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2 **STATE OF OREGON**
3 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
4 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

5 In the Matter of:

MSD 15-0055

6 DanCo Homes LLC, Susan Daniell, and Robert
7 Daniell,

**Order to Cease and Desist and Consent to
Entry of Order**

8 Respondents.

9 The Director of the Department of Consumer and Business Services for the State of
10 Oregon (Director) conducted an investigation of DanCo Homes LLC (DanCo), Susan Daniell
11 (Daniell), and Robert Daniell (Robert) and determined that DanCo, Daniell and Robert
12 engaged in activities constituting violations of Oregon Revised Statutes (ORS) 446.661 *et seq.*
13 and Oregon Administrative Rules (OAR) 441-446-100 through 441-446-0300 (Oregon
14 Manufactured Structure Dealers and Dealerships Law).

15 As evidenced by the authorized signature subscribed on this order, Respondents
16 consent to entry of this order upon the Director's Findings of Fact and Conclusions of Law as
17 stated hereinafter.

18 **FINDINGS OF FACT**

19 **DANCO, DANIELL AND ROBERT**

20 1. On various documents, including manufactured structure transaction
21 documents, related to the sale of manufactured homes that are the subject of this notice order,
22 DanCo, Daniell, and Robert listed their address as Post Office Box 389 Clackamas, OR
23 97015.

24 2. DanCo was first licensed as a Manufactured Structure Dealer with the Oregon
25 Division of Finance and Corporate Securities on August 11, 2006. DanCo's MSD No. is 398
26 and the license expired on August 31, 2015.

3. DanCo was first registered (Registry No. 370234-96) with the Oregon
Secretary of State to do business in Oregon on July 11, 2006, but was administratively

1 dissolved on September 9, 2011. On September 19, 2011, DanCo Homes, LLC was again
2 registered (Registry No. 800665-91) with the Oregon Secretary of State with Robert Daniell
3 listed as the managing member. Robert Daniell is the husband of Susan Daniell. The
4 company was again administratively dissolved on November 15, 2013. On April 3, 2014, the
5 company was again registered (Registry No. 1009809-94) with the Oregon Secretary of State
6 but was administratively dissolved on June 5, 2015. The managing member was listed as
7 Susan Daniell.

8 **MOBILE HOME PARKS OPERATED BY DANIELL AND ROBERT**

9 4. At all times material to this Order, either Daniell or Robert was the managing
10 member of several limited liability companies that are mobile home parks. The parks are
11 located throughout Oregon and are as follows:

12
13 Green Valley Mobile Home Park LLC
1535 Roseburg Road
Myrtle Point, OR

Dallas Mobile Home Park, LLC
573 E Ellendale Avenue
Dallas, OR

15
16 Valley View Mobile Home Park LLC
200 Emils Way
Roseburg, OR

White City Mobile Estates LLC
aka White City Mobile Village LLC
3265 Antelope Road
White City, OR

17
18 Colonial Oaks Mobile Home Park LLC
934 Main S
Independence, OR

Columbia Crest Mobile Home Park, LLC
3817 W 10th Street
The Dalles, OR

19 5. In addition to the mobile home parks listed above, Daniell and Robert also
20 owned and operated Walker Mobile Home Park, located at 545 S Warren in Monmouth,
21 Oregon.

22 6. None of the entities listed in paragraph 4 or 5 above have ever been issued a
23 Manufactured Structure Dealer license by the State of Oregon.

24 7. Neither Susan Daniell nor Robert Daniell has ever held a Manufactured
25 Structure Dealer license issued by the State of Oregon.

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1 8. DanCo's MSD license was valid for the location of 934 S. Main, in
2 Independence, Oregon.

3 **EXAM**

4 9. On or about February 5, 2008, the Division conducted an exam of DanCo as
5 the result of complaints received by the Division.

6 10. The examiner requested information from Daniell in relation to the mobile
7 home parks (park or parks) mentioned above. Daniell requested additional time to gather the
8 information, stating that she kept the information for each park at the location of the park.

9 11. The examination revealed numerous record keeping problems, some of which
10 are set out below, in regard to the Mobile Home Parks controlled by Daniell and Robert.

