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

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

**In the Matter of:**

**Better Choice Financial  
NMLS# 164638**

Respondent.

**M-12-0059  
FINAL ORDER TO CEASE AND DESIST,  
ORDER ASSESSING CIVIL PENALTIES,  
AND  
CONSENT TO ENTRY OF ORDER**

**WHEREAS** the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of Better Choice Financial (hereinafter “BCF”) and determined that BCF engaged in an activity constituting a of violation of 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter cited as the “Oregon Mortgage Lender Law”); and

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

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

1. BCF is a California corporation with a principal place of business located at 200 Main Street, Suite 204A, Huntington Beach, California 92648.
2. BCF received an Oregon mortgage banker/broker license from the Oregon Division of Finance and Corporate Securities (hereinafter “Division”) on January 19, 2012, NMLS# 164638.
3. The Division’s records list Joseph Katter as the one hundred percent owner.
4. In 2011, the Nationwide Mortgage Licensing System (hereinafter “NMLS”) released the mortgage call report (hereinafter “MCR”) functionality. The MCR includes a licensed

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 mortgage broker's Residential Mortgage Loan Activity (hereinafter "RMLA") that is compiled  
2 and submitted by the company to NMLS on a quarterly basis.

3 5. The quarterly reports are due 45 days following the end of each quarter, such that the  
4 first quarter (hereinafter "Q1") of the 2012 MCR was due May 15, 2012.

5 6. BCF employed at least one licensed loan originator during the Q1 of 2012.

6 7. The NMLS online Resource Center operates a webpage providing information about the  
7 MCR to advise companies on the data they need to collect and provide as well as the due dates of  
8 the quarterly MCRs. The webpage provides that "Q1 data (January 1-March 31) is due May 15."

9 8. The Division undertook an extensive compliance campaign to notify all companies of the  
10 new quarterly MCR reporting requirement throughout 2011. In 2012, the Division has continued  
11 with routine communication about this recurring requirement.

12 9. At the beginning of August 2011, NMLS released a new report that regulators could use  
13 to determine if a licensee in that state had filed a MCR. The Division began using this report to  
14 provide targeted notification for those companies that were not in compliance.

15 10. Since BCF had not filed a Q1 MCR with Oregon RMLA, on May 1, 2012, the Division  
16 sent an e-mail to BCF's e-mail address of record notifying of the Q1 requirement and the  
17 upcoming May 15, 2012 deadline.

18 11. All emails were sent to joek@betterchoicefinancial.com which has been the e-mail  
19 address of record in NMLS for BCF at all times relevant to this order.

20 12. Since BCF had still not filed the Q1 MCR, on May 16, 2012, the Division sent  
21 another e-mail to BCF notifying that the Q1 MCR with Oregon RMLA was past due. The email  
22 warned that if BCF failed to file the Q1 MCR by June 16, 2012, the matter would be referred for  
23 enforcement action to impose a civil penalty.

24 13. On May 16, 2012, the Division sent BCF a letter to the address of record in NMLS  
25 notifying that if the Q1 MCR was not filed by June 16, 2012, the matter would be referred for  
26 enforcement action.

14. Also on May 16, 2012, the Division placed a deficiency on the company's license



1 notifying of the obligation to file the report with a deadline of June 16, 2012, or the matter would  
2 be referred for enforcement action.

3 15. BCF filed its annual report including RMLA for Oregon on June 20, 2012.

4 **CONCLUSIONS OF LAW**

5 The Director **CONCLUDES** that:

6 1. By failing to file the Q1 MCR including RMLA for Oregon in NMLS by May 15, 2012  
7 after being notified to do so several times, BCF violated ORS 86A.239(2).

8 **ORDER**

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

10 The Director, pursuant to ORS 86A.127, hereby orders BCF to Cease and Desist from  
11 violating the Oregon Mortgage Lender Law.

12 The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$5,000 per  
13 violation against individuals who violate the Oregon Mortgage Lender Law. Pursuant to ORS  
14 86A.992, the Director **ORDERS** BCF to pay a civil penalty of \$1,000 for the violation of ORS  
15 86A.239(2).

16 The entry of this Order in no way limits further remedies which may be available to the  
17 Director under Oregon law, including for the violations noted in the Conclusions of Law section  
18 above.

19 Dated this 4<sup>th</sup> day of September, 2012.

20  
21 **PATRICK M. ALLEN**, Director  
22 Department of Consumer and Business Services

23 /s/ David Tatman  
24 David C. Tatman, Administrator  
25 Division of Finance and Corporate Securities  
26



**CALIFORNIA JURAT**

STATE OF CALIFORNIA }  
COUNTY OF ORANGE } S.S.

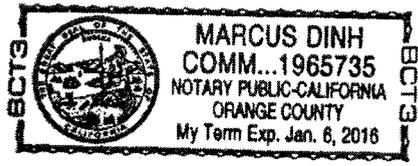
Subscribed and sworn to (or affirmed) before me on this

30<sup>th</sup> day of August, 2012,

By Joseph Katter \_\_\_\_\_  
\_\_\_\_\_

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature: \_\_\_\_\_  
(Notary Public)



(Notary Public)

**Optional**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Further Description of Any Attached Document**

Title or Type of Document: consent of ancestor

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_