1 2	STATE OF OREGON DEPARTMENT OF CONSUMER AND BUSINESS SERVICES DIVISION OF FINANCIAL REGULATION		
3			
4	In the Matter of:	M-16-0316	
5	Rain City Capital of Oregon, LLC,	Final Order to Cease and Desist and	
6	Respondent.	Consent to Entry of Order	
7			
8	The Director of the Department of Consumer and Business Services for the State of		
9	Oregon (the Director) conducted an investigation of Rain City Capital of Oregon, LLC (Rain		
10	City) and determined that Rain City engaged in activities constituting violations of ORS		
11	86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (collectively cited as the		
12	Oregon Mortgage Lender Laws).		
13	Rain City wishes to resolve and settle this matter with the Director. As evidenced by		
14	the authorized signature subscribed on this order, Rain City consents to entry of this order upon		
15	the Director's Findings of Fact and Conclusions of Law as stated below. FINDINGS OF FACT		
16			
17	The Director finds that:		
18	1. Rain City is a domestic limited liabili	ty company with business headquarters	
19	 located at 1905 NW 169th Pl Ste 100-B, Beaverton, Oregon 97006. 2. At all times material to this matter, Rain City was registered with the Oregon Secretary of State's office to do business in Oregon. 3. Rain City first obtained an Oregon mortgage broker license from the Division of Financial Regulation (Division) on May 20, 2015, License Number ML-5375. 4. At all times material to this order, Rain City's Nationwide Mortgage Licensing System (NMLS) No. was 1366479. 		
20			
21			
22			
23			
24 25			
25 26			
26	//		
	Page 1 of 5 – Rain City Capital of Oregon, LLC - Desist and Consent to Entry of Order	M-16-0316 – Final Order to Cease and	

1		
1	5. At all times material to this order, Ryan Morell (Morell) was the qualifying	
2	individual of Rain City. Morell's NMLS number is 692641.	
3	6. Morell obtained his Oregon ML license on March 11, 2015. However, the	
4	Division did not approve sponsorship until August 28, 2015, at which time Morell could first	
5	originate loans in Oregon.	
6	7. On or about November 19, 2015, the Division conducted a desk examination of	
7	Rain City.	
8	8. During the exam, the Division reviewed loan documents and found that Rain City	
9	had taken 51 residential Oregon loan applications for residential property located in Oregon	
10	between March 17, 2015, and August 26, 2015, with Morell as the listed loan originator.	
11	9. Neither Rain City nor Morell were licensed for the March 17, 2015, Oregon	
12	residential loan transaction.	
13	CONCLUSIONS OF LAW	
14	The Director concludes that:	
15	1. Morell acted as a loan originator as defined in ORS 86A.200(4)(a) by taking 51 loan	
16	applications for Oregon residential mortgage loans on behalf of Rain City.	
17	2. Rain City acted as a "mortgage broker" under ORS 86A.100(5)(a)(C) when it for	
18	compensation, or in the expectation of compensation, either directly or indirectly made,	
19	negotiated, or offered to make or negotiate residential mortgage loans in Oregon.	
20	3. By allowing Morell to originate 51 Oregon residential mortgage transactions when	
21	the Director had not accepted sponsorship of Morell by Rain City, Rain City violated OAR	
22	441-880-0315(2).	
23	4. By allowing Morell to originate residential mortgage transactions in Oregon when	
24	the Director had not accepted sponsorship, Rain City failed to adequately supervise Morell in	
25	violation of ORS 86A.115(16) and OAR 441-860-0040(1).	
26	//	

Page 2 of 5 - Rain City Capital of Oregon, LLC - M-16-0316 - Final Order to Cease and Desist and Consent to Entry of Order

