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4 **STATE OF OREGON**
5 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
6 **DIVISION OF FINANCIAL REGULATION**

7 In the Matter of:

MSD 18-0051

8 Phillip Morsman and Brigitte Morsman, dba
9 Tops Trailer Park,

**Final Order to Cease and Desist and
Consent to Entry of Final Order Assessing
Civil Penalties**

10 Respondents.

11 The Director of the Department of Consumer and Business Services for the State of
12 Oregon (Director), acting pursuant to his authority granted in Oregon Revised Statutes (ORS)
13 446.661 *et seq.* and Oregon Administrative Rules (OAR) 441-446-0100 through 441-446-0300
14 (Oregon Manufactured Structure Dealers and Dealerships Law), investigated the activities of
15 Phillip and Brigitte Morsman dba Tops Trailer Park (Tops) and determined that violations had
16 been committed.

17 Phillip and Brigitte Morsman now wish to resolve and settle this matter with the
18 Director. Phillip and Brigitte Morsman neither admit nor deny the matters set forth in this
19 document. As evidenced by the authorized signature subscribed on this order, Phillip and
20 Brigitte Morsman consent to entry of this order upon the Director's Findings of Fact and
21 Conclusions of Law as stated below.

22 **FINDINGS OF FACTS**

23 The Director finds that:

24 1. On or about November 7, 2017, the Oregon Division of Financial Regulation (Division)
25 received information concerning possible unlicensed Manufactured Structure Dealer (MSD)
26 activity involving Phillip and Brigitte Morsman, the owners of Tops located at 23 NW Depot
Road in Madras, Oregon. The Morsmans acquired the trailer park in May of 1994.





1 2. Neither Tops nor Phillip or Brigitte Morsman have ever obtained an Oregon
2 Manufactured Structure Dealer (MSD) license.

3 3. On or about February 15, 2018, the Division sent a letter to the Morsmans requesting
4 that they provide information concerning the sale of manufactured structures at Tops. The
5 requested information included providing a list of all sellers and buyers, the home identification
6 numbers, the sales price and the date of the transactions.

7 4. In responses to the Division's request for information on sales of manufactured
8 structures located at Tops, Phillip Morsman stated, among other things, that he did not have a
9 license to sell manufactured structures. He stated that the manufactured structures in Tops were
10 old and in need of repair.

11 5. Mr. Morsman stated that neither he nor his wife were able to repair the manufactured
12 structures. If a party expressed interest in a structure in Tops, the Morsmans told the interested
13 party that they could obtain ownership of the manufactured structure for free if they made the
14 manufactured structure habitable before moving into the structure. Mr. Morsman stated that the
15 space rent at Tops was \$500 per month.

16 6. Mr. Morsman further stated that there are no written rental agreements because rent was
17 assessed on a month to month basis.

18 7. A review of the Manufactured Home Ownership Document System (MHODS) revealed
19 that the Morsmans had engaged in the sale of manufactured structures located at Tops on at
20 least 24 occasions.

21 8. On or about September 1, 2017 the Morsmans sold a manufactured structure located in
22 Tops to JR and TW.

23 9. On or about July 13, 2017 the Morsmans sold a manufactured structure located in Tops
24 to HH.

25 10. On or about June 15, 2017 the Morsmans sold a manufactured structure located in Tops
26 to HH.



- 1 11. On or about June 6, 2017 the Morsmans sold a manufactured structure located in Tops to
2 HH.
- 3 12. On or about March 14, 2017 the Morsmans sold a manufactured structure located in
4 Tops to SK and NP.
- 5 13. On or about February 1, 2017 the Morsmans sold a manufactured structure located in
6 Tops to MJ.
- 7 14. On or about February 10, 2016 the Morsmans sold a manufactured structure located in
8 Tops to JO and YR.
- 9 15. On or about September 29, 2016 the Morsmans sold a manufactured structure located in
10 Tops to CT and SL.
- 11 16. In 2015 the Morsmans sold a manufactured structure located in Tops to JG.
- 12 17. On or about October 17, 2014 the Morsmans sold a manufactured structure located in
13 Tops to VS and BG.
- 14 18. On or about March 14, 2014 the Morsmans sold a manufactured structure located in
15 Tops to AC and AT.
- 16 19. On or about June 1, 2012 the Morsmans sold a manufactured structure located in Tops to
17 IC and LR.
- 18 20. On or about May 8, 2012 the Morsmans sold a manufactured structure located in Tops to
19 MO.
- 20 21. On or about January 11, 2011 the Morsmans sold a manufactured structure located in
21 Tops to MC.
- 22 22. On or about December 14, 2010 the Morsmans sold a manufactured structure located in
23 Tops to RA.
- 24 23. On or about October 6, 2009 the Morsmans sold a manufactured structure located in
25 Tops to MA and AM.
- 26



1 24. On or about October 29, 2007 the Morsmans sold a manufactured structure located in
2 Tops to AT and DO.

