

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
2 DIVISION OF FINANCE AND CORPORATE SECURITIES
3 ENFORCEMENT SECTION
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

5 In the Matter of:

M-06-0021

6 Rystadt and Escobar, Inc.,

ORDER OF ISSUANCE OF CONDITIONAL
MORTGAGE BANKER/BROKER LICENSE

7 Respondent.

8 CONSENT TO ENTRY OF ORDER
9

10 WHEREAS the Director of the Department of Consumer and Business Services
11 for the State of Oregon (hereinafter "the Director") conducted an investigation of Rystadt
12 and Escobar, Inc. and determined that Rystadt and Escobar, Inc. engaged in activities
13 constituting violations of ORS 59.840 through 59.965 (hereinafter cited as the Oregon
14 Mortgage Lender Law); and

15 WHEREAS Rystadt and Escobar, Inc., wishes to resolve and settle this matter
16 with the Director,

17 NOW THEREFORE, as evidenced by the authorized signature subscribed on
18 this order, Rystadt and Escobar, Inc. hereby **CONSENTS** to entry of this order upon the
19 Director's Findings of Fact and Conclusions of Law as stated hereinafter:
20

21 **FINDINGS OF FACT**

22 The Director **FINDS** that:

23 1. On May 7, 1998, the Director issued Curtis Rystadt a license to engage in
24 residential mortgage lending as a sole proprietorship operating under the name Curtis
25 Rystadt dba Rystadt & Escobar. The Director licensed Curtis Rystadt dba Rystadt &
26 Escobar to engage in Oregon residential mortgage lending continuously from May 7,

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4140





1 1998 to May 7, 2003.

2 2. On March 5, 2003, Curtis Rystadt incorporated Rystadt and Escobar, Inc. in
3 Oregon. Curtis Rystadt is the sole owner of Rystadt and Escobar, Inc.

4 3. On May 12, 2003, the Director issued Rystadt and Escobar, Inc. a license to
5 engage in Oregon residential mortgage loans. Rystadt and Escobar, Inc. has been
6 continuously licensed to engage in residential mortgage lending in Oregon since May
7 12, 2003. The current license is set to expire on May 11, 2006.

8 4. Between May 7, 2003 and May 12, 2003, neither Curtis Rystadt dba Rystadt and
9 Escobar nor Rystadt and Escobar, Inc. were licensed to engage in Oregon residential
10 mortgage lending. At all other relevant times herein, Curtis Rystadt dba Rystadt and
11 Rystadt and Escobar, Inc. (hereinafter collectively referred to as "Escobar" or
12 "Respondent") were licensed to engage in Oregon residential mortgage lending.

13 5. At all times relevant, Escobar made, negotiated or offered to make or negotiate
14 Oregon residential mortgage loans for compensation or in expectation of compensation
15 from an office located in Oregon.

16 6. On September 15, 2003, James Flaherty, an examiner employed by the Director,
17 completed an on-site examination of the books and records of Escobar (hereinafter "the
18 2003 examination"). The examination revealed Escobar did not maintain personnel
19 ledgers, that all of the five loan files reviewed did not contain a lock or float agreement
20 of any kind, that the TIL disclosures provided by Escobar to consumers did not contain
21 the estimated dates for repayment and the bottom half of the disclosure containing
22 disclosures regarding things such as prepayment penalties, late fees, whether the loan
23 is assumable and the security for the loan was not completed. On a scale of 1 to 5, with
24 1 being outstanding and 5 being poor, Escobar received a 4, which is a marginal rating.

25 7. On October 4, 2004, Timothy Spencer, and examiner employed by the Director,
26 completed an on-site examination of the books and records of Escobar (hereinafter "the



1 2004 examination"). The examination revealed that Escobar did not maintain personnel
2 ledgers for one employee and did not fully complete ledgers for two other employees,
3 that Curtis Rystadt, Reuven Shuval and Brian Legler had not completed required loan
4 originator education, that Escobar had not completed criminal records checks as
5 required for Todd Van Raden and Reuven Shuval, that all of the six loan files reviewed
6 did not contain a lock or float agreement of any kind, that the TIL disclosures provided
7 by Escobar to consumers did not contain the estimated dates for repayment and the
8 bottom half of the disclosure containing disclosures regarding things such as
9 prepayment penalties, late fees, whether the loan is assumable and the security for the
10 loan was not completed and that the two the files contained TIL disclosures in which the
11 calculation of the annual percentage rate did not include all finance charges. On a
12 scale of 1 to 5, with 1 being outstanding and 5 being poor, Escobar received a 4, which
13 is a marginal rating.

