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

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

9 **In the Matter of:**

10  
11 **Pinnacle Funding Group Inc.**  
12 **NMLS # 120303**

13 **M-11-0104**  
14 **ORDER TO CEASE AND DESIST,**  
15 **ORDER ASSESSING CIVIL PENALTIES,**  
16 **AND**  
17 **CONSENT TO ENTRY OF ORDER**

18 **Respondent.**

19 **WHEREAS** the Director of the Department of Consumer and Business Services for the  
20 State of Oregon (hereinafter “the Director”) conducted an investigation of Pinnacle Funding  
21 Group Inc. (hereinafter “Pinnacle”) and determined that Pinnacle engaged in activities  
22 constituting violations of 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010  
23 (hereinafter cited as the “Oregon Mortgage Lender Law”); and

24 **WHEREAS** Pinnacle wishes to resolve and settle this matter with the Director,

25 **NOW THEREFORE**, as evidenced by the authorized signature subscribed on this order,  
26 Pinnacle hereby **CONSENTS** to entry of this order upon the Director’s Findings of Fact and  
27 Conclusions of Law as stated hereinafter:

28 **FINDINGS OF FACT**

- 29 1. Pinnacle Funding Group, Inc. (hereinafter “Pinnacle”) is an Oregon  
30 corporation first registered with the Oregon Secretary of State on May 13, 1996.  
31  
32 2. Pinnacle obtained an Oregon mortgage broker license from the Division  
33 of Finance and Corporate Securities (hereinafter the “Division”) on May 23, 1996, NMLS#  
34 120303.

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 3. Pinnacle’s principal place of business is listed as 10171 Champagne Lane, Happy  
2 Valley, Oregon 97068.

3 4. In 2011, the Nationwide Mortgage Licensing System (hereinafter “NMLS”) released  
4 the mortgage call report (hereinafter “MCR”) functionality. The MCR is comprised of  
5 individual reports of activity by state, called Residential Mortgage Loan Activity reports  
6 (hereinafter “RMLA”), that are compiled and submitted by the company to NMLS on a quarterly  
7 basis for each state in which the company does business or sponsors a mortgage loan originator  
8 license.

9 5. The intent was for companies to gather data for the first quarter of 2011 (hereinafter  
10 “Q1”), and Q1 reports would be due 45 days after the end of Q1.

11 6. The NMLS online Resource Center provided the following time frames and due  
12 dates for licensed companies’ MCRs. Q1 data dates from January 1 through March 31, and the  
13 MCR is due on May 15, 2011. Quarter two (hereinafter “Q2”) data dates from April 1 through  
14 June 30, and the MCR is due on August 14, 2011.

15 7. On January 12, 2011, the Division sent an e-mail to the e-mail address of record in  
16 NMLS to each Oregon licensed mortgage broker notifying them of the MCR requirements.  
17 In this case, the email was sent to [stewart@pfgforloans.com](mailto:stewart@pfgforloans.com) which has been the e-mail address  
18 of record for Pinnacle at all times relevant to this order.

19 8. On February 17, 2011, the Division sent an e-mail to Pinnacle noting that the  
20 Q1 MCR was due by May 15, 2011.

21 9. On March 9, 2011, the Division sent an e-mail to Pinnacle notifying the  
22 company that the Winter 2011 newsletter was available on the Division’s website. The Winter  
23 2011 newsletter included an article notifying companies of the MCR requirements.

24 10. In the Spring of 2011, the Division published the Spring newsletter which is mailed  
25 to all licensed mortgage brokers and posted on the Division’s website. The Spring newsletter  
26 included information notifying the companies employing mortgage loan originators that they



1 were required to file a quarterly MCR with Q1 data for 2011 in NMLS.

2 11. Due to some technical difficulties NMLS experienced in processing the MCRs, on  
3 May 2, 2011, the Division sent an email to Pinnacle notifying that the deadline to file the Q1  
4 MCR was extended to August 14, 2011. This was also the deadline for the Q2 MCR.

5 12. On May 13, 2011, the Division again sent an e-mail to Pinnacle notifying them  
6 that the new deadline to file the Q1 MCR was extended to August 14, 2011.

7 13. On June 7, 2011, the Division sent another email to Pinnacle notifying them of the  
8 MCR requirement.

