

**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:**

**Wilson Financial Group, Inc.  
NMLS - 67224**

**M-13-0091**

**Order to Cease and Desist and  
Consent to Entry of Order**

**Respondent.**

The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of Wilson Financial Group, Inc. (Wilson) and determined that Wilson 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 Wilson wishes to resolve and settle this matter with the Director.

As evidenced by the authorized signature subscribed on this order, Wilson 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. Wilson Financial Group, Inc. (Wilson) is a foreign corporation first incorporated in Washington on May 27, 2008.
2. Wilson first obtained an Oregon mortgage broker license from the Division of Finance and Corporate Securities (Division) on September 4, 2008, ML-4836.
3. Wilson’s principal place of business is located at 1900 S Puget Drive, Suite 203, Renton, WA 98055.

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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           4. The Director's records list Eric Wilson as the owner and experienced person for  
2 Wilson.

3 Oregon Annual Report

4           5. The Oregon Mortgage Lender Law requires licensed mortgage bankers and  
5 mortgage brokers to file an annual report with the Division concerning their residential  
6 mortgage lending activity.

7           6. The deadline for filing the annual report for 2012 mortgage lending activity was  
8 March 31, 2013.

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

13           8. The Division's mortgage lending home page also included a prominent notice about  
14 the requirement.

15           9. On January 11, 2013, the Division sent an e-mail to the e-mail address of record for  
16 Wilson, [eric@wilsonfinancial.com](mailto:eric@wilsonfinancial.com) notifying Wilson that they had not filed the annual report  
17 and the deadline was March 31, 2013.

18           10. After sending the e-mail to Wilson on January 11, 2013, a problem was discovered  
19 with the Division's website and the Division notified Wilson of the problem.

20           11. On January 14, 2013, the Division sent an e-mail to Wilson alerting them that  
21 the website was again working correctly and that they must file the report by March 31, 2013.

22           12. On March 18, 2013, the Division sent Wilson a reminder e-mail to the company's  
23 e-mail address of record notifying them that the company had not yet filed the annual report and  
24 that the deadline to do so was March 31, 2013.

25           13. On April 3, 2013, Wilson had not filed an annual report for 2012.

26           14. On April 3, 2013, the Division sent Wilson a warning letter to the address



1 of record in NMLS notifying them that they are required to file the 2012 annual report for  
2 Oregon. The letter warned that if Wilson did not file by May 3, 2013, the matter would be  
3 referred for enforcement action and a civil penalty assessed.

4 15. On April 3, 2013, the Division also sent an email to Wilson notifying them of  
5 the missed deadline and warning them of the enforcement action and civil penalty for failure to  
6 file by May 3, 2013.

7 16. Since Wilson did not file its annual report by May 3, 2013, the matter was  
8 referred for enforcement on May 7, 2013.

9 17. Wilson filed its annual report for 2012 activity on September 19, 2013.

10 Examinations

11 18. On February 12, 2012, the Division concluded a routine exam of Wilson's books and  
12 records. The company received a score of 5 on a scale of 1 to 5 with 5 being a poor score. The  
13 examination revealed several problems or errors, including but not limited to, the following:

- 14 a. Eric Wilson acted as a loan origination for Wilson to originate two Oregon  
15 residential mortgage loan without an Oregon mortgage loan originator's license;
- 16 b. Copies of GFEs were not retained in the H file;
- 17 c. Failure to conduct a criminal history check of an employee prior to employment;
- 18 d. Copies of TILs were not retained in the H and G files;
- 19 e. Failure to include prepaid interest in finance charges in the calculation of the  
20 APR in the TIL on the H and G files;
- 21 f. Including non-finance charges in the calculation of the APR in the H, J and G  
22 files;
- 23 g. Incomplete TILs in the H file;
- 24 h. Failure to include interest rate lock or float agreements in the H and G files; and
- 25 i. Failure to include a copy of HUD-1 Settlement Statement in the G file.

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1 19. Wilson responded to the examination and indicated that practices and procedures  
2 had been implemented to correct the problems and errors noted in the examination.

3 20. The Division conducted a follow up exam on November 14, 2012. The company  
4 received a score of 4 on a scale of 1 to 5 with 5 being a poor score. The exam revealed several  
5 reoccurring problems or errors, including but not limited to, the following:

- 6 a. Complete criminal history checks were not done prior to the hiring of an  
7 employee;
- 8 b. At least one loan was originated by Eric Wilson while he was unlicensed;
- 9 c. Failure to include interest rate lock or float agreements;
- 10 d. Incomplete TILs; and
- 11 e. Inclusion of non-finance charges on the calculation of the APR.

12 21. Wilson responded to the exam stating that, in addition to other changes, the criminal  
13 history check had been completed; the licensee was unaware that sponsorship had been  
14 removed; the rate change had lowered in some instances; and that lock disclosure had been  
15 added to the applications for submission.

16 22. One hour of Division examiner and enforcement time was spent preparing this  
17 matter and Wilson is subject to \$75.00 an hour examination expenses pursuant to ORS  
18 86A.124(1) and OAR 441-860-0110(2).

19 23. As a means of settling this matter, both Wilson and Eric Wilson individually, wish  
20 to surrender their license to engage in mortgage lending activities in Oregon and agrees not to  
21 apply for an Oregon license through November 30, 2016.

## 22 CONCLUSIONS OF LAW

23 The Director concludes that:

24 1. By failing to file the annual report for 2012 mortgage lending activity by March 31,  
25 2013, Wilson violated ORS 86A.112(3) and OAR 441-865-0025.  
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- e. One violation of ORS 86A.239(1)(a) and OAR 441-870-0080(2); and
- f. \$75 for examination and enforcement fees pursuant to 86A.124(1) and OAR 441-860-0110(2).

5. Wilson shall make payments of no less than \$450 per month beginning on November 30, 2103 and continuing to become due on the same day each month thereafter until the full amount of \$2,250 is paid in full. In no event shall the total amount paid be less than \$2,250. In the event a due date falls on a non-business day, the due date shall be the next business day.

6. Wilson and Eric Wilson shall surrender their Oregon Mortgage Lender's license no later than 5 p.m. on November 29, 2013.

7. The Director further orders that Wilson and Eric Wilson shall not be eligible to apply for an Oregon mortgage banker/broker license until November 30, 2016.

Dated this 10th day of December, 2013 at Salem, Oregon.

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

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

**ENTITY CONSENT TO ENTRY OF ORDER**

I, /s/Erik Wilson state that I am an officer of Wilson Financial Group, Inc. (Wilson) 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. Wilson voluntarily and without any force or duress consents to the entry of this order expressly waiving any right to a hearing in this matter.

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

4 Wilson further assures the Director that neither Wilson, 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. Wilson understands that this consent  
7 order is a public document.

8 Dated this 5th day of December 2013, at Renton,  
9 Washington.

10 By /s/ Erik Wilson  
11 President  
12 Title

13 **ENTITY ACKNOWLEDGMENT**

14 State of Washington )  
15 )ss.  
16 County of )

16 There appeared before me this 5th day of December 2013,  
17 /s/ Erik Wilson who was first duly sworn on oath, and stated that (s)he was and  
18 is an officer of Wilson and that he is authorized and empowered to sign this Consent to Entry  
19 of Order on behalf of Wilson and to bind Wilson to the terms hereof.

20 /s/ Isac Goiea  
21 Notary Public for the State of: Washington  
22 My commission expires: May 14, 2015