11 **Colonial Oaks Mobile Home Park**

12 Home ID (HID) No. 183537, Space #16

13 12. On or about April 15, 2006, Daniell provided a notice of abandonment¹ to GU
14 and RB and DB. The notice was also provided to the Polk County Tax Assessor and
15 Collector and Reliable Credit Association, Inc.

16 13. On or about June 14, 2007, Daniell signed a Certification of Possessory Lien
17 Foreclosure stating that the home had been sold at auction to DanCo on the same day. The
18 paperwork was lacking the following:

- 19 • The HID No.
- 20 • The manufacturer and year of manufacture
- 21 • The Serial No.
- The HUD label numbers.

22 14. On the same day, Daniell signed a Manufactured Structure Notice of
23 Sale/Change of Ownership form changing the ownership to DanCo. The paperwork failed to
24 state:

- 25 • Whether the home was new or used
- The manufacturer's name or year of manufacture
- 26 • The model number or square footage

¹ The abandonment procedure is outlined in ORS 90.675.

1 15. In addition, the file contained a receipt from park manager Chris Peterson
2 indicating that an unnamed person was to purchase the subject home for \$1,000 plus seven
3 monthly payments of \$500 beginning on July 10, 2007. No information was provided
4 regarding the unnamed person.

5 16. On December 28, 2007, DanCo filed an Abandonment Certificate for
6 Manufactured Structures form stating that the home had been sold at auction to MV. The
7 form did not contain:

- 8 • The manufacturer or the year of manufacture
- 9 • The serial number
- 10 • The date of sale
- 11 • The HUD Label numbers

12 17. The file did not contain paperwork indicating that ownership had been
13 transferred to anyone but DanCo. DanCo was the owner of the home and as such, could not
14 have abandoned the same home it was selling via the abandonment process.

15 18. The documents transferring the property to MV did not contain:

- 16 • Whether the home was new or used
- 17 • The size of the home
- 18 • Dealer information
- 19 • Whether the structure was being moved

20 HID No. 222478, Space #18

21 19. On or about April 15, 2006, Daniell sent a Notice of Abandoned Property to
22 ND and the Polk County Tax Assessor and Collector.

23 20. On June 14, 2007, DanCo completed a Certification of Possessory Lien
24 Foreclosure stating that the structure had been sold on the same day at auction. The document
25 did not contain:

- 26 • The manufacturer or the year of manufacture
- The serial number
- The HUD label numbers

 21. DanCo also provided a Manufactured Structure Notice of Sale/Change of
Ownership form transferring the structure from DanCo to BP. The form was dated and signed

1 on June 10, 2007, by Daniell apparently on behalf of DanCo although not specifically stated
2 as such. The document did not contain the following required information:

- 3 • Whether the home was new or used
- 4 • The size of the home (square footage, depth, width)
- 5 • Dealer information
- 6 • The year of manufacture
- 6 • The HUD number
- 6 • The serial number

7 22. In addition, DanCo provided a Bill of Sale indicating that the home had been
8 sold to BP on June 10, 2007, for no consideration. The sale occurred four days before it
9 allegedly was sold to DanCo. The second Bill of Sale for the same home was to BP and DG
10 and showed that the couple paid \$900 for the home.

11 23. The exam revealed that one of the homes in Columbia Oaks Mobile Home
12 Park located in Space 18 was purchased on August 16, 2007 by BP. However, the file
13 contained a letter addressed to BP and DG requesting that the couple send notification of the
14 change in ownership to the requisite governmental agencies.

15 24. A Building Codes Division printout dated September 18, 2008, revealed that
16 the home was still titled in the name of ND. Transfer of the home was blocked pending the
17 resolution of tax issues.

18 HID No. 148758, Space #31

19 25. On or about February 16, 2008, TB and MF signed a Manufactured Notice of
20 Sale/Change of Ownership form indicating that the home was being transferred to them. The
21 seller portion of the document was not completed and the following information was missing:

- 22 • Whether the home was new or used
- 23 • The size of the home (square footage, depth, width)
- 24 • The HUD number

25 26. Daniell signed an Abandonment Certification for Manufactured Structures
26 stating that the structure was sold at auction to TB and MF on May 2, 2008. This document
was missing the serial number and HUD label numbers.