14 8. On January 31, 2006, Anna Mahony, an examiner employed by the Director,
15 completed an on-site examination of the books and records of Escobar (hereinafter "the
16 2006 examination"). The examination revealed that Escobar had not completed
17 criminal records checks on Casey Hendren, Fadjar Parish, Reuven Shuval and Indra
18 Surataruna, Escobar had not notified the Director within 30 days of the hire of loan
19 originators Fadjar Parish and Indra Surataruna, Escobar did not maintain an advertising
20 file as required by OAR 441-860-0030(1), that four of the seven files reviewed contained
21 a lock or float agreement in which the date was changed by the use of white-out and
22 two of the seven files reviewed did not contain a lock or float agreement acknowledged
23 by the borrower, and that two the files contained TIL disclosures in which the
24 calculation of the annual percentage rate did not include all finance charges. On a
25 scale of 1 to 5, with 1 being outstanding and 5 being poor, Escobar received a 5.

26 9. Curtis Rystadt was convicted of Burglary I, a class A felony, in Washington



1 County case number C931019CR on January 24, 1994.

2 10. Curtis Rystadt is the sole owner and experience person for Escobar and is in
3 control of Escobar.

4 11. As a part of the application to obtain or renew a license to engage in Oregon
5 residential mortgage lending, the applicant must complete a section of the application
6 with information regarding an owner of the company that includes the question "In the
7 ten years immediately preceding the date of this application have you been convicted of
8 a misdemeanor of which an essential element was fraud, or any felony?" (hereinafter
9 "the Application Question").

10 12. In connection with the 1998 and 1999 applications filed by Escobar,
11 Respondent answered affirmatively the Application Question regard to Curtis Rystadt,
12 who was convicted of a felony in 1994.

13 13. In connection with the 2001 and 2003 applications, Respondent answered the
14 Application Question negatively with regard to Curtis Rystadt indicating he had not been
15 convicted of a felony within the immediately proceeding ten years, despite the 1994
16 felony conviction.

17 14. On January 1, 2002, a new law went into effect requiring all loan originators to
18 obtain continuing education every two-year period beginning from the date the Director
19 was first notified that the loan originator was originating loans, called the notification
20 date, and requiring new loan originators to obtain 20 hours of entry-level education
21 within six months of first commencing to originate loans.

22 15. On May 9, 2003, Lori Asa, an examiner employed by the Director, sent Escobar
23 a memo that explained loan originator education requirements.

24 16. On April 2, 2004, Lori Asa sent Escobar additional information outlining the
25 required education for loan originators.

26 17. The Director was first notified that Brian Legler was employed as a loan



1 originator by Escobar. The Director received that notice on May 9, 2003, which
2 indicated that Escobar hired Brian Legler as a loan originator on May 7, 2003.

3 18. The Director has no reason to believe that Brian Legler had been employed as
4 a loan originator for at least three years prior to January 1, 2002 or that Brian Legler
5 was employed as a loan originator on January 30, 2002. As a result, Brian Legler would
6 have been required to complete 20 hours of continuing education prior to November 7,
7 2003.

8 19. Escobar produced a completion certificate for Brian Legler indicating that he
9 had completed his entry-level education on April 12, 2004.

10 20. Escobar continued to employ Brian Legler as a loan originator between
11 November 7, 2003 and April 12, 2004 even though he had not completed the required
12 entry-level education.

13 21. On January 1, 2002, a new law went in to effect requiring all licensees to notify
14 the Director within 30 days of the hire or termination of a loan originator.