1	
1	5. By originating one Oregon residential loan before obtain a license to do so, Rain
2	City violate ORS 86A.103(1).
3	6. Pursuant to ORS 86A.124(1) and OAR 441-860-0110(2), Rain City is liable for
4	examination and enforcement fees of \$225.00 calculated at \$75 per hour for three hours.
5	ORDERS
6	1. The Director, pursuant to ORS 86A.127, hereby orders Rain City to Cease and
7	Desist from violating Oregon's Mortgage Lender Law.
8	2. The Director, pursuant to ORS 86A.992, may assess a civil penalty in an amount
9	not to exceed \$5,000 per violation against any person who violates or who procures, aids or
10	abets in the violation of any provision of ORS 86A.095 to 86A.198 or any rule or order issued
11	under ORS 86A.124 or 86A.242.
12	3. The Director, pursuant to ORS 86A.992(2), hereby orders Rain City to pay a total
13	civil penalty of \$12,750.00 as follows:
14	a. A civil penalty of \$8,750 (\$175 per violation) for 50 violations of OAR
15	441-880-0315(2);
16	b. A civil penalty of \$1,500 for one violation of ORS 86A.115(16) and OAR
17	441-860-0040(1); and
18	c. A civil penalty of \$2,500 for one violation of ORS 86A.103(1).
19	4. However, the Division will suspend \$7,525 of the civil penalty of as long as Rain
20	City does not violate any provision of the Oregon Mortgage Lender Law, OAR 441-850-0005
21	through 441-885-0010 or any rule, order, or policy issued by the Division. If Rain City is
22	found to have committed any such violation, then the suspended portion of the assessed civil
23	penalty will become immediately due and payable. If Rain City does not violate the Oregon
24	Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or
25	policy issued by the Division in three years from the date of the Final Order, the suspended
26	portion of the civil penalty is waived.

Page 3 of 5 - Rain City Capital of Oregon, LLC - M-16-0316 - Final Order to Cease and Desist and Consent to Entry of Order



1	5. Rain City shall pay \$225 for examination and enforcement fees pursuant to	
2	86A.124(1) and OAR 441-860-0110(2).	
3	6. Rain City shall submit to the Director payment of \$5,225 at the time the Consent	
4	Order is submitted to the Director.	
5	Dated this <u>11th</u> day of <u>April</u> , 2017.	
6		
7	PATRICK M. ALLEN, Director Department of Consumer and Business Services	
8		
9	<u>/S/ David Tatman</u> David C. Tatman, Chief of Enforcement	
10	Division of Financial Regulation	
11	[The remainder of this page is intentional left blank]	
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		

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

Page 4 of 5 – Rain City Capital of Oregon, LLC - M-16-0316 – Final Order to Cease and Desist and Consent to Entry of Order

1			
1	ENTITY CONSENT TO ENTRY OF ORDER		
2	I, <u>Fred Rea</u> state that I am an officer of Rain City Capital of Oregon, LLC and I		
3	am authorized to act on its behalf. I have read the foregoing order and I know and fully understand the		
4	contents hereof. I have been advised of the right to a hearing and of the right to be represented by		
5	counsel in this matter. Rain City voluntarily and without any force or duress consents to the entry of		
6	this order expressly waiving any right to a hearing in this matter. Rain City understands that the		
7	Director reserves the right to take further actions to enforce this order or to take appropriate action		
8	upon discovery of other violations of the Oregon Mortgage Lender Law. Rain City will fully comply		
9	with the terms and conditions stated herein.		
10	Rain City further assures the Director that neither Rain City nor its officers, directors,		
11			
12	compliance with the Oregon Mortgage Lender Law. Rain City understands that this consent order is a		
13	public document.		
14			
15	By/S/ Fred Rea Fred Rea Authorized Signer Title		
16	5 Rain City Capital of Oregon, LLC Manager Rain City Capital, LLC		
17			
18	ACKNOWLEDGMENT		
19			
20	State of Washington))ss.		
21	County of <u>King</u>)		
22	This instrument was acknowledged before me on $3/23$, 2017 by		
23	/S/ Fred Rea		
24			
25	/S/Valarie Wells		
26	Notary Public		

Page 5 of 5 – Rain City Capital of Oregon, LLC - M-16-0316 – Final Order to Cease and Desist and Consent to Entry of Order

