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6 **STATE OF OREGON**
7 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
8 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

9 In the Matter of:

DM-11-0037

10 K2 Capital Management Inc. dba US
11 Mortgage Bailout,

Final Order to Cease and Desist and Order
Assessing Civil Penalties Entered by Default

Respondent.

12 On October 12, 2012, the Director of the Department of Consumer and Business
13 Services for the State of Oregon (“Director”), acting pursuant its authority granted in Oregon
14 Revised Statutes (“ORS”) 86A.100 *et seq.*, and Oregon Administrative Rules (“OAR”) 441-
15 850-0005 through 441-885-0010 (collectively “Oregon Mortgage Lender Law”) and ORS
16 697.602 to 697.842 and OAR 441-910-0000 through 441-910-0120 (collectively “Oregon
17 Debt Management Service Provider Law”) issued Administrative Order No. DM-11-0037
18 Order to Cease and Desist, Proposed Order Assessing Civil Penalty and Notice of Right to a
19 Hearing (Notice Order).

20 On October 15, 2012, a certified true copy of the Notice Order was sent via certified
21 and first class U. S. mail to the Respondent’s owner, Ian Kideys at 7160 Encelia Dr., La Jolla,
22 CA 92307. Respondent has not requested a hearing.

23
24 **FINDINGS OF FACT**

25 The Director finds that:

- 26 1. Based on a search of the California Secretary of State (“California SOS”) website





1 on October 11, 2012, K2 Capital Management Inc. (“K2 Capital”) is a domestic corporation
2 (Entity No. C3187615) first filed on February 6, 2009 and, as of the date of the search, was
3 listed with a status of suspended.

4 2. Based on a search of the Oregon Secretary of State (“Oregon SOS”) Corporations
5 Division website on October 11, 2012, K2 Capital is not, as of the date of the search, and had
6 not previously been registered as a domestic or foreign entity with the Oregon SOS.

7 3. As of October 11, 2012, K2 Capital was not previously and is not currently licensed
8 with the Oregon Division of Finance and Corporate Securities (“Division”) to conduct
9 business as a “mortgage broker”, as that term is defined in ORS 86A.100(5)(a)(C) [formerly
10 ORS 59.840], in Oregon.

11 4. As of September 6, 2012, K2 Capital is not currently and has not previously been
12 registered with the Division to provide “debt management services”, as that term is defined in
13 ORS 697.602(2)(c), in Oregon.

14 5. For the period from approximately April 2009 to June 2012, on separate occasions,
15 K2 Capital entered into agreements with at least five different Oregon residents whereby K2
16 Capital agreed to provide loan modification services to each Oregon resident on a mortgage
17 loan on residential real property located in Oregon.

18 6. Each Oregon resident paid an up-front fee of greater than \$50 for the loan
19 modification services.

20 CONCLUSIONS OF LAW

21 The Director concludes that:

22 7. K2 Capital acted as a “mortgage broker”, as that term is defined in ORS
23 86A.100(5)(a)(C) [formerly ORS 59.840], when it, for compensation, negotiated or offered
24 to negotiate a mortgage loan for the Oregon clients.

25 //

1 b.\$25,000 for five violations of ORS 697.692(1).

2 4. The entry of this Order in no way further limits remedies that may be available to
3 the Director under Oregon Law.

4 Dated this 28th day of August, 2013

5 PATRICK M. ALLEN, Director
6 Department of Consumer and Business Services

7
8 /s/ David Tatman
9 David C. Tatman, Administrator
Division of Finance and Corporate Securities

10 Notice

11 You are entitled to judicial review of this Order. Judicial review may be obtained by filing a
12 petition with the Court of Appeals in Salem, Oregon within 60 days from the service of this
13 order.
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