9 14. Since Pinnacle had not filed the Q1 MCR, on July 14, 2011, the Division placed a  
10 deficiency in NMLS notifying the company of the Q1 MCR requirement that was due on August  
11 14, 2011. On the same day, the Division sent an e-mail to Pinnacle notifying them of the Q1  
12 MCR requirement due on August 14, 2011.

13 15. In the beginning of August 2011, NMLS released a new report to regulators showing  
14 if a company had filed a MCR, including RMLA for that state, and it showed that Pinnacle had  
15 not filed the MCR with NMLS.

16 16. On August 4, 2011, the Division placed a deficiency in NMLS notifying Pinnacle of  
17 the requirement to file the Q2 MCR by August 14, 2011.

18 17. On August 5, 2011, the Division sent Pinnacle an e-mail reminder that the Q2 MCR  
19 was due on August 14, 2011.

20 18. On August 16, 2011, the Division sent Pinnacle another notice that it was late in  
21 filing the Q2 MCR.

22 19. On August 17, 2011, the Division sent Pinnacle a letter to the address of record  
23 in NMLS notifying them that they are required to file the MCR, including Q1 RMLA for  
24 Oregon. The letter reported that if Pinnacle did not file by September 23, 2011, the matter would  
25 be referred for enforcement action.

26 20. On August 19, 2011, the Division sent Pinnacle another letter notifying them that



1 they are required to file the MCR, including Q2 RMLA for Oregon. The letter reported that if  
2 Pinnacle did not file by September 23, 2011, the matter would be referred for enforcement  
3 action. The matter was referred for enforcement on October 10, 2011 for failure to file both the  
4 Q1 and Q2 reports.

5 21. As of the date of this order, Pinnacle has not filed a Q1 or Q2 MCR despite being  
6 notified numerous times to do so.

### 7 CONCLUSIONS OF LAW

8 The Director CONCLUDES that:

9 1. By failing to file the Q1 and Q2 MCR including RMLA for Oregon in NMLS by  
10 August 14, 2011, Pinnacle violated ORS 86A.239(2).

### 11 ORDERS

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

13 The Director, pursuant to ORS 86A.127, hereby ORDERS Pinnacle to Cease and Desist  
14 from violating Oregon's Mortgage Lender Law.

15 The Director, pursuant to ORS 86A.992, hereby ORDERS Pinnacle to pay a civil penalty  
16 of \$2,000 for the violations of ORS 86A.239(2).

17 Pinnacle will pay \$100 (one hundred dollars) per month to the Oregon Division of  
18 Finance and Corporate Securities, Oregon Department of Consumer and Business Services  
19 toward the civil penalty until the balance is paid. The payments are due on the 15<sup>th</sup> day of the  
20 month. The first payment is due on November 15, 2011. There is no prepayment penalty. There  
21 is no interest for the civil penalty installment payments, so long as payments are timely made in  
22 compliance with this payment plan.

23 Dated this 17 day of November, 2011.

24 SCOTT L. HARRA, Acting Director  
25 Department of Consumer and Business Services

26 /s/ David Tatman  
David C. Tatman, Administrator

Division of Finance and Corporate Securities

**ENTITY CONSENT TO ENTRY OF ORDER**

I, Stewart R. Williams, state that I am an officer of Pinnacle, and I am authorized to act on its behalf. I have read the foregoing order and that I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Pinnacle voluntarily and without any force or duress consents to the entry of this order expressly waiving any right to a hearing in this matter. Pinnacle understands that the Director reserves the right to take further actions to enforce this order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law, and that Pinnacle will fully comply with the terms and conditions stated herein.

Pinnacle further assures the Director that neither Pinnacle, nor its officers, directors, employees, or agents will effect mortgage transactions in Oregon unless such activities are in full compliance with the Oregon Mortgage Lender Law. Pinnacle understands that this Consent Order is a public document.

Dated this 11th day of November, 2011, at Salem, Oregon.

By Stewart Williams  
  
President  
Office Held

**ENTITY ACKNOWLEDGMENT**

There appeared before me this 11 day of November 2011, Stewart R. Williams, who was first duly sworn on oath, and stated that (s)he was and is an officer of Pinnacle and that (s)he is authorized and empowered to sign this Consent to Entry of Order on behalf of Pinnacle and to bind Pinnacle to the terms hereof.

Joanna Dare Nashif  
Notary Public for the State of Oregon  
My commission expires: 2/9/2015

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