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**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCE AND CORPORATE SECURITIES  
MORTGAGE LENDING SECTION**

**BEFORE THE DIRECTOR OF THE DEPARTMENT  
OF CONSUMER AND BUSINESS SERVICES**

**In the Matter of:**

**States Mortgage Company, Inc.  
NMLS# 1020886**

Respondent.

**M-14-0022**

**ORDER CONDITIONING MORTGAGE  
BANKER/BROKER LICENSE, 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 States Mortgage Company, Inc. (hereinafter “States”) and determined that States engaged in activities constituting a violation of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010; and

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

**NOW THEREFORE**, as evidenced by the authorized signature subscribed on this order, States 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. Southern States Mortgage Company, Inc. (hereinafter “Southern”) is a North Carolina corporation with a principal place of business located at 16740 Birkdale Commons Parkway, Suite 301, Huntersville, North Carolina 28078.
2. Southern States received a mortgage banker/broker license from the Oregon Division of Finance and Corporate Securities (hereinafter “Division”) on August 9, 2012 and surrendered the

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 license on September 23, 2013, NMLS #63733.

2 3. To prevent confusion regarding the geographic scope of Southern's business operations,  
3 owner, Brenna Olberding, reportedly planned to transition Southern's license, sponsorship of  
4 current loan originators, and existing loans from Southern to States.

5 4. States is a North Carolina corporation also with a principal place of business located at  
6 16740 Birkdale Commons Parkway, Suite 301, Huntersville, North Carolina 28078.

7 5. Olberding also owns States.

8 6. States received a mortgage banker/broker license from the Division on May 16, 2013,  
9 NMLS# 1020886, and is currently active.

10 7. States reportedly encountered problems during the transition in resolving all licensing  
11 issues and in closing loans originated under Southern's license.

12 8. From September 12, 2013 through October 17, 2013, licensed loan originators: Kevin  
13 Casper, Zebulon Fry, Sean Williams, Jeremy Hunt, and Donald Burch originated twenty Oregon  
14 residential mortgage loans under States' mortgage broker license when they were sponsored by  
15 Southern.

16 9. On October 22, 2013, States requested sponsorship for loan originators: Kevin  
17 Casper, Zebulon Fry, Sean Williams, Jeremy Hunt, and Donald Burch, and the Division  
18 approved the sponsorship request on October 23, 2013.

19 10. On November 13, 2013, loan originator Kevin Casper's sponsorship was switched back  
20 to Southern reportedly due to a licensing issue in another state, and States requested sponsorship  
21 for Casper again on February 5, 2014.

## 22 CONCLUSIONS OF LAW

23 The Director **CONCLUDES** that:

24 1. States failed to supervise diligently and control the mortgage-related activities of loan  
25 originators: Kevin Casper, Zebulon Fry, Sean Williams, Jeremy Hunt, and Donald Burch in  
26 allowing them to originate Oregon residential mortgage transactions when they were not yet



1 sponsored by States in violation of ORS 86A.115(16) which is grounds for the Director to  
2 condition States' mortgage broker license.

3 2. By allowing loan originators to originate twenty residential mortgage loans for  
4 States before the Director had accepted State's sponsorship request, States violated OAR 441-  
5 880-0315(2).

6 3. States' violation of OAR 441-880-0315(2) constitutes a repeated violation of a rule of the  
7 Director and is grounds for the Director to condition States' mortgage broker license under ORS  
8 86A.115(3).

9 **ORDER**

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

11 The Director, pursuant to ORS 86A.127, hereby orders States to Cease and Desist from  
12 violating the Oregon Mortgage Lender Law.

13 The Director, pursuant to ORS 86A.115, hereby ORDERS that, effective the date of this  
14 order, a conditional Oregon mortgage banker/broker license shall be issued to States until further  
15 order of the Director subject to renewal fee and document requirements. The conditional license  
16 shall be subject to the following conditions such that if States fails to comply, States, agrees that  
17 the license shall be revoked:

- 18 1. States shall supervise diligently and control the mortgage-related activities of loan  
19 originators under ORS 86A.115(16) and will not allow loan originators without proper  
20 licensure and sponsorship to originate loans; and  
21 2. States shall complete a state criminal background check of all loan originators before  
22 employment under ORS 86A.186 and OAR 441-860-0045.

23 The entry of this Order in no way limits further remedies which may be available to the  
24 Director under Oregon law, including for the violations noted in the Conclusions of Law section  
25 above.

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Dated this 29<sup>th</sup> day of May, 2014.

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, Brenna Olberding, state that I am an officer of States, 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. States voluntarily and without any force or duress consents to the entry of this order expressly waiving any right to a hearing in this matter. States understands that the Director reserves the right to take further actions to enforce this order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law. States will fully comply with the terms and conditions stated herein.

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

Dated this 20 day of May, 2014.

By /s/ Brenna Olberding  
  
president  
Office Held

1 **ENTITY ACKNOWLEDGMENT**

2 There appeared before me this 20 day of May 2014,  
3 Brenna Olberding, who was first duly sworn on oath, and stated that (s)he was and is an officer  
4 of States and that (s)he is authorized and empowered to sign this Consent to Entry of Order on  
5 behalf of States and to bind States to the terms hereof.

6 /s/ Angela N. Gregorio

7 Notary Public for the State of: North Carolina  
8 My commission expires: 4/21/2019

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