15 22. On May 9, 2003, Lori Asa sent Escobar a Notice of Incomplete Licensing
16 Application that noted it appeared that Escobar had not been in compliance with the
17 loan originator notification requirement, which she based upon receiving the first notice
18 of the hire of loan originators Michael Chin and Greg Molitor with Escobar's renewal
19 application on May 9, 2003 when Escobar admitted it hired Greg Molitor on November
20 1, 2002 and Michael Chin on December 5, 2002. She included a memo that explained
21 loan originator notification requirements.

22 23. On April 14, 2004, Lori Asa sent Escobar a Second Notice of Incomplete
23 Licensing Application (hereinafter "the Second Notice") that noted that Escobar had not
24 complied with the notification requirements for loan originator Todd Van Raden because
25 Escobar had hired him as loan originator on January 17, 2004 but had not provided
26 notice of the hire until April 14, 2004. The Second Notice also included the text of OAR



1 441-880-0030(2) and enclosed a memorandum detailing the notification requirements.

2 24. On or about June 10, 2005, the Director received notice from another licensee
3 that it had hired Todd Van Raden as a loan originator.

4 25. Because Escobar had not provided notice that it had terminated Todd Van
5 Raden, Kenneth Power, an examiner employed by the Director, sent Escobar a letter
6 dated June 10, 2005 requesting that Escobar verify if Todd Van Raden was employed
7 as a loan originator for Escobar (hereinafter "the June 10, 2005 letter").

8 26. In response to the June 10, 2005 letter, Escobar notified the Director that Todd
9 Van Raden had been terminated as a loan originator effective March 18, 2005.

10 27. On January 25, 2006, Curtis Rystadt signed a Loan Originator Notification Form
11 indicating that Escobar had hired Fadjar Parish as a loan originator on September 3,
12 2005. Escobar faxed the notice to the Director on January 30, 2006, which was more
13 than 30 days following the hire of the loan originator, and was the first notice the
14 Director received of the hire of the loan originator by Escobar.

15 28. On January 25, 2006, Curtis Rystadt signed a Loan Originator Notification Form
16 indicating that Escobar had hired Indra Surataruna as a loan originator on May 1, 2005.
17 Escobar faxed the notice on January 30, 2006 to the Director, which was more than 30
18 days following the hire of the loan originator, and was the first notice the Director
19 received of the hire of the loan originator by Escobar.

20 29. On January 1, 2004, a new law went into effect requiring all licensees to
21 conduct criminal records checks on all existing loan originators and on any new loan
22 originator prior to hire.

23 30. In connection with the renewal of Escobar's license in May 2004, Lori Asa
24 provided Escobar information about the new requirement and requested information
25 verifying that Escobar had performed the required background checks.

26 31. In an April 26, 2004 letter, Escobar stated that Reuven Shuval was currently out



1 of the country and Escobar would perform a criminal records check on the loan
2 originator upon his return and prior to originating any loans.

3 32. Escobar completed the criminal records check on Todd Van Raden on April
4 22, 2004.

5 33. The October 2004 examination noted as a deficiencies that the criminal records
6 check for Todd Van Raden had not been performed prior to his hire as a loan originator
7 and that Escobar had not performed a criminal records check on Reuven Shuval.

8 34. In response to the October 2004 examination, Escobar noted in a November
9 12, 2004 letter (hereinafter "the November 12, 2004 letter") that the company would
10 perform criminal records checks prior to hire in the future and would obtain a copy of the
11 background check on Reuven Shuval or have one performed if it had not been done.

12 35. Escobar did not produce records during the 2006 examination demonstrating
13 that it had completed criminal records checks for loan originators Reuven Shuval,
14 Casey Hendren, Fadjar Parish, and Indra Surataruna as required.

15 36. Escobar hired Reuven Shuval as a loan originator on July 15, 2002.

16 37. Escobar completed the criminal records check for Reuven Shuval on January
17 1, 2006.

18 38. Escobar hired Casey Hendren as a loan originator on January 9, 2006.

19 39. Escobar completed the criminal records check for Casey Hendren on January
20 26, 2006.

21 40. Escobar hired Fadjar Parish as a loan originator on September 3, 2005.

22 41. Escobar completed the criminal records check for Fadjar Parish on January 26,
23 2006.

24 42. Escobar hired Indra Surataruna on May 1, 2005.

