STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION
BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

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| In the Matter of:<br><br>Rock River Financial, Inc.<br>NMLS# 239278<br><br>Respondent. | M-17-0093<br><br>Order to Cease and Desist, Order Assessing Civil Penalties and Consent to Entry of Order |

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Rock River Financial (hereinafter "RRF") and determined that RRF engaged in an activity that constitutes a violation of 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the "Oregon Mortgage Lender Law"); and

WHEREAS RRF wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, RRF hereby 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. RRF, an Oregon corporation (NMLS# 239278), obtained an Oregon mortgage broker/banker license from the Division of Finance and Corporate Securities currently known as the Division of Financial Regulation (hereinafter the "Division") on July 7, 2017.

2. RRF's principal place of business is located at 388 State St NE, #500 Salem, OR 97301.

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

3. In 2011 the Nationwide Mortgage Licensing System (hereinafter "NMLS") released the mortgage call report (hereinafter "MCR") functionality. The MCR includes a licensed mortgage broker or banker's Residential Mortgage Loan Activity (hereinafter "RMLA") that is compiled and submitted by the company to NMLS on a quarterly basis, and for standard filers like RRF, a financial condition report must be filed annually 90 days after the end of the company's fiscal year.

4. The quarterly reports are due 45 days following the end of each quarter such that that first quarter (hereinafter "Q1") 2017 MCR was due on May 15, 2017.

5. RRF employed at least one licensed loan originator during the 2017 Q1.

6. Since RRF had not filed the 2017 Q1 MCR with Oregon RMLA, on May 1, 2017, the Division sent an e-mail to RRF's e-mail address of record notifying of the filing deadline.

7. The email was sent to ms@rockriverinc.com which has been the e-mail address of record for RRF at all times relevant to this order.

8. Since RRF had not filed the 2017 Q1 MCR by the deadline, on May 16, 2017, NMLS automatically placed a deficiency on RRF's license notifying of the obligation to file the 2017 Q1 MCR. The deficiency sends an email to the licensee.

9. On June 1, 2017, the Division sent an e-mail to RRF's address of record notifying that it must file the 2017 Q1 MCR, and if it did not do so by July 1, 2017, the company would be fined.

10. Also on June 1, 2017, the Division sent a letter to RRF's principal place of business notifying that the report had to be filed on July 1, 2017 or a fine would be assessed.

11. On July 7, 2017, RRF filed the 2017 Q1 MCR with RMLA for Oregon.

## CONCLUSIONS OF LAW

The Director CONCLUDES that:

1. By failing to file the 2017 Q1 MCR including RMLA for Oregon in NMLS by

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May 15, 2017, RRF violated ORS 86A.239(2) and OAR 441-865-0025.

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

The Director, pursuant to ORS 86A.127, hereby ORDERS RRF to Cease and Desist from violating Oregon's Mortgage Lender Law.

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

The Director, pursuant to ORS 86A.127, hereby ORDERS RRF to Cease and Desist from violating Oregon's Mortgage Lender Law.

The Director, pursuant to ORS 86A.992, may assess civil penalties of up to $5,000 per violation of the Oregon Mortgage Lender Law. Pursuant to this provision, the Director hereby orders that RRF to pay a $1,000 civil penalty to the State of Oregon for the violations of ORS 86A.239(2) and OAR 441-865-0025.

Dated this 2nd day of August, 2017.

PATRICK M. ALLEN, 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, Mathew Stewart, state that I am an officer of RRF, and I am authorized to act on its behalf. I have read the foregoing order and that I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. RRF voluntarily and without any force or duress consents to the entry of this order expressly waiving any right to a hearing in this matter. RRF understands that the Director reserves the right to take further action to enforce this order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law. RRF will fully comply with the terms and conditions stated herein.

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

Dated this 21st day of July, 2017.

By /s/ Mathew Stewart

President
Office Held

ENTITY ACKNOWLEDGMENT

There appeared before me this 21st day of July 2017,

Mathew Stewart, who was first duly sworn on oath, and stated that (s)he was and is an officer of RRF and that (s)he is authorized and empowered to sign this Consent to Entry of Order on behalf of RRF and to bind RRF to the terms hereof.

/s/ Julie Ann Metcalfe

Notary Public for the State of: Oregon
My commission expires: 5/7/2021

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