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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

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

8 In the Matter of:

DM-11-0016-2-B

9 **JEFF BURLESON and**
10 **GEOFF CHISHOLM,**
11 dba Safe Harbor Northwest,

FINAL ORDER TO CEASE AND DESIST
AND ASSESSING CIVIL PENALTY
ENTERED BY DEFAULT AS TO
RESPONDENT GEOFF CHISHOLM

12 Respondents.

13 On April 22, 2011, the Director of the Department of Consumer and Business Services
14 for the State of Oregon (hereafter “the Director”), acting pursuant to the authority contained in
15 Oregon Revised Statutes (“ORS”) 86A.100 *et seq.*, and Oregon Administrative Rules (“OAR”) 441-850-0005 through 441-885-0010 (hereinafter “the Oregon Mortgage Lender Law”) and ORS 697.602 to 697.842 and OAR 441-910-0000 through 441-910-0120 (hereinafter “the Oregon Debt Management Service Providers law”) and other applicable authority, issued Administrative Order No. DM-11-0016, ORDER TO CEASE AND DESIST, PROPOSED ORDER ASSESSING CIVIL PENALTY AND NOTICE OF RIGHT TO A HEARING (“the Notice Order”) against Respondents Jeff Burleson and Geoff Chisholm.

17 The Notice Order specified that the written hearing request must be received within 20
18 days from the date the Notice Order was mailed. Pursuant to OAR 137-003-0520(1), a hearing
19 request is considered filed when actually received by the Division of Finance and Corporate
20 Securities (“Division”).

21 On April 25, 2011, Respondent Geoff Chisholm (“Chisholm”) was presented with a true
22 copy of the Notice Order by certified United States Mail, postage prepaid, Item No. 7008 3230
23 0001 1430 5535, and addressed to Geoff Chisholm, Safe Harbor Northwest, 362 North Maple





1 Lane, Sisters, Oregon 97759. Chisholm refused delivery of the Notice Order.

2 On April 25, 2011, Chisholm was presented with a true copy of the Notice Order by
3 certified United States Mail, postage prepaid, Item No. 7008 3230 0001 1430 5542, and
4 addressed to Geoff Chisholm, Safe Harbor Northwest, PO Box 1938, Sisters, Oregon 97759.
5 Chisholm refused delivery of the Notice Order.

6 On May 13, 2011, the Division received a written request for a contested case hearing
7 from Chisholm. The hearing request filed by Chisholm was received by the Division on the 21st
8 day from the date the Notice Order was mailed.

9 On May 25, 2011, the Division notified Respondent Chisholm that his hearing request
10 was late filed and that pursuant to OAR 441-001-0030(3) he could request a hearing by filing an
11 affidavit that: (a) showed that the failure to file a timely hearing request was due to mistake,
12 inadvertence, surprise or excusable neglect; and (b) set forth a meritorious defense to the matters
13 contained in the Notice Order.

14 On June 29, 2011, the Division received a declaration in lieu of an affidavit filed by
15 Respondent Chisholm pursuant to OAR 441-001-0030(3).

16 The affidavit did not demonstrate “good cause” to grant a hearing pursuant to the
17 standard specified in OAR 441-001-0030(3) by virtue of mistake, inadvertence, surprise or
18 excusable neglect. On September 27, 2011, the Director issued an Interim Order denying
19 Respondent Chisholm’s late filed hearing request.

20 Respondent Chisholm did not make a timely written request for a contested case hearing
21 in this matter and time to do so has now expired.

22 NOW THEREFORE, after consideration of the file in this matter maintained by the
23 Division, including any materials that Respondent may have submitted, the Director hereby
24 issues the following Findings of Fact, Conclusions of Law, and Final Order.

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I.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent Geoff Chisholm is an Oregon resident whose last known address is 362 North Maple Lane, Sisters, Oregon 97759.

2. At all times relevant to this matter, Respondent Burleson and Respondent Chisholm (collectively “Respondents”) were doing business in Oregon using the assumed business name Safe Harbor Northwest. This assumed business name was registered with the Oregon Secretary of State on October 8, 2009. Chisholm was listed as the authorized representative and registrant on the assumed business name filing. Safe Harbor Northwest reportedly maintained two offices: one at 362 North Maple Lane in Sisters, Oregon, and one at 2888 Loker Avenue East #106, Carlsbad, California 92009. Safe Harbor Northwest also used the mailing address of Post Office Box 1938, Sisters, Oregon 97759.

3. At all times relevant to this matter, Respondents Burleson and Chisholm, dba Safe Harbor Northwest, purported to, or attempted to, modify the home mortgage loans of 31 Oregon residents. Each of these residents held a mortgage loan on real property situated in Oregon.