25 43. Escobar completed the criminal records check for Indra Surataruna on January
26 26, 2006.



1 44. The 2003 examination revealed, among other things, that Respondent failed to
2 maintain personnel ledgers as required by OAR 441-865-0050. As part of the
3 examination, James Flaherty provided Escobar with a sample form that complies with
4 the requirement that Respondent could use to bring Respondent's files into compliance.

5 45. The 2004 examination revealed, among other things, that the Respondent had
6 completed personnel ledgers for some employees but had failed to complete a
7 personnel ledger for at least one employee and had not fully completed the personnel
8 ledger for two other employees. The 2004 examination noted that this was an
9 improvement over the 2003 examination, but that Escobar was still not in compliance
10 with the requirements. Escobar had corrected these deficiencies by the 2006
11 examination.

12 46. The 2003 examination revealed, among other things, that all the borrower files
13 reviewed failed to contain a borrower acknowledged statement that the interest rate
14 would float or an executed lock agreement as required by OAR 441-865-0060. As part
15 of the examination, James Flaherty provided Escobar with a sample form that complies
16 with the requirement.

17 47. The 2004 examination revealed, among other things, that all the borrower files
18 reviewed failed to contain a borrower acknowledged statement that the interest rate
19 would float or an executed lock agreement as required by OAR 441-865-0060 despite
20 the fact that Escobar was notified of the requirement during the 2003 examination and
21 provided a sample compliant form. As part of the 2004 examination, Timothy Spencer
22 provided Escobar with a sample form that complies with the requirement.

23 48. The 2006 examination revealed, among other things, that Escobar was using a
24 rate lock or float agreement that contained the items required by OAR 441-865-
25 0060(1)(c). However two of the seven loan files reviewed contained rate lock or float
26 agreements that were not signed by the borrower. In addition in four of the seven loan



1 files reviewed, the date on the form had been altered by the use of whiteout.

2 49. The 2003 examination revealed, among other things, that each of Escobar's
3 borrower files reviewed by the examiner failed to contain a Truth in Lending disclosure
4 that contained estimated dates for repayment required by 12 CFR § 226.18(g) as well
5 as disclosures regarding such items as prepayment penalties required by 12 CFR §
6 226.18(k), late payment fees required by 12 CFR §226.18(l), assumption of the loan
7 required by 12 CFR § 226.18(q) and the security for the loan required by 12 CFR §
8 226.18(m).

9 50. The 2004 examination revealed, among other things, that Escobar's borrower
10 files reviewed by the examiner failed to contain a Truth in Lending disclosure that
11 contained estimated dates for repayment required by 12 CFR § 226.18(g) as well as
12 disclosures regarding such items as prepayment penalties required by 12 CFR §
13 226.18(k), late payment fees required by 12 CFR §226.18(l), assumption of the loan
14 required by 12 CFR § 226.18(q) and the security for the loan required by 12 CFR §
15 226.18(m). In addition, two of the files reviewed contained Truth in Lending disclosures
16 in which the calculation of the annual percentage rate did not include all finance charges
17 as required by 12 CFR §226.22.

18 51. The 2006 examination revealed, among other things, that two of the files
19 reviewed contained Truth in Lending disclosures in which the calculation of the annual
20 percentage rate did not include all finance charges.

21 CONCLUSIONS OF LAW

22 The Director **CONCLUDES** that:

- 23 1. Curtis Rystadt did not complete 20 hours of continuing education within 24
24 months of January 31, 2002 in violation of OAR 441-880-0020(3).
- 25 2. Brian Legler did not complete 20 hours of entry-level education by November
26



1 7, 2003 in violation of OAR 441-880-0020(1).

2 3. Escobar violated OAR 441-880-0030(6) by continuing to employ Brian Legler
3 as a loan originator between November 7, 2003 and April 12, 2004 when Brian Legler
4 had not completed 20 hours of required entry-level education.

5 4. By violating OAR 441-880-0030(6) by continuing to employ Brian Legler as a
6 loan originator when he did not meet the education or continuing education
7 requirements for loan originators found in OAR 441-880-0020 despite being provided
8 several notices regarding compliance with the education requirements from the Director,
9 Escobar repeatedly and/or willfully employed a person as a loan originator that did not
10 meet the education or continuing education requirements for loan originators, which
11 constitutes grounds to condition the license under ORS 59.865(4).