3 25. On or about October 21, 2007 the Morsmans sold a manufactured structure located in
4 Tops to YR.

5 26. The investigation revealed irregularities in ownership documents submitted to the
6 Director by the Morsmans. The ownership documents included Bill of Sale documents and
7 Manufactured Structure Notice of Sale/Change of Ownership documents. The ownership
8 documents contained irregularities included but are not limited to the following transactions.

9 27. On or about February 16, 2016 and on or about February 1, 2016 the Morsmans
10 knowingly allowed documents to be submitted to the Director that contained the signature of
11 someone other than the purported signators, JW and RW.

12 28. One or about February 12, 2013 the Morsmans knowingly allowed documents to be
13 submitted to the Director that contained a signature of someone other than the purported
14 signator, AG.

15 29. On or about November 14, 2013 the Morsmans knowingly allowed documents to be
16 submitted to the Director that contained the signature of someone other than the purported
17 signator, JB.

18 30. On or about December 1, 2013 the Morsmans knowingly allowed documents to be
19 submitted to the Director that contained the signature of someone other than the purported
20 signator, PO.

21 31. On or about April 1, 2012 the Morsmans knowingly allowed documents to be submitted
22 to the Director that contained the signatures of someone other than the purported signators, JC
23 and MC.

24 32. On or about June 29, 2012 the Morsmans knowingly allowed documents to be submitted
25 to the Director that contained the signature of someone other than the purported signator, RH.

26

1 CONCLUSIONS OF LAW

2 The Director concludes that:

3 1. Phillip and Brigitte Morsman acted as manufactured structure dealers between
4 approximately October 21, 2007 and September 1, 2017 when they offered to sell or sold at
5 least eighteen structures in Oregon without a license in violation of ORS 446.671(1)(a).

6 2. Phillip and Brigitte Morsman submitted ten documents to the Director that the
7 Morsmans knew were untrue as to a material fact or omitted from a statement a material fact
8 that would make the statement misleading in light of the circumstances surrounding the
9 statement to be made, and that the Morsmans knew were false in a material respect or matter in
10 violation of ORS 446.741(1)(j) or (k). These documents included documents that were
11 submitted using the following forged signatures: JK and NP, AV and AV, KW, OB, JW and
12 RW, AG, JB, PO, JC and MC, and RH. Documents submitted by the Morsmans gave the
13 appearance that the transfer of title to the trailers was lawfully completed when in fact the
14 underlying signatures were forged and thus the transactions were not lawfully made.

15 3. Between on or about October 21, 2007 and September 1, 2017, Phillip and Brigitte
16 Morsman failed to exercise due care and diligence that was consistent with industry practice in
17 regard to transactions concerning the sale of manufactured structures in Oregon and engaged in
18 conduct that endangered the economic welfare or health or safety of the public in violation of
19 OAR 441-446-0210(7) when they sold 18 manufactured structures without the required
20 licensure and when they sold manufacture structures that they did not own. By selling
21 manufactured structures they did not own, Phillip and Brigitte Morsman deprived the rightful
22 owners of the use of their property and the income derived from the sale of said property.

23 4. Between on or about October 21, 2007 and September 1, 2017, Phillip and Brigitte
24 Morsman engaged in a pattern or practice of noncompliance with the Oregon Manufactured
25 Structure Dealers and Dealerships Laws. The Morsmans' conduct of selling 18 manufactured
26 structures without a license and submitting transactional documents to the Director with at least
14 forged signatures showed a habitual disregard for the law in violation of OAR 441-446-
0210(8).

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



1 ORDERS

2 NOW, THEREFORE, the director issues the following orders:

3 1. Pursuant to ORS 446.748, the Director hereby orders Phillip and Brigitte Morsman to
4 cease and desist from violating the Oregon Manufactured Structure Dealers and Dealership
5 Law.

6 2. Pursuant to ORS 446.995(2)(a), the Director orders Phillip and Brigitte Morsman,
7 jointly and severally, to pay a total civil penalty of \$75,000 as follows:

- 8 a. \$30,000 18 violations of ORS 446.671(1)(a);
- 9 b. \$35,000 for 10 violations of ORS 446.741(1)(j) and (k);
- 10 c. \$5,000 for violating OAR 441-446-0210(7): and
- 11 d. \$5,000 for violating OAR 441-446-0210(8).

12 3. The Division will suspend \$37,500 of the civil penalties for a period of three years as
13 long as the following conditions area met:

14 a. Based upon Phillip and Brigitte Morsmans’ voluntary agreement, the Director orders
15 Phillip and Brigitte Morsman not to engage in any activity that requires an Oregon
16 manufactured structures dealer license from the Director. This Order is subject to
17 Exception c below.