4. Respondents Burleson and Chisholm, acting individually and in concert with each other and employees and/or other agents acting on their behalf, contacted Oregon homeowners after January 1, 2010 offering mortgage loan modification services. Respondents contracted with at least 31 Oregon residents facing foreclosure of their home loans. While the contracts with clients appeared to emphasize research about the client’s “debt situation,” the clients understood and believed that Burleson and Chisholm would work with the client’s lender to modify their home loan. Clients were each charged an initial upfront fee of between \$3,250 and \$3,500, although in some cases, Burleson and Chisholm took down payments of less than the full fee. In some cases, Respondents contacted the clients’ lenders or home loan servicers; in other cases, Respondents did not contact the clients’ lenders or home loan servicers.



1 5. Respondents Burleson and Chisholm contacted Oregon homeowners by telephone,
2 electronic mail, and United States mail. Respondents directed Oregon homeowners to review
3 their website: www.safeharbornorthwest.com.

4 6. On their website, Respondents Burleson and Chisholm offered the following services:
5 payment reamortization, interest rate/payment rate reduction, principal reduction, deed in lieu of
6 foreclosure, and short sales. The website represented Respondents Burleson and Chisholm as “a
7 housing counseling firm specializing in emergency financial planning and long term foreclosure
8 avoidance. * * * We can help you regardless of whether you are currently delinquent, have
9 received a notice of default or notice of trustee sale or even if you are currently making your
10 payments on time.” The website also provided: “We specialize in working with your lender, or
11 lenders, to restructure your current loan(s) by providing you with a unique, professional plan that
12 you and your lender can accept. * * * We have helped hundreds of homeowners throughout the
13 Northwest since 2008.”

14 7. Each of the Respondents’ Oregon clients suffered harm from the acts, omissions,
15 practices or operations of the Respondents as a mortgage broker, mortgage banker, loan
16 originator or debt management service provider. Respondents collected upfront fees from the
17 clients and then did not perform the services they advertised on their website. In at least one
18 instance, an Oregon client was charged overdraft charges from their bank because Respondents
19 withdrew excessive fees from the client’s account. Oregon clients’ home loans were not
20 renegotiated as promised and clients were either forced into short sales or they lost their homes
21 through foreclosure.

22 8. On January 14, 2011, an enforcement officer for the Division spoke with Respondent
23 Burleson by phone. During the conversation, Burleson admitted to having 30 Oregon “loss
24 mitigation” clients that he had each charged an advance fee of between \$3,250 and \$3,500. This
25 point was further clarified when Burleson expressed concerns about any sanction that could
26 possibly be assessed against him for working unlawfully. Burleson was told that the Division



1 would require him to return all fees collected from Oregon clients while working unlawfully.

2 Burleson replied that he did not have \$100,000.

3 9. At no time relevant to the matters herein were Respondents Burleson or Chisholm
4 licensed as mortgage bankers or mortgage brokers in Oregon.

5 10. At no time relevant to the matters herein were Respondents Burleson or Chisholm
6 licensed as mortgage loan originators in Oregon.

7 11. Neither Respondent Burleson nor Chisholm obtained a unique identifier from the
8 Nationwide Mortgage Licensing System and Registry.

9 12. At no time relevant to the matters herein have Respondents Burleson or Chisholm
10 been registered as a debt management service provider in Oregon.

11 13. At no time relevant to the matters herein did Respondents Burleson or Chisholm file a
12 surety bond with the Director before providing debt management services.

13 **II.**

14 **CONCLUSIONS OF LAW**

15 The Director CONCLUDES that:

16 14. Respondent Chisholm acted as a “mortgage broker” as defined by ORS
17 86A.100(7)(a)(C) when he offered to negotiate a mortgage loan in exchange for receiving
18 compensation.

19 15. Respondent Chisholm engaged in a “residential mortgage transaction in this state” as
20 defined by ORS 86A.103(2) when he offered to negotiate a home mortgage loan secured by
21 residential real estate located in Oregon.

22 16. Respondent Chisholm violated ORS 86A.103(1) when he engaged in residential
23 mortgage transactions in this state without first being licensed as either a mortgage banker or
24 mortgage broker. Each time Respondent Chisholm engaged in residential mortgage transactions
25 without being licensed in Oregon is a separate and distinct violation of ORS 86A.103(1).

26 17. Respondent Chisholm acted as a “mortgage loan originator” as defined by ORS



1 86A.236(4)(a) when he offered to negotiate terms for a residential mortgage loan in exchange for
2 receiving \$3,500 in compensation.