12 5. Escobar violated ORS 59.969(1) and OAR 441-880-0030(2) by failing to
13 provide notice to the Director within thirty days of the termination of Todd Van Raden as
14 a loan originator.

15 6. Escobar violated ORS 59.969(1) and OAR 441-880-0030(2) by failing to
16 provide the Director notice within thirty days of the hire of Fadjar Parish as a loan
17 originator.

18 7. Escobar violated ORS 59.969(1) and OAR 441-880-0030(2) by failing to
19 provide the Director notice within thirty days of the hire of Indra Surataruna as a loan
20 originator.

21 8. By repeatedly violating ORS 59.969(1) and OAR 441-880-0030(2) by failing
22 to provide notice of the termination of loan originator Todd Van Raden and the hire of
23 loan originators Fadjar Parish and Indra Surataruna when Escobar was provided
24 several notices regarding the loan originator notification requirements, including one
25 instance in which Escobar was notified that it had not complied and was provided an
26 additional information about the requirements, Escobar repeatedly and/or willfully



1 violated or failed to comply with the applicable provision of ORS 59.840 to 59.980 or
2 any rule or order of the director, which constitutes grounds to condition the license
3 under ORS 59.865(3).

4 9. Escobar violated OAR 441-880-0050(2) by failing to complete a criminal
5 records check on Reuven Shuval until January 1, 2006, well past the April 30, 2004
6 deadline.

7 10. By violating OAR 441-880-0050(2) by failing to conduct criminal records
8 checks of loan originator Reuven Shuval until January 1, 2006 despite an assurance by
9 Escobar in its November 12, 2004 letter that it would complete a criminal records check
10 of Reuven Shuval, Escobar willfully violated or failed to comply with the applicable
11 provision of ORS 59.840 to 59.980 or any rule or order of the director, which constitutes
12 grounds to condition the license under ORS 59.865(3).

13 11. Escobar violated OAR 441-880-0050(1) by failing to complete a criminal
14 records check for Casey Hendren, Fadjar Parish and Indra Surataruna prior to
15 employing each of them as loan originators.

16 12. By repeatedly violating OAR 441-880-0050(1) by failing to conduct criminal
17 records checks of loan originators Casey Hendren, Fadjar Parish and Indra Surataruna
18 prior to hiring them as loan originators despite notice about the requirement to complete
19 criminal records checks and an assurance by Escobar in its November 12, 2004 letter
20 that it would complete a criminal records check prior to hiring a loan originator, Escobar
21 repeatedly and/or willfully violated or failed to comply with the applicable provision of
22 ORS 59.840 to 59.980 or any rule or order of the director, which constitutes grounds to
23 condition the license under ORS 59.865(3).

24 13. As of September 15, 2003, Escobar did not maintain any personnel ledgers
25 in violation of OAR 441-865-0050 and was directed to correct the deficiency.

26 14. Despite notice and direction provided at the 2003 examination, as of



1 October 4, 2004, Escobar did not maintain a personnel ledger for one employee and did
2 not maintain a complete personnel ledger for two other employees in violation of OAR
3 441-865-0050.

4 15. By repeatedly violating OAR 441-865-0050 by failing to maintain personnel
5 ledgers in September 15, 2003 and failing to maintain personnel ledgers for one
6 employee and complete personnel ledgers for two other employees as of October 4,
7 2004 despite direction to comply with OAR 441-865-0050, Escobar repeatedly and/or
8 willfully violated or failed to comply with the applicable provision of ORS 59.840 to
9 59.980 or any rule or order of the director, which constitutes grounds to condition the
10 license under ORS 59.865(3).

11 16. As of September 15, 2003, Escobar did not maintain any rate lock or float
12 agreements in violation of OAR 441-865-0060 and was directed to correct the
13 deficiency.

14 17. Despite notice and direction provided at the 2003 examination, as of
15 October 4, 2004, Escobar did not maintain any rate lock or float agreements in violation
16 of OAR 441-865-0060 and was directed to correct the deficiency.