1 HID No. 241013, Space #32

2 27. Building Code Division records indicate that on October 12, 2007, the home
3 was titled to JS and MS. The documents provided indicate that Daniell of DanCo sold the
4 home for no consideration to CW on June 13, 2007.

5 28. The file contained a signed Manufactured Structure Notice of Sale/Change of
6 Ownership document transferring ownership of the home from DanCo to CW. However the
7 form was missing the following information:

- 8 • Whether the home was new or used
- 9 • The size of the home (square footage, depth, width)
- 10 • The manufacturer
- 11 • The model number
- 12 • Dealer information
- 13 • The year of manufacture
- 14 • The HUD number
- 15 • The serial number

16 29. The file contained a Bill of Sale indicating that DanCo had sold the home to
17 AM for \$720 on August 16, 2007.

18 30. In addition, the file contained a handwritten receipt from AM dated July 3,
19 2007, for \$800 indicating that AM had purchased the home on that date. The file contained
20 an Abandonment Certification for Manufactured Structures signed by Daniell on February 25,
21 2008, indicating that the home was sold at auction to AM on July 3, 2007. The form is
22 missing the serial number and HUD label.

23 31. A Manufactured Structures Notice of Sale/Change of Ownership document
24 indicates that there was a transfer in ownership from DanCo to AM. The document was
25 signed by AM on February 16, 2008, but the form was not signed by the seller. The form was
26 also missing:

- Whether the home was new or used
- The size of the home (square footage, depth, width)
- Dealer information
- The HUD number

1 HID No. 161384, Space #36

2 32. The file contained a Notice of Abandoned Property to TS and TS as well as to
3 PM and SM. Copies were sent to the Polk County Tax Assessor and Collector and to
4 Associate Housing Finance, LLC. The document was dated April 15, 2006.

5 33. The Manufactured Structures Ownership document shows that the home was
6 titled to JL and RO. DanCo was listed as having a security interest. No further
7 documentation was provided in regard to this home.

8 **Valley View Mobile Home Park LLC**

9 34. Daniell provided some documents requested by the examiner for Valley View
10 Mobile Home Park LLC. The documents provided contained numerous record keeping errors
11 including but not limited to the following homes.

12 HID No. 193079, Space # 55

13 35. DanCo provided a Manufactured Structure Notice of Sale/Change of
14 Ownership form transferring the structure from DanCo Homes LLC to LC. The date of the
15 sale listed on the form was May 18, 2007. The form did not contain the following required
16 information:

- 17 • Whether the home was new or used
- 18 • The size of the home (depth and width)
- 19 • Dealer information
- 20 • The HUD number

20 No bill of sale or purchase agreement was provided.

21 HID No. 1249054, Space # 45

22 36. Daniell provided a Manufactured Structure Notice of Sale/Change of
23 Ownership form transferring the structure from DanCo Homes LLC to MM and MM dated
24 April 7, 2008. The form did not contain the following required information:

- 25 • Whether the home was new or used
- 26 • The size of the home (square footage, depth, width)
- Dealer information
- The HUD number

1 **Dallas Village Mobile Home Park, LLC**

2 37. Daniell provided documents requested by the examiner for Dallas Village
3 Mobile Home Park, LLC. The documents provided contained record keeping errors including
4 but not limited to the following for HID No. 153813, Space #58:

- 5 • The size of the home (square footage, depth, width)
- 6 • Dealer information
- 7 • The HUD number

8 **SUBSEQUENT INVESTIGATION**

9 **Green Valley Mobile Home Park, LLC**

10 38. Further investigation by the Division indicated that Daniell had attempted to
11 use the abandonment process outlined in ORS 90.675 to obtain vacant mobile homes at the
12 parks in which Daniell or her husband either owned or were managing members.

13 39. On October 21, 2011, Division Compliance Specialist Joyce Pierce (Pierce)
14 met with Daniell in regard to concerns raised by Coos County Tax Department (Coos
15 County).

