

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

In the Matter of:

AmRes Corporation

NMLS# 1359704

Respondent.

M-21-0090

FINAL 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 AmRes Corporation (“AmRes”) and determined that AmRes engaged in activities constituting a violation of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (collectively, “the Oregon Mortgage Lender Law”); and

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

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, AmRes 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. AmRes is a Pennsylvania corporation with a principal place of business located at One Neshaminy Interplex, Third Floor Suite 310, Trevose, Pennsylvania 19053. AmRes operates a licensed branch location in Portland, Oregon, with four associated loan originators.
2. AmRes received a mortgage banker/broker license from the Oregon Division of

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





1 Financial Regulation on May 1, 2017.

2 3. In late 2017-2018, the Division completed an examination of AmRes. Among other
3 things, the loan originator criminal records checks were not completed prior to hire or
4 sponsorship, and the privacy policy notice for the loan files was incomplete.

5 4. The Division completed a follow-up examination in late 2019-2020. Four loan originator
6 criminal records checks were not completed prior to hire or sponsorship, and several loan files
7 did not include a complete privacy policy notice.

8 5. During both examinations, after the Division notified AmRes that its privacy policy
9 notice was incomplete, AmRes provided an updated notice.

10 6. Financial records obtained from AmRes during the 2019-2020 examination reflect
11 frequent payments to vendors for marketing services or expenses. The Division selected several
12 vendors for review.

13 7. One of the vendors, Team Green Pdx, LLC, was registered with the Oregon Secretary of
14 State by a licensed real estate agent ("Real Estate Agent") and listed a principal place of business
15 that was associated with an Amres branch manager and MLO ("AmRes MLO").

16 8. During the period from June 1, 2019 through August 23, 2019, AmRes paid \$51,500 to
17 Team Green Pdx, LLC for marketing.

18 9. The AmRes MLO has originated loans to borrowers on properties where the Real Estate
19 Agent acted as the selling or listing agent.

20 10. AmRes was unable to provide a written agreement, any documentation besides
21 invoices, or offer any information to explain what specific services Team Green Pdx, LLC, or
22 any of the vendors, was to have provided.

23 11. The invoices were consecutively numbered indicating little or no activity with entities
24 other than AmRes.

25 12. AmRes failed to document how the value for the marketing services paid to Team Green
26 Pdx, LLC was determined. AmRes also failed to calculate, or account for, the fair market value

1 of the services.

2 13. In light of the Divisions' examination findings, AmRes promptly terminated its vendor
3 marketing agreements in January 2020. In addition, AmRes engaged a vendor management
4 employee for due diligence review and implemented a stronger accounting department and other
5 financial controls. AmRes severed employment of the licensed MLO referenced in the Findings
6 of Fact.

7 CONCLUSIONS OF LAW

8 The Director CONCLUDES that:

9 14. By failing to complete criminal records checks for four of its loan originators prior to hire
10 or requesting sponsorship, as noted during 2019-2020 examination, AmRes violated OAR 441-
11 860-0045(1)(a).

12 15. In several files reviewed during the 2019-2020 examination, AmRes failed to utilize a
13 compliant privacy policy notice, in violation of ORS 86A.112(1), 15 U.S.C. § 6803 (Disclosure
14 of Institution Privacy Policy, Information to be Included).

15 16. RESPA Section 8(a) provides, "No person shall give and no person shall accept any fee,
16 kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that
17 business incident to or a part of a real estate settlement service involving a federally related
18 mortgage loan shall be referred to any person." 12 U.S.C. § 2607(a), 12 CFR § 1024.14(b).

19 17. "If the payment of a thing of value bears no reasonable relationship to the market value of
20 the goods or services provided, then the excess is not for services or goods actually performed or
21 provided. These facts may be used as evidence of a violation of Section 8" 12 C.F.R. §
22 1024.14(g)(2).

23 18. Under RESPA Section 8(a), a "settlement service" includes the "[r]endering of services
24 by a real estate agent or broker" under 24 CFR § 3500.2(14).

25 19. By entering into a fee-based marketing agreement with Team Green Pdx, LLC, an entity
26 controlled by the Real Estate Agent, a settlement service provider, who has referred loans to





1 AmRes without:

- 2 i. maintaining a written service agreement;
- 3 ii. documenting how it determined the value for the services;
- 4 iii. determining the fair market value of the services; and
- 5 iv. diligently monitoring the agreement,

6 AmRes violated RESPA Section 8(a), which is a violation of ORS 86A.115(4)(b), and
7 demonstrated negligence in performing an act for which it is required to hold a license, in
8 violation of ORS 86A.115(15).

9 ORDERS

10 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

11 20. The Director, pursuant to ORS 86A.127, hereby ORDERS AmRes to Cease and Desist
12 from violating OAR 441-860-0045(1)(a), ORS 86A.112(1), ORS 86A.115(4)(b), and ORS
13 86A.115(15).

14 21. The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$5,000 per
15 violation of the Oregon Mortgage Lender Law. Pursuant to this provision, as authorized by ORS
16 86A.992, the Director hereby ORDERS AmRes to pay CIVIL PENALTIES totaling \$20,000 for
17 the following violations:

- 18 a. \$10,000 for violating OAR 441-860-045(1)(a) and ORS 86A.112(1); and
- 19 b. \$10,000 for violating ORS 86A.115(4)(b) and ORS 86A.115(15).

20 22. Director SUSPENDS the collection of the \$10,000 in CIVIL PENALTIES assessed
21 above, provided that, in the five years following the effective date of this Order, AmRes does not
22 violate OAR 441-860-045(1)(a), ORS 86A.112(1), ORS 86A.115(4)(b), ORS 86A.115(15), or
23 the terms of this Order. If AmRes fails to satisfy this condition, the \$10,000 in civil penalties will
24 become immediately due and owing. Otherwise, the Director will waive the suspended portion of
25 the civil penalties five years after the effective date of this Order.

26 23. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that provision, entry

1 of this Order does not limit other remedies available to the Director under Oregon law to enforce
2 this Order or to take action for violations of this Order or of the Oregon Mortgage Lender Law
3 that are not covered by this Order.

4 Dated this 31st day of March, 2022.

6 Andrew Stolfi, Director
7 Department of Consumer and Business Services

8 /s/Dorothy Bean
9 Dorothy Bean, Chief of Enforcement
10 Division of Financial Regulation

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18 350 Winter Street NE, Suite 410
19 Salem, OR 97301-3881
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ENTITY CONSENT TO ENTRY OF ORDER

I, STEPHEN MARK WILSON , state that I am an officer of AmRes, and I am authorized to act on its behalf. I have read the foregoing order, and 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. AmRes voluntarily and without any force or duress consents to the entry of this order, expressly waiving any right to a hearing in this matter. AmRes understands that the Director reserves the right to take further actions to enforce this order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law. AmRes will fully comply with the terms and conditions stated herein.

AmRes further assures the Director that neither AmRes 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. AmRes understands that this Consent Order is a public document.

Dated this 25th day of March , 2022.

By /s/ Stephen Mark Wilson

Office Held

ENTITY ACKNOWLEDGMENT

There appeared before me this 25th day of March 2022,

STEPHEN MARK WILSON, who was first duly sworn on oath, and stated that she was and is an officer of AmRes and that she is authorized and empowered to sign this Consent to Entry of Order on behalf of States and to bind States to the terms hereof.

/s/Carly A Coassolo

Notary Public for the State of: Pennsylvania

My commission expires: July 11, 2022

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