

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCE AND CORPORATE SECURITIES  
BEFORE THE DIRECTOR OF THE DEPARTMENT  
OF CONSUMER AND BUSINESS SERVICES**

**In the Matter of:**

**Demark Financial Services Inc.  
NMLS # 254676**

**Respondent.**

**M-13-0079**

**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 Demark Financial Services Inc. (hereinafter “DFS”) and determined that DFS engaged in activities constituting a violation of 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the “Oregon Mortgage Lender Law”); and

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

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

**FINDINGS OF FACT**

The Director FINDS that:

1. DFS is an Oregon corporation formed on July 26, 1999 with a principal place of business located at 4700 SW Macadam Ave., Suite 302, Portland, OR 97239.
2. DFS first obtained an Oregon mortgage banker/broker license from the Oregon Division of Finance and Corporate Securities (hereinafter the “Division”) on October 4, 1999, NMLS# 254676.
3. DFS held an Oregon license in 2012 and is currently licensed.





1 4. The Oregon Mortgage Lender Law requires licensed mortgage bankers and  
2 mortgage brokers to file an annual report with the Division concerning its residential  
3 mortgage lending activity.

4 5. The deadline for filing the annual report for 2012 mortgage lending activity was  
5 March 31, 2013.

6 6. On January 11, 2013, the Division made public a website  
7 <https://www4.cbs.state.or.us/exs/dfcs/mlrpt/index.cfm> that licensees were to use to file its  
8 annual reports. The Division posted a link to that website from the Division's mortgage lending  
9 home page along with information on the annual report requirements.

10 7. The Division's mortgage lending home page also included a prominent notice about  
11 the requirement.

12 8. On January 11, 2013, the Division sent an e-mail to the e-mail address of record for  
13 DFS, demarkfs@comcast.net, reminding that an annual report was due, and that the deadline  
14 was March 31.

15 9. On March 18, 2013, the Division sent an e-mail to the e-mail address of record for  
16 DFS reminding that DFS had not filed the annual report and that the deadline was March 31.

17 10. On April 3, 2013, the Division sent DFS a letter to its address of record in  
18 NMLS, 4700 SW Macadam Ave., Suite 302, Portland, OR 97239, notifying that it was required  
19 to file the 2012 annual report for Oregon. The letter warned that if DFS did not file by May 3,  
20 2013, the matter would be referred for enforcement action and a civil penalty assessed.

21 11. On April 3, 2013, the Division also sent an email to DFS notifying of the missed  
22 deadline and warning of the enforcement action and civil penalty for failure to file by May 3,  
23 2013.

24 12. Since DFS did not file its annual report by May 3, 2013, the matter was  
25 referred for enforcement on May 7, 2013.

26 13. DFS filed its annual report for 2012 activity on June 13, 2013.



1 **CONCLUSIONS OF LAW**

2 The Director CONCLUDES that:

3 1. By failing to file the annual report for 2012 mortgage lending activity by March 31,  
4 2013, DFS violated ORS 86A.112(3) and OAR 441-865-0025.

5 **ORDERS**

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

7 The Director, pursuant to ORS 86A.127, hereby ORDERS DFS to cease and desist from  
8 violating Oregon's Mortgage Lender Law.

9 The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$100 per day  
10 each day the report is not filed.

11 The Director, pursuant to ORS 86A.992(2), hereby orders DFS to pay a civil penalty of  
12 \$1,000 for the violation of ORS 86A.112(3) and OAR 441-865-0025.

13  
14 Dated this 2<sup>nd</sup> day of August, 2013.

15  
16 PATRICK M. ALLEN, Director  
17 Department of Consumer and Business Services

18  
19 /s/ David Tatman  
20 David C. Tatman, Administrator  
21 Division of Finance and Corporate Securities

22 **ENTITY CONSENT TO ENTRY OF ORDER**

23 I, Kathy Bazeghi, state that I am an officer of DFS, and I am authorized  
24 to act on its behalf. I have read the foregoing order and that I know and fully understand the  
25 contents hereof. I have been advised of the right to a hearing and of the right to be represented  
26 by counsel in this matter. DFS voluntarily and without any force or duress consents to the  
entry of this order expressly waiving any right to a hearing in this matter. DFS understands

1 that the Director reserves the right to take further actions to enforce this order or to take  
2 appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law.  
3 DFS will fully comply with the terms and conditions stated herein.

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

8 Dated this 1<sup>st</sup> day of August, 2013.

9  
10 By /s/ Kathy Bazeghi

11 Sec  
12 Office Held

13 **ENTITY ACKNOWLEDGMENT**

14 There appeared before me this 1<sup>st</sup> day of August 2013,  
15 Kathy Bazeghi, who was first duly sworn on oath, and stated that (s)he was and is an officer of  
16 DFS and that (s)he is authorized and empowered to sign this Consent to Entry of Order on  
17 behalf of DFS and to bind DFS to the terms hereof.

18 /s/ Suzan A. Miller

19 Notary Public for the State of: OR  
20 My commission expires: 8/14/2016