16 40. Coos County was concerned because Daniell had been alleging that mobile
17 homes located in the Green Valley Mobile Home Park LLC were abandoned and Daniell was
18 seeking to have Coos County write off delinquent taxes for homes as provided in ORS
19 90.675(14). However, the provision only applies if the abandonment process is followed and
20 it appeared that Daniell was going through a foreclosure process rather than the abandonment
21 process.

22 41. During the meeting with Pierce, Daniell provided information regarding HID
23 No. 170196 located in the Green Valley Mobile Home Park. On November 6, 2011, Daniell
24 told Pierce that the home was sold to WM on February 1, 2010. However, a Coos County
25 employee visited the park on November 2, 2011, and could not locate the home. Further, the
26 park manager stated that the home had been destroyed. Daniell could not explain the
discrepancy to Pierce in a subsequent discussion.

1 42. Daniell provided information on the sale of HID No. 162828 located in Space
2 #26. According to Daniell the home was acquired by DanCo through the abandonment
3 process and sold to MW in January of 2008. Daniell was not able to provide documentation
4 of the purchase agreement for the home.

5 43. Information provided by Daniell revealed that on or about November of 2006,
6 HID No. 196145 located in Space #42, was sold to KG. However, Daniell was unable to
7 provide Pierce with the original bill of sale or purchase agreement for that transaction.

8 44. Daniell further stated that KG abandoned the home and that DanCo next sold
9 the home to DB and TB. However, no record regarding this subsequent sale was recorded
10 with either the State or the County.

11 **ADDITIONAL INFORMATION**

12 45. On or about June 15, 2010, Columbia Crest Mobile Home Park LLC filed for
13 Chapter 11 bankruptcy in the United States Bankruptcy Court District of Oregon. The case
14 was dismissed and administratively closed on February 11, 2011. Of note in the filings,
15 Schedule B – Personal Property lists \$26,000 in contracts for the sale of mobile homes.
16 However, Columbia Crest Mobile Home Park LLC has never had a license from the State of
17 Oregon to sell mobile homes.

18 46. On or about February 14, 2013, in U. S. District Court Case No. 3:11-CV-
19 00141-SI, DanCo Homes, LLC; Susan Daniell; Robert Daniell; Colonial Oaks Mobile Home
20 Park LLC; Columbia Crest Mobile Home Park LLC; Dallas Village Mobile Home Park LLC;
21 Green Valley Mobile Home Park LLC; and Valley View Mobile Home Park LLC entered in
22 to a Consent Judgment on Back Wages and Liquidated Damages with the United States
23 Department of Labor for an amount of \$182,029.72. At the time of the entry of the judgment,
24 \$50,000 had been paid.

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1 54. By selling HID No. 1249054 located in Valley View Mobile Home Park LLC
2 to MM and MM and then to AM without obtaining a limited or supplemental license, Daniell,
3 Robert, and DanCo violated ORS 446.671(1).

4 55. By selling HID No. 162828 located in Green Valley Mobile Home Park LLC
5 to MV without obtaining a limited or supplemental license, Daniell, Robert, and DanCo
6 violated ORS 446.671(1).

7 56. By selling HID No. 196145 located in Green Valley Mobile Home Park LLC
8 to KG and then to DB and TB without obtaining a limited or supplemental license, Daniell,
9 Robert, and DanCo violated ORS 446.671(1).

10 **Violations of ORS 446.746(1)(c)(A)**

11 57. By failing to maintain a record of the sale of HID No. 193079 located in
12 Valley Views Mobile Home Park LLC, Daniell, Robert, and DanCo violated ORS
13 446.746(1)(c)(A).

14 58. By failing to maintain a record of the sale of HID No. 162828 located in Green
15 Valley Mobile Home Park LLC, Daniell, Robert, and DanCo violated ORS 446.746(1)(c)(A).

16 59. By failing to maintain a record of the sale of HID No. 196145 located in Green
17 Valley Mobile Home Park LLC, Daniell, Robert, and DanCo violated ORS 446.746(1)(c)(A).