3 18. Respondent Chisholm violated ORS 86A.203(1) when he acted as a mortgage loan
4 originator in Oregon without first obtaining: (a) a mortgage loan originator license under ORS
5 86A.212; and (b) a unique identifier from the Nationwide Mortgage Licensing System and
6 Registry (“NMLS”). Each time Respondent Chisholm acted as a mortgage loan originator in
7 Oregon without a mortgage loan originator license and an NMLS number is a separate and
8 distinct violation of ORS 86A.203(1).

9 19. Respondent Chisholm violated ORS 86A.236(9) when he (a) conducted or operated a
10 business that requires a mortgage loan originators license; or (b) assisted or enabled another
11 person who does not have a mortgage loan originator’s license to conduct or operate a business
12 that requires a mortgage loan originator’s license. Each time Respondent Chisholm conducted or
13 operated a business that requires a mortgage loan originator’s license, or assisted or enabled
14 another person who does not have a mortgage loan originator’s license to conduct or operate a
15 business that requires a mortgage loan originator’s license, is a separate and distinct violation of
16 ORS 86A.236(9).

17 20. Respondent Chisholm performed a “debt management service” as defined by ORS
18 697.602(2)(c) when he offered to modify terms and conditions of an existing loan or obligation
19 in exchange for valuable consideration.

20 21. Respondent Chisholm violated ORS 697.612(1)(a) by engaging in the business of
21 debt management service provider without being registered with the Director pursuant to ORS
22 697.632. Each time Respondent Chisholm engaged in the business of debt management service
23 provider without being registered in Oregon is a separate and distinct violation of ORS
24 697.612(1)(a).

25 22. Respondent Chisholm violated ORS 697.642(1) when he engaged in the business of
26 debt management service without first filing a bond issued by one or more corporate sureties



1 authorized to do business in this state. Each time Respondent Chisholm performed or attempted
2 to perform a debt management service in Oregon without first filing a bond is a separate and
3 distinct violation of ORS 697.642(1).

4 23. Respondent Chisholm violated ORS 697.692(1)(a) when he charged consumers an
5 initial fee of more than \$50. Each instance that Respondent Chisholm charged a consumer an
6 initial fee of more than \$50 is a separate and distinct violation of ORS 697.692(1)(a).

7 24. Respondent Chisholm failed to file a timely hearing request and, therefore,
8 Respondent is in default and not entitled to an administrative hearing pursuant to ORS 86A.139,
9 ORS 697.832 and ORS chapter 183.

10 **III.**

11 **ORDERS**

12 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

13 *Order to Cease and Desist*

14 25. The Director, pursuant to his authority under ORS 86A.127 and ORS 697.825, hereby
15 ORDERS Respondent Geoff Chisholm to CEASE AND DESIST from violating Oregon's
16 Mortgage Lender Law and Oregon's Debt Management Service Providers law.

17 *Order Assessing Civil Penalty*

18 26. The Director, pursuant to ORS 86A.992, may assess a CIVIL PENALTY in an
19 amount of not more than \$5,000 per violation against any person who violates or who procures,
20 aids or abets in the violation of any provision of the Oregon Mortgage Lender Law. In addition,
21 the Director, pursuant to ORS 697.832, may assess a CIVIL PENALTY in an amount of not
22 more than \$5,000 for each violation of ORS 697.612 or 697.642 to 697.702, or rules adopted
23 under ORS 697.825.

24 27. The Director, pursuant to ORS 86A.992 and ORS 697.832, ORDERS Respondent
25 Geoff Chisholm to pay a CIVIL PENALTY of \$223,200 (two hundred twenty three thousand
26 two hundred dollars) as follows:

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



- 1 A. A CIVIL PENALTY of \$37,200 for 31 violations of ORS 86A.103(1);
 - 2 B. A CIVIL PENALTY of \$37,200 for 31 violations of ORS 86A.203(1);
 - 3 C. A CIVIL PENALTY of \$37,200 for 31 violations of ORS 86A.236(9);
 - 4 D. A CIVIL PENALTY of \$37,200 for 31 violations of ORS 697.612;
 - 5 E. A CIVIL PENALTY of \$37,200 for 31 violations of ORS 697.642; and
 - 6 F. A CIVIL PENALTY of \$37,200 for 31 violations of ORS 697.692.
- 7 28. The entry of this Order in no way limits further remedies which may be available to
8 the Director under Oregon law.

9 IT IS SO ORDERED.

10 Dated this 30th day of September, 2011 at Salem, Oregon NUNC PRO
11 TUNC April 22, 2011.

12 SCOTT L. HARRA, Acting Director
13 Department of Consumer and Business Services

14 /s/ David Tatman
15 David C. Tatman, Administrator
16 Division of Finance and Corporate Securities

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