

1 **FINDINGS OF FACT**

2 The Director **FINDS** that:

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4 1. **MORTGAGE EXCHANGE** is a for-profit Oregon corporation (Oregon Business
5 Registry # 114598-15), incorporated by the Oregon Secretary of State on April 1, 1976.
6 Mortgage Exchange is a wholly owned subsidiary of Pacific Northwest Development
7 Corporation. Mortgage Exchange conducts business from 9725 SW Beaverton Hillsdale
8 Highway, Suite #110, Beaverton, Oregon 97005. The firm's President and CEO is Orville M.
9 "Pete" Wilson.

10 2. **MORTGAGE EXCHANGE** has issued securities pursuant to an **ORDER OF**
11 **SECURITIES REGISTRATION** dated September 18, 2007 (Division of Finance and
12 Corporate Securities #1981-15874). The Director granted Mortgage Exchange leave to slightly
13 alter the terms of the offering memorandum it is required to tender to prospective investors on
14 May 16, 2008.

15 3. The Director's September 18, 2007 **ORDER OF SECURITIES REGISTRATION**
16 authorized **MORTGAGE EXCHANGE** to sell unsecured commercial promissory notes to
17 members of the public through licensed issuer-salespersons. Said Order expires on September
18 18, 2008.

19 4. **MORTGAGE EXCHANGE** used proceeds from the sale of its unsecured
20 commercial promissory notes to, *inter alia*, fund property development projects spearheaded by
21 its parent entity, Pacific Northwest Development Corporation. Mortgage Exchange's parent has
22 not been immune to the economic difficulties currently transpiring in the residential housing
23 market in which it operates.

24 5. The Director has recently learned that **MORTGAGE EXCHANGE** and/or Pacific
25 Northwest Development Corporation have, due to their financial distress, been unable to meet
26

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 for the protection of the investing public, hereby **SUSPENDED** until further order of the
2 Director, pursuant to the authority granted by ORS 59.045.

3 11. That **MORTGAGE EXCHANGE** shall remain free, at any point in time, to
4 petition the Director in writing to lift the above described suspensions. Concurrently, the
5 Director reserves the right to take further actions to enforce this Order or to take appropriate
6 action upon determining that there have been violations of the Oregon Securities Law.

7 **IT IS SO ORDERED.**

8
9 Dated this 12th day of September, 2008 at Salem, Oregon.

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

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14 David C. Tatman, Administrator
15 Division Of Finance And Corporate Securities

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CONSENT TO ENTRY OF ORDER

For **MORTGAGE EXCHANGE, INC.**

I, O.M. "Pete" Wilson, represent that I have been authorized by **MORTGAGE EXCHANGE, INC** to enter into this Order for and on behalf of **MORTGAGE EXCHANGE, INC.** Furthermore, I state that I have read the foregoing Order and fully understand the contents thereof; that I have been advised of the right to a hearing and of the right to be represented by counsel at any such hearing, that I, voluntarily, and without any force or duress, consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon determining that there have been violations of the Oregon Securities Law; and that I will fully comply with the terms and conditions stated herein.

Dated this 5th day of September, 2008.

MORTGAGE EXCHANGE, INC.

By *Pete Wilson*

Title *President*

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1100 Winter Street, Suite 410
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Telephone: (503) 378-4101



Judy Swift
(Printed Name of Notary Public)
Notary Public
for the State of: Oregon