18 b. Based upon Phillip and Brigitte Morsmans’ voluntary agreement, the Director orders
19 Phillip and Brigitte Morsmans not to own or act as a partner, officer, director, or manger
20 or occupy a position of similar status or perform similar functions of an owner, partner,
21 officer, director or manager for a manufactured structure dealer operating in Oregon.
22 This Order is subject to Exception c below.

23 c. Exception – In the event that the owner of Tops Trailer Park defaults on its Promissory
24 Note (the “Note”) to the Morsmans for the purchase of Tops Trailer Park, or the Trust
25 Deed securing payment of the Note, the Morsmans or their successor in interest on the
26 Note and /or Trust Deed may foreclose on the Trust Deed, take a deed in lieu of

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foreclosure, bring an action for collection of the Note, or enforce any other remedy they may be entitled to under the Note, Trust Deed or Oregon law, and any such action resulting in the Morsmans taking back ownership of Tops Trailer Park, shall not be deemed a breach of this Order, so long as such actions are performed by a fiduciary of the Morsmans. During any period the Morsmans are authorized to come back on title, any manufactured structure sales in Tops Trailer Park shall be through a licensed Oregon Manufactured Structure Dealer’s license, and any management functions of the park, including but not limited to the collection of rent, shall be through a licensed property management company. For purpose of this subsection c., a fiduciary includes, without limitation, a trustee of a revocable trust, holding the Note or right to foreclose on the Trust Deed, a property manager licensed by the Oregon Real Estate Agency, under contract with the Morsmans to manage and operate the Park, or a person with the Morsmans’ Power of Attorney.

d. Any violation of this Consent Order will be deemed a material breach and the full amount of the unpaid civil penalties alleged in the Consent Order will become due and owing immediately.

4. Civil penalties in the amount of \$37,500 shall be submitted to the Division at the time this Consent Order is returned to the Director.

Dated this 26th day of September, 2019.

CAMERON C. SMITH Director
Department of Consumer and Business Services

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

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



1
2 **CONSENT TO ENTRY OF ORDER**

3 I, Brigitte Morsman, state that I have read the foregoing Consent to Final Order to Cease
4 and Desist and Consent to Entry of Final Order Assessing Civil Penalties (Consent Order) and
5 that I know and fully understand the contents hereof; that I am not admitting or denying the
6 matters set forth in this Consent Order, that I have been advised of the right to a hearing and the
7 right to be represented by an attorney and I am represented by attorney Ken Brinich; that I
8 voluntarily and without any force or duress, consent to the entry of this Consent Order,
9 expressly waiving any right to a hearing in this matter; that I understand that the Director
10 reserves the right to take further actions to enforce this Consent Order or to take appropriate
11 action upon discovery of other violations of the Oregon Manufactured Structure Dealers and
12 Dealerships Law and that I will fully comply with the terms and conditions stated herein.

12 I understand that this Consent Order is a public document.

13 Dated this 30 day of August 2019.

14
15
16 /S/ Brigitte Morsman
17 Brigitte Morsman

18 **ACKNOWLEDGMENT**

19 State of Oregon)
20 County of Jefferson)ss.

21
22 This instrument was acknowledged before me on August 30, 2019 by
23 Brigitte Morsman.

24 /S/ Randi Leigh Holland
25 Notary Public
26

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1
2 **CONSENT TO ENTRY OF ORDER**

3 I, Phillip Morsman, state that I have read the foregoing Consent to Final Order to Cease
4 and Desist and Consent to Entry of Final Order Assessing Civil Penalties (Consent Order) and
5 that I know and fully understand the contents hereof; that I am not admitting or denying the
6 matters set forth in this Consent Order, that I have been advised of the right to a hearing and the
7 right to be represented by an attorney and I am represented by attorney Ken Brinich; that I
8 voluntarily and without any force or duress, consent to the entry of this Consent Order,
9 expressly waiving any right to a hearing in this matter; that I understand that the Director
10 reserves the right to take further actions to enforce this Consent Order or to take appropriate
11 action upon discovery of other violations of the Oregon Manufactured Structure Dealers and
12 Dealerships Law and that I will fully comply with the terms and conditions stated herein.

12 I understand that this Consent Order is a public document.

13 Dated this 30 day of August 2019.

14
15 /S/ Phillip Morsman
16 Phillip Morsman

17
18 **ACKNOWLEDGMENT**

19 State of Oregon)
20 County of Jefferson)ss.

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22 This instrument was acknowledged before me on August 30, 2019 by
23 Phillip Morsman.

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25 /S/ Randi Leigh Holland
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