

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:

OpenGate Loans Inc.,  
NMLS# 954578

Respondent.

M-15-0037  
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 OpenGate Loans Inc. (hereinafter “OGL”) and determined that OGL violated a provision of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter cited as the “Oregon Mortgage Lender Law”); and

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

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

I. FINDINGS OF FACT

The Director FINDS that:

1. OGL is a Delaware corporation with a principal place of business located at 18008 Sky Park Circle Suite 270, Irvine, California 92614.

OGL has been licensed with the Oregon Division of Finance and Corporate Securities (hereinafter the “Division”) as a mortgage banker/broker since January 25, 2013.

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           2. David Quach (hereinafter “Quach”) obtained an Oregon loan originator license and  
2 OGL’s sponsorship of his license was approved on August 26, 2013.

3           3. Before he was approved to originate Oregon loans, Quach worked as an OGL loan  
4 processor and was assigned as the processor to a May 2013 mortgage transaction for Oregon  
5 borrower RG.

6           4. In May 2013 Quach sent RG the loan disclosure documents and told him that he would  
7 lock in a low interest rate as soon as he completed and returned the disclosures.

8           5. After RG signed and returned the loan disclosure documents, Quach told RG that his loan  
9 was approved pending a favorable appraisal.

10          6. Although RG does not recall working with Amy Tran, the loan application lists Tran, a  
11 licensed mortgage loan originator, as the loan originator for the transaction. Tran recalls  
12 communicating with RG, and OGL file notes list that Tran communicated with RG on several  
13 occasions.

14          7. Quach later contacted RG to let him know that OGL was having trouble with his loan  
15 because his debt-to-income ratio was high and asked if any of RG’s debt would be considered  
16 business debt. Quach then assured RG that everything would be fine.

17           8. Several weeks later RG learned that his loan was denied.

18           9. OGL issued a refund to the complainant for the appraisal fee.

19           10. The Division completed an examination of OGL on in May 2014.

20          11. Tony Do (hereinafter “Do”) obtained an Oregon loan originator license and OGL’s  
21 sponsorship of his license was accepted on December 4, 2013.

22          12. Before he was approved to originate Oregon loans, Quach worked as an OGL loan  
23 processor and was assigned as the processor to an October 2013 mortgage transaction for Oregon  
24 borrower JF.

25          13. The initial loan disclosure documents OGL provided to borrower JF were dated October



1 18, 2013 and listed Do as the loan originator on the transaction.

2 14. The Borrower Signature Authorization form sent to JF on October 21, 2013 also lists Do  
3 as the loan originator on the transaction.

4 15. The loan application lists Amy Tran as the loan originator, and JF recalled  
5 communicating with Tran on several occasions.

## 6 II. CONCLUSIONS OF LAW

7 The Director CONCLUDES that:

8 1. Quach acted as a loan originator under ORS 86A.200(4)(a)(B) prior to August 26, 2013  
9 by communicating with RG regarding applicable interest rates and loan terms as well as making  
10 assurances regarding the likelihood that the loan would be approved.

11 2. By allowing Quach to engage in loan originator activity before licensure and by allowing  
12 Do's name to appear as the loan originator on various loan documents on JF's loan before  
13 licensure, OGL failed to supervise diligently and control the mortgage-related activities of Quach  
14 and Do in violation of ORS 86A.115(16).

## 15 ORDER

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

17 The Director, pursuant to ORS 86A.127, hereby orders OGL to cease and desist from  
18 violating the Oregon Mortgage Lender Law.

19 The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$5,000 per  
20 violation of the Oregon Mortgage Lender Law. The Director, pursuant to ORS 86A.992, hereby  
21 ORDERS OGL to pay a civil penalty of \$3,000 for the violation of ORS 86A.115(16).

22 The entry of this Order in no way limits further remedies which may be available to the  
23 Director under Oregon law.

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

1 November 4, 2015

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

5 ENTITY CONSENT TO ENTRY OF ORDER

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

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

18 Dated this 29<sup>th</sup> of October 2015.

19 By /s/ Amy Tran

20 President

21 Office Held

22 ENTITY ACKNOWLEDGMENT – State of California Jurat subscribed and sworn or affirmed  
23 on October 29, 2015 – please see original

24 There appeared before me this \_\_\_\_\_ day of \_\_\_\_\_, 2015,  
25 \_\_\_\_\_, who was first duly sworn on oath, and stated that he was and  
is an officer of OGL and that he is authorized and empowered to sign this Consent to Entry of  
Order on behalf of OGL and to bind OGL to the terms hereof.

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Notary Public for the State of: \_\_\_\_\_

My commission expires: \_\_\_\_\_