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**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:

**1st Nationwide Mortgage Corporation,
NMLS No. 1281**

Respondent.

M-15-0116

**Order to Cease and Desist, Order
Assessing Civil Penalties, and Consent
to Entry of Order**

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The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of 1st Nationwide Mortgage Corporation (NMC) and determined that NMC 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 NMC now wishes to resolve and settle this matter with the Director.

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As evidenced by the authorized signature subscribed on this order, NMC consents to entry of this order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter:

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FINDINGS OF FACTS

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The Director finds that:

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1. NMC is a foreign corporation first incorporated in California on July 12, 2005 and was first registered with Oregon Secretary of State to do business in Oregon on September 18, 2014.

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2. NMC first obtained an Oregon mortgage broker license from the Division of Finance and Corporate Securities (Division) on November 6, 2014, ML No. 5326.

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1 3. At all times material to this Order, NMC reported a principal place of business as 65
2 Enterprise, Aliso Viejo, California 92565.

3 4. At all times material to this order, NMC's Nationwide Mortgage Licensing System &
4 Registry (NMLS) No. was 1281.

5 5. On June 1, 2015, the Division conducted a desk exam of NMC that resulted in a rating of
6 5. The rating scale ranges from a score of 1 that is excellent down to a score of 5 that is poor.

7 6. As part of the exam process, the licensee is required to provide the Director with a
8 written response to the exam.

9 7. On June 11, 2015, a cover letter along with the exam was sent to NMC requesting that
10 they provide a written response to the exam within two weeks of receiving the letter.

11 8. As no response had been received, the Division emailed a reminder to NMC on July 7,
12 2015, that the written response was due and extended the deadline to July 21, 2015.

13 9. The Division received two responses to the reminder indicating that the email had been
14 received but indicating that the recipients would not be available from June 25 through July 13,
15 2015.

16 10. As of July 21, 2015, NMC had not paid the exam fees as directed. Therefore, the Division
17 sent NMC a notice on July 21, 2015, advising NMC that if they did not pay the exam fees, the
18 matter would be sent to enforcement.

19 11. On August 11, 2015, the Division sent NMC a letter stating that the company was required
20 to provide an exam response and that failure to do so by September 11, 2015, would result in
21 civil penalties being assessed. A copy of the exam report was included with the letter.

22 12. The Division did not receive a response to the exam, but did receive payment of the exam
23 fees on August 17, 2015.

24 13. On September 14, 2015, the Division finally received a response to the June 2015 exam.
25 The response was dated September 1, 2015, and was correctly addressed to the Division.
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1 **CONCLUSIONS OF LAW**

2 The Director concludes that:

3 1. By failing to timely provide a response to the exam as required by the Director, NMC
4 violated ORS 86A.112(1).

5 **ORDER**

6 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

7 1. The Director, pursuant to ORS 86A.127, hereby orders NMC to Cease and
8 Desist from violating Oregon’s Mortgage Lender Law.

9 2. The Director, pursuant to ORS 86A.992, may assess a civil penalty in an amount
10 not to exceed \$5,000 per violation against any person who violates or who procures, aids or
11 abets in the violation of any provision of ORS 86A.095 to 86A.198 or any rule or order issued
12 under ORS 86A.124 or 86A.242.

13 3. The Director, pursuant to ORS 86A.992(2), hereby to orders NMC to pay a
14 civil penalty of \$1,000, for one violation of ORS 86A.112(1).

15 Dated this 29th day of December, 2015 at Salem, Oregon.

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

18 /S/ For: John Paul Jones Deputy
19 David C. Tatman, Administrator
20 Division of Finance and Corporate Securities

21 **ENTITY CONSENT TO ENTRY OF ORDER**

22 I, _____ state that I am an officer of NMC and
23 that I am authorized to act on its behalf. I have read the foregoing order and fully understand
24 the contents hereof. I have been advised of the right to a hearing and of the right to be
25 represented by counsel in this matter. NMC voluntarily and without any force or duress
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1 consents to the entry of this order expressly waiving any right to a hearing in this matter.
2 NMC understands that the Director reserves the right to take further actions to enforce this
3 order or to take appropriate action upon discovery of other violations of the Oregon Mortgage
4 Lender Law. NMC will fully comply with the terms and conditions stated herein.

5 NMC further assures the Director that neither NMC, nor its officers, directors,
6 employees, or agents will effect mortgage transactions in Oregon unless such activities are in
7 full compliance with the Oregon Mortgage Lender Law. NMC understands that this consent
8 order is a public document.

9 Dated this 29th day of December 2015 at _____,
10 California.

11 By /S/ C Arco
12 CEO
13 Title

14 **ENTITY ACKNOWLEDGMENT**

15 State of Texas)
16 County of Harris) ss.

17 There appeared before me this 29th day of December, 2015,
18 Christopher Arco who was first duly sworn on oath, and stated that (s)he was and
19 is an officer of NMC and that (s)he is authorized and empowered to sign this Consent to
20 Entry of Order on behalf of NMC and to bind NMC to the terms hereof.

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22 /S/ H. Patel
23 Notary Public for the State of: Texas
24 My commission expires: January 14, 2018
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