

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:

American First Lending Corporation
NMLS- 368580,

Respondent.

M-13-0099

Order to Cease and Desist 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 American First Lending Corporation (American) and determined that American 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 American wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, American 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. American was first incorporated in Washington on October 21, 2010.
2. American first obtained an Oregon mortgage broker license from the Division of Finance and Corporate Securities (Division) on May 19, 2011, ML-5054.
3. American’s principal place of business is located at 2465 Bethel Road, Ste. 201, Port Orchard, WA 98366.

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

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

6 6. By 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 their
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 American, sean.smith@amflc.com, notifying American that they had not filed the annual report
14 and the deadline was March 31, 2013.

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

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

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

22 12. On April 3, 2013, American had not filed an annual report for 2012.

23 13. On April 3, 2013, the Division sent American a warning letter to the address of
24 record in NMLS notifying them that they are required to file the 2012 annual report for Oregon.
25 The letter warned that if American did not file by May 3, 2013, the matter would be referred for
26 enforcement action and a civil penalty assessed.



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

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

6 16. American filed its annual report on June 18, 2013.

7 17. In lieu of a civil penalty in this matter, American wishes to surrender its license to
8 engage in mortgage lending activities in Oregon and agrees not to apply for an Oregon license
9 through August 31, 2016.

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11 **CONCLUSIONS OF LAW**

12 The Director concludes that:

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

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16 **ORDERS**

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

18 The Director, pursuant to ORS 86A.127, hereby orders American to Cease and Desist
19 from violating Oregon's Mortgage Lender Law.

20 The Director, pursuant to ORS 86A.992(2), may assess civil penalties of up to \$100 per
21 day for each day the report is not filed. However, in lieu of a civil penalty in this matter,
22 American wishes to surrender its license to engage in Mortgage Lending activities in Oregon
23 until 2016 and the Director accepts the surrender of American's Oregon residential mortgage
24 broker license. The license shall be surrendered no later than 5 p.m. on August 31, 2013.

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1 The Director further orders that American shall not be eligible to apply for an Oregon
2 mortgage banker/broker license until August 31, 2016.

3 Dated this 17th day of September, 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

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10 **ENTITY CONSENT TO ENTRY OF ORDER**

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

22 American further assures the Director that neither American, nor its officers, directors,
23 employees, or agents will effect mortgage transactions in Oregon unless such activities are in

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1 full compliance with the Oregon Mortgage Lender Law. American understands that this
2 Consent Order is a public document.

3 Dated this 23rd day of August 2013, at Port Orchard, Washington.

4 By /s/ W. Sean Smith
5 President
6 Office Held

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9 **ENTITY ACKNOWLEDGMENT**

10 State of Washington)
11)ss.
12 County of Kitsap)

13 There appeared before me this 23rd day of August, 2013,
14 W. Sean Smith who was first duly sworn on oath, and stated that
15 (s)he was and is an officer of American and that (s)he is authorized and empowered to sign this
16 Consent to Entry of Order on behalf of American and to bind American to the terms hereof.

17 /s/ Paula Ann Powers
18 Notary Public for the State of: Washington
19 My commission expires: 8/31/2015

20 Division of Finance and Corporate Securities
21 Labor and Industries Building
22 350 Winter Street NE, Suite 410
23 Salem, OR 97301-3881
24 Telephone: (503) 378-4387

