of Fact in the foregoing Order; that the Respondent, executes this Consent as a

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1 settlement of the matters referred to in the foregoing Order; that the Respondent,
2 understands that the Director reserves the right to take further actions to enforce this
3 Order or to take appropriate action upon discovery of other violations of the Oregon
4 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010, or any rule, order, or
5 policy issued by the Division; and that the Respondent will fully comply with the terms
6 and conditions stated herein.

7 The Respondent understands that this Consent Order is a public document.

8 Dated this 7 day of June, 2005.

9
10 By: [Signature]
11 Timothy G. Morris
12 [Signature]
13 Office Held

14 **CORPORATE ACKNOWLEDGMENT**

15 There appeared before me this 7 day of June, 2005, Timothy
16 G. Morris, who was first duly sworn on oath, and stated that he was and is an officer of
17 Morris Financial, Inc. ("the Respondent"), that he is authorized and empowered to sign
18 this Consent to Entry of Order on behalf of the Respondent, and to bind the Respondent
19 to the terms hereof.

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20 [Signature]
21 Signature of Notary
22 Lou Ann Everett
23 Printed Name of Notary Public
24 Notary Public for the State of: WA
25 My commission expires: 6-29-08

26 // // //