18 **Violations of ORS 446.746(1)(c)(C)**

19 60. By failing to maintain a record containing the name of the seller, the serial
20 number, and the HUD label no. for HID No. 148758 located in Colonial Oaks Mobile Home
21 Park LLC, Daniell, Robert, and DanCo violated ORS 446.746(1)(c)(C).

22 61. By failing to maintain a record containing the name of the seller for HID No.
23 161384 located in Colonial Oaks Mobile Home Park LLC, Daniell, Robert, and DanCo
24 violated ORS 446.746(1)(c)(C).

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1 **Violations of OAR 44-446-0210(3)**

2 62. By failing to maintain records indicating, among other things, the HID No., the
3 year manufactured and manufacturer, the serial no., for HID No. 183537 located in Colonial
4 Oaks Mobile Home Park LLC, Daniell, Robert and DanCo violated OAR 441-446-0210(3).

5 63. By failing to maintain records indicating, among other things, the HUD label
6 No., the year manufactured and manufacturer, the serial no., for HID No. 222487 located in
7 Colonial Oaks Mobile Home Park LLC, Daniell, Robert and DanCo violated OAR 441-446-
8 0210(3).

9 64. By failing to maintain records indicating, among other things, whether the
10 home was new or used, the size of the home and the HUD label No., for HID No. 148758
11 located in Colonial Oaks Mobile Home Park LLC, Daniell, Robert and DanCo violated OAR
12 441-446-0210(3).

13 65. By failing to maintain records indicating, among other things, whether the
14 home was new or used, the size of the home, dealer information, and the HUD label No., for
15 HID No. 241013 located in Colonial Oaks Mobile Home Park LLC, Daniell, Robert and
16 DanCo violated OAR 441-446-0210(3).

17 66. By failing to maintain records, including but not limited to, sales records for
18 HID No. 161384 located in Colonial Oaks Mobile Home Park LLC, Daniell, Robert and
19 DanCo violated OAR 441-446-0210(3).

20 67. By failing to maintain records, including but not limited to, whether the home
21 was new or used, dealer information, and the HUD No., for HID No. 193079 located in
22 Valley View Mobile Home Park LLC, Daniell, Robert and DanCo violated OAR 441-446-
23 0210(3).

24 68. By failing to maintain records, including but not limited to, whether the home
25 was new or used, dealer information, and the HUD No., for HID No. 1249054 located in

26 //

1 Valley View Mobile Home Park LLC, Daniell, Robert and DanCo violated OAR 441-446-
2 0210(3).

3 69. By failing to maintain records, including but not limited to, whether the home
4 was new or used, dealer information, and the HUD No., for HID No. 153813 located in Dallas
5 Village Mobile Home Park LLC, Daniell, Robert and DanCo violated OAR 441-446-0210(3).

6 70. DanCo failed to provide notice to the Director of DanCo's change in
7 registration status with the Oregon Secretary of State in violation OAR 441-446-0210(5).

8 71. By failing to provide required notices, by failing to keep records as required,
9 DanCo, Daniel and Robert failed to exercise due care in diligence consistent with industry
10 practice in violation of former OAR 441-446-0210(5) [currently OAR 441-446-0210(6)].

11 ORDER

12 NOW, THEREFORE, the director issues the following orders:

13 72. Pursuant to ORS 446.748, the Director hereby orders Daniell, Robert and DanCo
14 to cease and desist from violating Oregon Manufactured Structure Dealers and Dealerships
15 Law.

16 73. Pursuant to ORS 446.995, the Director may assess a civil penalty of up to
17 \$5,000 for each violation of the Oregon Manufactured Structure Dealers and Dealerships
18 Laws. Pursuant to these provisions, the Director proposes to order Respondents DanCo,
19 Daniell and Robert to pay civil penalties, jointly and severally, in the amount of **\$125,000** as
20 follows:

- 21 a. \$40,000 civil penalty for committing eight violations (\$5,000 per violation) of
22 446.671(1);
- 23 b. \$15,000 civil penalty for committing three violations (\$5,000 per violation) of
24 ORS 446.746(1)(c)(A);
- 25 c. \$15,000 civil penalty for committing three violations (\$5,000 per violation) of
26 ORS 446.746(1)(c)(C);

- d. \$45,000 civil penalty for committing nine violations (\$5,000 per violation) of OAR 441-446-0210(3);
- e. \$5,000 civil penalty for committing one violation of OAR 441-446-0210(5);
- f. \$5,000 civil penalty for committing one violation of former OAR 441-446-0210(5) [currently OAR 441-446-0210(6)].