17 18. Despite notice and direction provided at the 2003 and 2004 examinations,
18 as of January 31, 2006, Escobar did not maintain borrower acknowledge lock or float
19 agreements in two of the seven files reviewed during the 2006 examination in violation
20 of OAR 441-865-0060(1)(c).

21 19. By repeatedly violating OAR 441-865-0060 by failing to maintain borrower
22 acknowledged lock or float agreements as of September 14, 2003 and again on
23 October 4, 2004 and by failing to have them in two files as of January 31, 2006 despite
24 several notices to comply with the requirements of OAR 441-865-0060(1)(c), Escobar
25 repeatedly and/or willfully violated or failed to comply with the applicable provision of
26 ORS 59.840 to 59.980 or any rule or order of the director, which constitutes grounds to

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4140



1 condition the license under ORS 59.865(3).

2 20. As of September 15, 2003, Escobar's borrower files reviewed by the
3 examiner each failed to contain a Truth in Lending disclosure that contained estimated
4 dates for repayment required by 12 CFR § 226.18(g) as well as disclosures regarding
5 such items as prepayment penalties required by 12 CFR § 226.18(k), late payment fees
6 required by 12 CFR §226.18(l), assumption of the loan required by 12 CFR § 226.18(q)
7 and the security for the loan required by 12 CFR § 226.18(m). Thus Escobar had
8 violated ORS 59.955 by failing to provide a notice required by the Truth in Lending Act.

9 21. Despite notice and direction provided at the 2003 examination, as of
10 October 4, 2004, Escobar's borrower files reviewed by the examiner each failed to
11 contain a Truth in Lending disclosure that contained estimated dates for repayment
12 required by 12 CFR § 226.18(g) as well as disclosures regarding such items as
13 prepayment penalties required by 12 CFR § 226.18(k), late payment fees required by
14 12 CFR §226.18(l), assumption of the loan required by 12 CFR § 226.18(q) and the
15 security for the loan required by 12 CFR § 226.18(m). Thus Escobar had violated ORS
16 59.955 by failing to provide a notice required by the Truth in Lending Act.

17 22. In addition, as of October 4, 2004, two of Escobar's borrower files reviewed
18 contained Truth in Lending disclosures in which the calculation of the annual
19 percentage rate did not include all finance charges as required by 12 CFR §226.22.
20 Thus Escobar had violated ORS 59.955 by failing to provide a notice required by the
21 Truth in Lending Act.

22 23. Despite notice and direction provided at the 2003 and 2004 examinations,
23 as of January 31, 2006, two of Escobar's borrower files reviewed contained Truth in
24 Lending disclosures in which the calculation of the annual percentage rate did not
25 include all finance charges as required by 12 CFR §226.22 in violation of ORS 59.955
26 requiring Escobar to provide a notice required by the Truth in Lending Act.



1 Director.

2 The Director, pursuant to ORS 59.865, 59.860, 59.880 and 59.885 hereby
3 **ORDERS** that a conditional Oregon mortgage lender license with a term of one year
4 shall be issued to Respondent beginning on May 11, 2006 such that the license, if not
5 renewed, shall expire on May 10, 2007. The conditional license shall be subject to the
6 following conditions such that if Respondent fails to comply with the conditions

7 Respondent agrees that the license shall be revoked immediately:

- 8 1. Respondent will comply with ORS 59.840 through 59.996, OAR 441-850-
9 0005 through 441-885-0010 and any rule, order or policy issued by the
10 Director, including but specifically not limited to:
 - 11 a) Respondent shall notify the Director within 30 days of the hire or
12 termination of a loan originator;
 - 13 b) Respondent shall obtain a criminal records check prior to the hire of a
14 loan originator;
 - 15 c) Respondent shall not employ any loan originator who has not completed
16 the required entry-level or continuing education requirements in
17 compliance with OAR 441-880-0020;
 - 18 d) Respondent shall immediately terminate any loan originator who has not
19 completed the required entry-level or continuing education in compliance
20 with OAR 441-880-0020;
 - 21 e) Respondent shall maintain personnel records in compliance with OAR
22 441-865-0050;
 - 23 f) Respondent shall provide each borrower all disclosures required by the
24 Truth in Lending Act prior to the close of any mortgage; and
 - 25 g) Respondent shall maintain a compliant rate lock or float agreement in
26 each borrower file.



