STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: SIGN ON THE LINE INC., NMLS# 1626699 Respondent.	Case No. M-23-0002 FINAL ORDER TO CEASE AND DESIST AND FINAL ORDER ASSESSING CIVIL PENALTY, ENTERED BY DEFAULT

On January 12, 2023, the Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), through the Division of Financial Regulation (the "Division") and pursuant to Oregon Revised Statutes ("ORS") 86A.100 et seq. and Oregon Administrative Rules ("OAR") 441-850-0005 through 441-885-0010 (collectively, the "Oregon Mortgage Lender Law"), properly served Sign On The Line Inc. ("SOTL" or the "company") an Order to Cease and Desist, Proposed Order Assessing Civil Penalty, and Notice of Right to a Hearing ("Notice Order"). The Notice Order was served via certified and regular United States mail at the company's business address of record and the primary company contact's address.

On February 2, 2023, the Director, through the Division, served the Notice Order on SOTL's registered agent via certified and regular United States mail. The registered agent rejected service because SOTL had no valid forwarding information.

The Notice Order offered SOTL an opportunity for a hearing, if requested in writing within 20 days of service. The Notice Order further informed SOTL that if a hearing was not conducted because it did not timely request a hearing or otherwise defaulted, then the designated portion of Division's file, which includes all materials SOTL submitted, would automatically become part of the contested case record to prove a *prima facie* case. SOTL has not made a written request for a contested hearing, and the time to do so has expired.

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After considering the relevant portions of the Division's file in this matter, the Director finds that the record proves a *prima facie* case.

Now, therefore, the Director makes the following Findings of Fact and Conclusions of Law and issues the following Orders.

FINDINGS OF FACT

The Director FINDS that:

1. SOTL is a California corporation with a principal place of business located at 100 Spectrum Center Drive, Suite 500, Irvine, CA 92618.

2. SOTL was licensed as an Oregon mortgage banker/broker with the Division on September 14, 2017 (NMLS# 1626699). SOTL's license expired on January 1, 2023.

3. In 2011, the Nationwide Multistate Licensing System ("NMLS") released the Mortgage Call Report ("MCR") functionality. The MCR includes a licensed mortgage banker or broker's Residential Mortgage Loan Activity ("RMLA") that is compiled and submitted by licensees to NMLS on a quarterly basis and an annual report of financial condition ("Annual Report").

4. All mortgage bankers and brokers that employ any licensed loan originators must complete the MCR functionality. In 2022, SOTL employed at least one licensed loan originator.

5. The quarterly reports are due 45 days following the end of each quarter such that the Q3 2022 MCR was due on November 14, 2022.

6. On March 16, 2022, after noting that SOTL had a potential error in its 2021 Q4 MCR, a Division financial examiner placed a deficiency on the company's licensing record as follows, "WARNING! BEGINNING WITH 2022 Q1 MORTGAGE CALL REPORTS, LICENSEES THAT FILE MORTGAGE CALL REPORTS AFTER THE SPECIFIED DUE DATE WILL BE REFERRED TO ENFORCEMENT WITH THE POTENTIAL OF A CIVIL PENALTY."

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7. If a licensee does not timely file an MCR, the NMLS system automatically sets a deficiency on the company's license the day after the deadline, reminding the company of the filing requirement.

8. When a deficiency is set in NMLS, the system emails the licensee's email address of record. Similarly, at all times material, when the Division contacted SOTL by email, all messages were sent to SOTL's email address of record on file with NMLS, info@signontheline.com.

2022 Q3 MCR

9. SOTL did not file the 2022 Q3 MCR with Oregon RMLA by November 14, 2022, and NMLS placed a deficiency on November 15, notifying the company of the filing requirement.

10. On November 17, 2022, the examiner emailed SOTL about the failure to file and extended the deadline to December 2, 2022.

11. On November 23, 2022, the examiner sent another email to SOTL reminding the company of the December 2 deadline.

12. On November 30, 2022, the examiner emailed a final notice to SOTL to file by December 2, 2022, to avoid regulatory enforcement action.

13. On December 6, 2022, the examiner called SOTL regarding the deficiency and left a message. The phone call was not returned.

14. To date, SOTL has not filed the 2022 Q3 MCR with Oregon RMLA.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

15. By failing to file its 2022 Q3 MCR with Oregon RMLA, SOTL violated ORS 86A.112(2), ORS 86A.239(2), and OAR 441-865-0025.

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ORDERS

Now, therefore, the Director issues the following ORDERS:

16. The Director, pursuant to ORS 86A.127(4) and ORS 86A.224(2)(a), hereby ORDERS SOTL to CEASE and DESIST from violating ORS 86A.112(2), ORS 86A.239(2), and OAR 441-865-0025.

17. The Director, under ORS 86A.992, may assess a civil penalty of up to $5,000 per violation of the Oregon Mortgage Lender Law. Pursuant to this provision, the Director hereby ORDERS SOTL to pay a $2,000 CIVIL PENALTY for violating ORS 86A.112(2), ORS 86A.239(2), and OAR 441-865-0025.

18. This is a "Final Order" under ORS 183.310(6)(b). Subject to this provision, entry of this Order does not limit further remedies that may be available to the Director under Oregon Law.

SO ORDERED this 28th day of February, 2023.

ANDREW R. STOLFI, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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NOTICE OF RIGHT TO JUDICIAL APPEAL

Except as provided in ORS 86A.139(2) and ORS 86A.142, you may be entitled to judicial review of this Order under ORS 183.482. You may request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date of this Order is served.