

**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATIONS**

In the Matter of:

**WADOT Capital Inc., NMLS No. 3213,
and Nicole House,**

Respondents.

M-15-0140a

**Order to Cease and Desist and
Consent to Entry of Order as to
WADOT only**

The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of WADOT Capital Inc. (WADOT) and Nicole House (House) and determined that WADOT engaged in activities constituting a violation of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the “Oregon Mortgage Lender Law”) and WADOT wishes to resolve and settle this matter with the Director. This matter pertains to WADOT only. House is handled as a separate matter.

As evidenced by the authorized signature subscribed on this order, WADOT 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. WADOT is a foreign business corporation first incorporated in Washington on January 19, 2001, with a principal place of business located at 5413 Meridian Avenue N, Ste. C, Seattle, Washington.
2. WADOT is registered with the Oregon Secretary of State’s office to do business in Oregon and has been licensed with the Oregon Secretary of State’s Office since September of 2004. WADOT obtained its Oregon Mortgage Loan Originator’s license, No. ML-5331 on April 28, 2015.



1 3. WADOT was the subject of a prior order of the Director, Case No. M-13-0211,
2 dated May 8, 2015. The Director found that WADOT had committed 15 instances of
3 unlicensed activity and assessed a civil penalty in the amount of \$4,500. The Director
4 suspended \$2,500 for three years so long as WADOT was in full compliance with Oregon
5 Mortgage Lending Laws and orders of the Director.

6 4. House is listed as the vice president for WADOT in the National Multistate
7 Licensing System & Registry (NMLS).

8 5. During a routine review of WADOT's second quarter 2015 mortgage call report, it
9 was discovered that WADOT had originated loans for Oregon residential property using an
10 unlicensed loan originator.

11 6. The Division conducted an investigation and discovered that House had originated
12 eight residential mortgages for WADOT. All of the properties involved were residential
13 properties located in Oregon.

14 7. House was not licensed with the Division to provide mortgage lending services
15 secured by residential property in Oregon and was never sponsored by WADOT to originate
16 loans in Oregon.

17 8. The Oregon properties were located on: SE Martins Street in Portland, Oregon
18 (two loans); 73rd Avenue in Portland Oregon; SE Flavel Drive in Portland, Oregon (two
19 loans); Bear Creek Road in Bend, Oregon; SE 35th in Portland, Oregon; and NE 60th Avenue
20 in Portland, Oregon.

21 CONCLUSIONS OF LAW

22 The Director concludes that:

23 1. House acted as a loan originator as defined in ORS 86A.200(4)(a) by taking the
24 loan application for eight Oregon residential mortgage loans on behalf of WADOT.
25
26



1 2. By allowing House to originate a residential mortgage transaction in Oregon when
2 the Director had not accepted sponsorship of House by WADOT, WADOT violated OAR 441-
3 880-0315(2).

4 3. By allowing House to originate residential loans while House was unlicensed,
5 WADOT violated the Director's Order issued in Case No M-13-0211 dated May13, 2015.
6 This action was in violation of ORS 86A. 115(3).

7 4. By engaging in eight residential loan transactions involving Oregon residential
8 properties without using a licensed mortgage loan originator, WADOT violated ORS 86A.
9 115(15).

10 5. By allowing House to originate Oregon residential mortgage transactions when she
11 was not licensed to do so, WADOT failed to adequately supervise House in violation of ORS
12 86A.115(16) and OAR 441-860-0040(1).

13 ORDERS

14 1. Pursuant to ORS 86A.127(4), the Director hereby orders WADOT, and all entities
15 owned or controlled by WADOT to cease and desist from violating the Oregon Mortgage
16 Lender Law.

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

21 3. The Director, pursuant to ORS 86A.992(2) hereby orders WADOT to pay a civil
22 penalty of \$27,000 as follows:

- 23 a. \$5,000 for one violation of OAR 441-880-0315(2);
- 24 b. \$5,000 for one violation of ORS 86A.115(3);
- 25 c. \$12,000 for eight violations (\$1,500 per violation) of ORS 86A.115(15);
- 26 d. \$5,000 for one violation of ORS 86A.115 (16) and OAR 441-860-0040(1).





1 4. The Director, pursuant to the terms of Order M-13-0211 dated May 13, 2015,
2 hereby orders WADOT to pay the suspended portion of the civil penalty as set forth in Item 4
3 of the order in the amount of \$2,500. The total amount of civil penalties, therefore, is \$29,500.

4 5. However, the Director will suspended \$19,500 of the civil penalty so long as
5 WADOT does not violate any provision of the Oregon Mortgage Lender Law, or any rule,
6 order, or policy issued by the Division. If WADOT is found to have committed any such
7 violation, then the suspended portion of the assessed civil penalty will become immediately
8 due and payable. If WADOT does not violate the Oregon Mortgage Lender Law, or any rule,
9 order, or policy issued by the Division in three years from the date of the Order, the suspended
10 portion of the civil penalty is waived.

11 6. WADOT shall make full payment of \$10,000 no later than April 15, 2016.

12 Dated this 21st day of April, 2016 at Salem, Oregon.

13
14 PATRICK M. ALLEN, Director
15 Department of Consumer and Business Services

16 /S/ David Tatman
17 David C. Tatman, Chief Enforcement Officer
18 Division of Financial Regulation

19 ENTITY CONSENT TO ENTRY OF ORDER

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

1 WADOT further assures the Director that neither WADOT, nor its officers, directors,
2 employees, or agents will effect mortgage transactions in Oregon unless such activities are in
3 full compliance with the Oregon Mortgage Lender Law. WADOT understands that this
4 consent order is a public document.

5
6 By /S/Erik Egger
Erik Egger, President

7
8
9 ENTITY ACKNOWLEDGMENT

10
11 State of Washington)
12 County of)

13 There appeared before me this 14th day of April, 2016,
14 Erik Egger who was first duly sworn on oath, and stated that he was and is
15 an officer of WADOT and that he is authorized and empowered to sign this Consent to Entry
16 of Order on behalf of WADOT and to bind WADOT to the terms hereof.

17
18 /S/ Natalie Ann F. Wiseman
19 Notary Public

20
21 Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