- 1 2. Respondent shall continuously employ a compliance supervisor acceptable
2 to the Director who will be responsible for ensuring that Respondent
3 complies with the requirements of ORS 59.840 through 59.996, OAR 441-
4 850-0005 through 441-885-0010 and any rule, order or policy issued by the
5 Director. Respondent shall provide the Director with the name and resume
6 demonstrating the compliance supervisor's qualifications by June 1, 2006. If
7 at any time after June 1, 2006 Respondent does not have in its employ a
8 compliance supervisor, regardless of the reason for that failure, Respondent
9 shall notify the Director within three working days that Respondent no longer
10 satisfies this requirement and shall provide to the Director within one week
11 of the occurrence a proposed plan to rectify the deficiency or a plan for the
12 orderly transfer of business to another mortgage broker or banker that is
13 licensed to engage in Oregon residential mortgage lending or exempt from
14 the licensing requirements.
- 15 3. Respondent and the compliance supervisor shall conduct a monthly review
16 of Respondent's business practices to ensure that they comply with ORS
17 59.840 through 59.996, OAR 441-850-0005 through 441-885-0010 and any
18 rule, order or policy issued by the Director. Respondent and the compliance
19 supervisor shall provide a certification to the Director by the fifteenth of each
20 month beginning with June 15, 2006 and continuing each month thereafter
21 that the required review was completed and either a certification that
22 Respondent operated in compliance with ORS 59.840 through 59.996, OAR
23 441-850-0005 through 441-885-0010 and any rule, order or policy issued by
24 the Director or a explanation of any deficiencies noted and the plan to
25 correct them.
- 26 4. The Director shall conduct one or more examinations of Respondent on or

1 after May 15, 2006 reviewing Respondent's compliance with ORS 59.840
2 through 59.996, OAR 441-850-0005 through 441-885-0010 and any rule,
3 order or policy issued by the Director since May 11, 2006. If Respondent
4 fails to achieve an examination score of at least at 3, or satisfactory rating,
5 Respondent agrees to the revocation of the mortgage lender license by the
6 Director.

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

10 ///

11 Dated this 15th day of MAY, 2006, at Salem, Oregon.

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

14 
15 David Tatman, Administrator
16 Division of Finance and Corporate Securities

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4140



17
18 **CORPORATE CONSENT TO ENTRY OF ORDER**

19 I, Curtis Rystadt, state that I am an officer of Respondent, and I am authorized to
20 act on its behalf; that I have read the foregoing Order and that I know and fully
21 understand the contents hereof; that I and this entity have been advised of the right to a
22 hearing and of the right to be represented by counsel in this matter; that Respondent
23 voluntarily and without any force or duress, consents to the entry of this Order,
24 expressly waiving any right to a hearing in this matter; that Respondent understands
25 that the Director reserves the right to take further actions to enforce this Order or to take
26 appropriate action upon discovery of other violations of the Oregon Mortgage Lender
Law; and that Respondent will fully comply with the terms and conditions stated herein.

1 Respondent further assures the Director that neither Respondent, nor its officers,
2 directors, employees or agents will effect mortgage transactions in Oregon unless such
3 activities are in full compliance with Chapter 59 of the Oregon Revised Statutes.

4 Respondent understands that this Consent Order is a public document.

5 Dated this 11 day of May, 2006.

6
7 By [Signature]
(Signature of officer)

8
9 [Signature]
(Office Held)

10
11 **CORPORATE ACKNOWLEDGMENT**

12
13 There appeared before me this 11th day of May, 2006, Curtis
14 Rystadt, who was first duly sworn on oath, and stated that he was and is
15 of Respondent and that he is authorized and empowered to sign this Consent to Entry
16 of Order on behalf of Respondent, and to bind Respondent to the terms hereof.

17
18 [Signature]
19 Notary Public
20 for the State of: Oregon
21 My commission expires: November 8, 2009

22
23
24
25
26
Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4140

