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

In the Matter of: MAGNUS JOHANNESSON d/b/a URBAN FOCUS FINANCIAL, LLC NMLS# 953485 Respondent.	Case No. M-17-0141 ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTIES, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director") conducted an investigation of Magnus Johannesson d/b/a Urban Focus Financial, LLC ("Respondent") and determined that Respondent engaged in activities constituting violations of Oregon Revised Statutes ("ORS") 86A.095 et seq. and Oregon Administrative Rules 441-850-0005 through 441-885-0010 (collectively, "Oregon Mortgage Lender Law").

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the authorized signature subscribed on this Order, Respondent hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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FINDINGS OF FACT

The Director FINDS that:

1. From in or around 2010 through the present, Respondent has conducted business under the name Urban Financial Focus, LLC. Urban Focus Financial, LLC has never been registered as a business in Oregon.[1]

[1] Respondent was previously a member of Urban Focus Financial LLC, an Oregon domestic limited liability company, through its administrative dissolution on January 18, 2008. Urban Focus Financial LLC operated under the assumed business name of Urban Focus Financial.

2. Respondent's Nationwide Mortgage Licensing System ("NMLS") number is 953485.

3. From in or around 2010 through 2015, Respondent negotiated the terms for sixteen residential mortgage loans in Oregon, for which he received $80,662 in total compensation.

4. At no time has Respondent been licensed in Oregon as a mortgage banker or broker.

5. At no time has Respondent been licensed in Oregon as a mortgage loan originator.[2]

CONCLUSIONS OF LAW

The Director CONCLUDES that:

6. Under ORS 86A.103(1), it is unlawful for any person to engage in residential mortgage transactions in this state as a mortgage banker or mortgage broker unless the person is licensed under the Oregon Mortgage Lender Law.

7. Under ORS 86A.100(5)(a)(C), "mortgage broker" means a person that for compensation, or in the expectation of compensation, either directly or indirectly makes, negotiates or offers to make or negotiate a mortgage loan.

8. By negotiating the terms for sixteen residential mortgage loans in Oregon, Respondent engaged in residential mortgage transactions in this state as a mortgage broker.

9. By engaging in residential mortgage transactions in this state as a mortgage broker without being licensed under the Oregon Mortgage Lender Law, Respondent violated ORS 86A.103(1) in sixteen instances.

10. Under ORS 86A.203(1)(a), except as provided in subsection (2) of this

[2] From August 3, 2012 through March 19, 2014, Respondent was registered with NMLS as the Control Person for Riverside Funding, LLC. At no time has Riverside Funding, LLC been licensed in Oregon as a mortgage banker or broker.

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section, an individual may not engage in business as a mortgage loan originator in this state without first obtaining and maintaining a mortgage loan originator's license under ORS 86A.212 or renewing a mortgage loan originator's license under ORS 86A.218.

11. Under ORS 86A.200(4)(a)(B), "mortgage loan originator" means an individual who, for compensation or gain offers or negotiates terms for a residential mortgage loan.

12. By negotiating the terms for sixteen residential mortgage loans in Oregon, Respondent engaged in business as a mortgage loan originator.

13. By engaging in business as a mortgage loan originator in this state without first obtaining and maintaining a mortgage loan originator's license under ORS 86A.212 or renewing a mortgage loan originator's license under ORS 86A.218, Respondent violated ORS 86A.203(1)(a) in sixteen instances.

14. Under ORS 86A.127(4), if the Director has reasonable cause to believe that any person has been engaged, is engaging or is about to engage in any violation of any provision of the Oregon Mortgage Lender Law, the Director may issue an order, subject to ORS 86A.139, directed to the person, and to any other person directly or indirectly controlling the person, to cease and desist from the violation or threatened violation.

15. Under ORS 86A.992(1), the Director may impose a civil penalty against any person who violates or who procures, aids or abets in the violation of any provision of the Oregon Mortgage Lender Law, of up to $5,000 per violation.

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ORDERS

Now therefore, the Director issues the following Orders:

16. As authorized by ORS 86A.127(4), the Director ORDERS Respondent to CEASE AND DESIST from violating the Oregon Mortgage Lender Law.

17. As authorized by ORS 86A.992(1), the Director hereby ORDERS that Respondent be subject to a CIVIL PENALTY of $8,000 as follows:

a. $4,000 for violating ORS 86A.103(1) in sixteen instances ($250 per violation); and

b. $4,000 for violating ORS 86A.203(1)(a) in sixteen instances ($250 per violation).

18. The Director hereby suspends payment of $7,000 of the civil penalty for a period of three years, provided Respondent:

a. Pays the remaining $1,000 of the civil penalty, $500 of which is due at the time this Order is submitted to the Director and the remaining $500 of which is due by January 12, 2018; and

b. Does not violate the Oregon Mortgage Lender Law within the three-year time period.

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19. The suspended civil penalty ($7,000) will be waived three years from the date this Order is finalized, provided Respondent has complied with the foregoing Order terms. The Director reserves the right to immediately assess and collect the suspended civil penalty upon a determination that Respondent has violated any term of this Order.

SO ORDERED this 11th day of December, 2017.

JEAN M. STRAIGHT, Acting Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, Magnus Johannesson, state that I have read the foregoing Order and that I know and fully understand the contents hereof. I have been advised of my right to a hearing and of my right to be represented by counsel in this matter. I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law by me. I will fully comply with the terms and conditions stated herein.

I further assure the Director that neither I nor my officers, directors, employees, or agents will effect mortgage transactions in Oregon unless such activities are in full compliance with the Oregon Mortgage Lender Law. I understand that this Consent Order is a public document.

/s/ Magnus Johannesson
Signature

State of Oregon

County of Multnomah

Signed or attested before me on this 4th day of December, 2017 by Magnus Johannesson.

/s/ John S. Hyun

Notary Public

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