

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:

Cascade Mortgage, Inc.
NMLS- 131066,

Respondent.

M-13-0095

Order to Cease and Desist,
Order Assessing Civil Penalty, 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 Cascade Mortgage, Inc., (Cascade) and determined that Cascade 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 Cascade wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Cascade 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. Cascade Mortgage, Inc. is a foreign corporation first incorporated in Minnesota on October 20, 2005.
2. Cascade obtained an Oregon mortgage broker license from the Division of Finance and Corporate Securities (Division) on April 9, 2009, ML-4888.

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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 3. Cascade 's principal place of business is located at 2801 Hennepin Avenue South
2 Minneapolis, MN 55408.

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

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

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

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

14 8. On January 11, 2013, the Division sent an e-mail to the e-mail address of record for
15 Cascade, foriogun@mycascademortgage.com notifying Cascade that they had not filed the
16 annual report and the deadline was March 31, 2013.

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

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

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

24 12. On April 3, 2013, Cascade had not filed an annual report for 2012.

25 13. On April 3, 2013, the Division sent Cascade a warning letter to the address of
26 record in NMLS notifying then that they were required to file the 2012 annual report for



1 Oregon. The letter warned that if Cascade did not file by May 3, 2013, the matter would be
2 referred for enforcement action and a civil penalty assessed.

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

6 15. Since Cascade did not file its annual report by May 3, 2013, the matter was referred
7 for enforcement on May 7, 2013.

8 16. Cascade filed its Oregon annual report on July 23, 2013.
9

10 CONCLUSIONS OF LAW

11 The Director concludes that:

12 1. By failing to file the annual report for 2012 mortgage lending activity by March 31,
13 2013, Cascade violated ORS 86A.112(3) and OAR 441-865-0025.
14

15 ORDERS

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

17 The Director, pursuant to ORS 86A.127, hereby ORDERS Cascade to Cease and Desist
18 from violating Oregon's Mortgage Lender Law.

19 The Director, pursuant to ORS 86A.992(2), may assess civil penalties of up to \$100 per
20 day each day the report is not filed. The Director, pursuant to ORS 86A.992(2), hereby orders:

21 a. Cascade to pay a civil penalty of \$1,000 for the violation of ORS 86A.112(3) and
22 OAR 441-865-0025.

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1 b. Cascade shall enclose a check with the signed Consent Order and return both
2 documents to the Division in a timely manner.

3 Dated this 2nd day of August, 2013 at Salem, Oregon.

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

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

9 **ENTITY CONSENT TO ENTRY OF ORDER**

10 I, _____, state that I am an officer of Cascade and I am authorized to
11 act on its behalf. I have read the foregoing order and that I know and fully understand the
12 contents hereof. I have been advised of the right to a hearing and of the right to be represented
13 by counsel in this matter. Cascade voluntarily and without any force or duress consents to the
14 entry of this order expressly waiving any right to a hearing in this matter. Cascade understands
15 that the Director reserves the right to take further actions to enforce this order or to take
16 appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law.
17 Cascade will fully comply with the terms and conditions stated herein.

18 Cascade further assures the Director that neither Cascade, nor its officers, directors,
19 employees, or agents will effect mortgage transactions in Oregon unless such activities are in
20 full compliance with the Oregon Mortgage Lender Law. Cascade understands that this
21 Consent Order is a public document.

22 Dated this 31st day of July 2013, at _____, Minnesota.

23
24 By/s/ Russell Hillyer _____ President
25 Office Held
26



1 **ENTITY ACKNOWLEDGMENT**

2 State of Minnesota)
3)ss.
4 County of)

5 There appeared before me this 31st day of July, 2013,

6 Russell Hillyer who was first duly sworn on oath, and stated that (s)he was and
7 is an officer of Cascade and that (s)he is authorized and empowered to sign this Consent to
8 Entry of Order on behalf of Cascade and to bind Cascade to the terms hereof.

9 /s/ Angela Warren
10 Notary Public for the State of: Minnesota
11 My commission expires: 1/31/18

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