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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 **Dougco Investment & Loan Co.**
11 **NMLS # 286151**

12 **Respondent.**

13 **M-11-0111**
14 **ORDER TO CEASE AND DESIST,**
15 **ORDER ASSESSING EXAMINATION**
16 **EXPENSES, AND**
17 **CONSENT TO ENTRY OF ORDER**

18 **WHEREAS** the Director of the Department of Consumer and Business Services for the
19 State of Oregon (hereinafter “the Director”) conducted an investigation of Dougco Investment &
20 Loan Co. and determined that Dougco Investment & Loan Co. engaged in activities constituting
21 violations of Oregon Revised Statutes (hereinafter “ORS”) 86A.100 et seq. (hereinafter cited as
22 the “Oregon Mortgage Lender Law”); and

23 **WHEREAS** Dougco Investment & Loan Co. wishes to resolve and settle this matter with
24 the Director,

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

27 **FINDINGS OF FACT**

28 The Director **FINDS** that:

- 29 1. Dougco Investment & Loan Co. (hereinafter “Dougco”) is an Oregon corporation formed
30 on January 19, 1972 with a principal place of business located at 145 South Main Street, Myrtle
31 Creek, Oregon 97457.
- 32 2. Dougco received a mortgage banker/broker license from the Oregon Division of Finance

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Labor and Industries Building
350 Winter Street NE, Suite 410
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1 and Corporate Securities (hereinafter the “Division”) on March 3, 1994 and has been
2 continuously licensed since then.

3 3. On July 7, 2011, an examiner employed by the Division completed an on-site
4 examination of the books and records of Dougco, and the company received a good score of 2
5 out of a possible 5, with 5 being the worst.

6 4. The examination revealed that two loan originators were deficient in completing
7 continuing education.

8 5. On or about July 12, 2011, the Division mailed a report detailing the examination
9 findings (hereinafter “examination report”) with a cover letter to the company’s address of
10 record requiring a response within two weeks. No response was received.

11 6. On August 8, 2011, the Division sent an e-mail to the company’s e-mail address of
12 record, villagerealty@frontiernet.net, notifying them that the response was overdue, extended the
13 deadline to August 22, 2011, and attached an electronic copy of the examination report

14 7. Since the Division had not received a response, on August 29, 2011, a second e-mail was
15 sent reminding that the response was due and attached a copy of the examination report.

16 8. On October 3, 2011, the Division sent a letter to Dougco’s principal place of business
17 warning that the response to the examination report was due and gave the company until
18 November 3, 2011 to file the response or the matter would be referred to enforcement.

19 9. As of February 15, 2012 Dougco had not filed a response to the examination report, and
20 so the Division issued an Order Suspending Mortgage Banker/Broker License, Order to Pay
21 Examination Expenses, and Notice of Right to a Hearing.

22 10. On February 22, 2012, Dougco submitted a satisfactory response to the examination
23 report with loan originator continuing education documents.

24 11. Division employees spent six hours of enforcement time following the issuance of the
25 examination report working to complete the examination.

26



1 **CONCLUSIONS OF LAW**

2 The Director **CONCLUDES** that:

- 3 1. By failing to respond to the Division's examination report by February 15, 2012
4 despite numerous requests, Dougco violated ORS 86A.115(11).
5 2. Six hours of Division examiner and enforcement time spent preparing this case
6 following the issuance of the examination report subjects Dougco to \$75 an hour examination
7 expenses under ORS 86A.124 and OAR 441-860-0110(2).

8 **ORDER**

9 **NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:**

10 The Director, pursuant to ORS 86A.127(4), hereby **ORDERS** that Dougco will **CEASE**
11 **AND DESIST** from violating any provision of the Oregon Mortgage Lender Law, any rules, or
12 orders issued by the Division. Should Dougco fail to file a written response with the Division to
13 an examination report within three weeks of the mailing of the report of any examination to the
14 company, DougCo's mortgage banker/broker license shall be revoked.

15 Pursuant to OAR 441-860-0110(2), Dougco must pay \$450 in additional examination
16 expenses (\$75.00 x 6) for the 6 hours of Division time spent preparing this case. The entry of
17 this Order in no way limits further remedies which may be available to the Director under
18 Oregon law.

19 Dated this 8th day of March 2012

20 PATRICK ALLEN, Director

21 Department of Consumer and Business Services

22 /s/ David Tatman

23 David C. Tatman, Administrator

24 Division of Finance and Corporate Securities
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