74. However, the Division will suspend the total amount of the civil penalties so long as DanCo, Daniell and Robert do not violate any provisions of the Oregon Manufactured Dealers and Dealership laws, or any rule, order, or policy issued by the Division and abides by the following conditions:

- a. Based upon DanCo, Daniell and Robert’s voluntary agreement, the Director orders Respondents DanCo, Daniell and Robert not to engage in any activity that requires an Oregon manufactured structures dealer license from the Director.
- b. Based upon DanCo, Daniell and Robert’s voluntary agreement, the Director orders DanCo, Daniell and Robert not to own or act as a partner, officer, director, or manger or occupy a position of similar status or perform similar functions of an owner, partner, officer, director or manager for a manufactured structure dealer operating in Oregon.

75. Any violation of this Consent Order will be deemed a material breach and the full amount of the civil penalties alleged in the Consent Order will become due and owing immediately.

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1 76. The entry of this Order in no way further limits remedies that may be available
2 to the Director under Oregon Law.

3 Dated this 9th day of November , 2015 at Salem, Oregon.

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

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

10 **CONSENT TO ENTRY OF ORDER SUSAN DANIELL**

11 I, Susan Daniell, state that I have read the foregoing Consent Order. I was a managing
12 member of DanCo. Respondents have been advised of the right to a hearing and the right to
13 be represented by counsel in this matter. Respondents voluntarily and without any force or
14 duress, consent to the entry of this Consent Order, expressly waiving any right to a hearing in
15 this matter.

16 Further, Respondents understand that the Director reserves the right to take further
17 actions to enforce this Consent Order or to take appropriate action upon discovery of other
18 violations of the Oregon Manufactured Structure Dealers and Dealerships Law and that
19 Respondents will fully comply with the terms and conditions stated herein.

20 Respondents understand that this will become a public document.

21 Dated this 6th day of November 2015.

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23
24 /S/ Susan Daniell
25 Susan Daniell, Individually and on behalf of DanCo
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NOTARY ACKNOWLEDGMENT

1 State of Oregon)
2)ss.
3 County of Clackamas)

4 This instrument was acknowledged before me on November 6th, 2015 by Susan
5 Daniell individually and on behalf of DanCo.
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7
8 /S/ Tyler T. Howard
9 Notary Public – State of Oregon
My Commission Expires: 11/25/2018

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11 **CONSENT TO ENTRY OF ORDER ROBERT DANIELL**

12 I, Robert Daniell, state that I have read the foregoing Consent Order. I was a
13 managing member of DanCo. Respondents have been advised of the right to a hearing and
14 the right to be represented by counsel in this matter. Respondents voluntarily and without any
15 force or duress, consent to the entry of this Consent Order, expressly waiving any right to a
16 hearing in this matter.

17 Further, Respondents understand that the Director reserves the right to take further
18 actions to enforce this Consent Order or to take appropriate action upon discovery of other
19 violations of the Oregon Manufactured Structure Dealers and Dealerships Law and that
20 Respondents will fully comply with the terms and conditions stated herein.

21 Respondents understand that this will become a public document.

22 Dated this 6th day of November 2015.

23
24 /S/ Robert L. Daniel
25 Robert Daniell, Individually and on behalf of DanCo
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NOTARY ACKNOWLEDGMENT

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State of Oregon)
)ss.
County of Clackamas)

This instrument was acknowledged before me on November 6th, 2015 by Robert Daniell individually and on behalf of DanCo.

/S/ Tyler T. Howard
Notary Public – State of Oregon
My Commission Expires: 11-25-2018