

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
2 DIVISION OF FINANCE AND CORPORATE SECURITIES  
3 FINANCE SECTION  
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
5 STATE OF OREGON

6 In the Matter of

7 FIRST NORTHWEST MORTGAGE CORPORATION

ORDER NO. O-01-0022

CEASE AND DESIST ORDER; AND CONSENT TO IMPOSITION OF CIVIL PENALTIES

8 To: Chris Nickel  
9 First Northwest Mortgage Corporation  
10 3633 136<sup>th</sup> Place SE #320  
11 Bellevue, Washington 98006

12 WHEREAS the Director of the Department of Consumer and Business Services  
13 for the State of Oregon (hereinafter "the Director") conducted an investigation of First  
14 Northwest Mortgage Corporation, and determined that First Northwest Mortgage  
15 Corporation engaged in activities constituting violations of ORS 59.840 through 59.965  
16 (hereinafter "the Oregon Mortgage Lender Law"); and

17 WHEREAS First Northwest Mortgage Corporation wishes to resolve and settle  
18 this matter with the Director;

19 NOW THEREFORE, as evidenced by the authorized signatures subscribed on  
20 this order First Northwest Mortgage Corporation hereby **CONSENTS** to entry of this  
21 order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

22  
23 **FINDINGS OF FACT**

24 The Director **FINDS** that:

25 1. First Northwest Mortgage Corporation (hereinafter "Respondent"),  
26 incorporated in Washington on November 17, 1999 engages in residential mortgage

**ORIGINAL**

1 transactions in Oregon or on Oregon real property in expectation of compensation.

2 2. Respondent is owned by Chris Nickel.

3 3. Respondent submitted a loan package to National Mortgage Warehouse LLC  
4 for funding a mortgage loan for Oregon consumers on Oregon property.

5 4. On May 2, 2001, the Director received a call from National Mortgage  
6 Warehouse LLC to verify the license for Respondent in anticipation of funding the loan  
7 submitted by Respondent and indicated that the license that they had received from  
8 Respondent did not contain any license date or expiration date.

9 5. As part of the verification process, the Director discovered that Respondent  
10 was not actively licensed at the time. Respondent had failed to renew the mortgage  
11 lender license prior to the expiration date and the renewal application was still pending  
12 for incomplete items.

13 6. The Director informed National Mortgage Warehouse LLC of the current  
14 license status of Respondent and requested a facsimile copy of the license sent to  
15 National Mortgage Warehouse LLC by Respondent.

16 7. National Mortgage Warehouse LLC provided to the Director a facsimile copy  
17 of the license sent to them by Respondent. The copy reveals that the license and  
18 expiration dates that are always printed below the license number had been removed.

19 8. Removing the license and expiration dates concealed from National Mortgage  
20 Warehouse LLC that Respondent was not currently licensed to engage in Oregon  
21 residential mortgage transactions.

22 9. Respondent took three applications after the license expired on April 3, 2001  
23 but before obtaining a new license.

24 10. Since that date, Respondent has employed a compliance officer and has  
25 actively worked on improving compliance by working on policies and procedures.

26 11. Based upon the hiring of the compliance officer and Respondent's

1 assurances that it would improve compliance with policies and procedures, the Director  
2 issued a license to Respondent on August 13, 2001.

3  
4 **CONCLUSIONS OF LAW**

5 The Director **CONCLUDES** that:

6 1. Respondent violated ORS 59.930(3) by engaging in any act, practice or course of  
7 business which operates or would operate as a fraud or deceit upon any person when  
8 Respondent concealed the license and expiration dates on Respondent's Oregon  
9 Mortgage Lender License that showed the license had expired and submitted it to  
10 National Mortgage Warehouse LLC.

11 2. Violations of ORS 59.930(3) constitutes fraud or deceit with respect to the mortgage  
12 banker or broker business.

13 3. Engaging in fraud or deceit with respect to the mortgage banker or broker business  
14 is engaging in dishonest, fraudulent, or illegal practices or conduct in any business  
15 pursuant to ORS 59.865(2) which constitutes grounds to deny a mortgage lender  
16 license to the applicant.

17 4. Respondent violated ORS 59.845(1) by engaging in residential mortgage lending  
18 transactions without a license.

19  
20 **ORDER**

21 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that First Northwest  
22 Mortgage Corporation will **CEASE AND DESIST** from violating any provision of Oregon  
23 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order,  
24 or policy issued by the Division.

25 The Director, pursuant to ORS 59.996 hereby **ORDERS** First Northwest  
26 Mortgage Corporation to pay the State of Oregon a civil penalty of \$6,300 for engaging

1 in an act or practice or course of business that operates or would operate as a fraud or  
2 deceit upon any person. The civil penalty is based upon \$1,000 for in any act, practice  
3 or course of business which operates or would operate as a fraud or deceit upon any  
4 person and \$5000 for engaging in unlicensed activity and \$300 for taking three  
5 applications without a license (\$100 for each application).

6 The date of the Order is the date the Director signs the Order.

7 The entry of this Order in no way limits further remedies which may be available  
8 to the Director under Oregon law.

9 Dated this 2<sup>nd</sup> day of October, 2001.

10  
11 **MARY C. NEIDIG, DIRECTOR**  
12 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

13  
14 by   
15 **GREGORY A. MALKASIAN, ACTING ADMINISTRATOR**  
16 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

17 **CONSENT TO ENTRY OF ORDER**

18 I, Christopher J. Nickel, state that I am the  
19 President/Broker of Record of First Northwest Mortgage Corporation, and I am  
20 authorized to act on its behalf; that I have read the foregoing Order and that I know and  
21 fully understand the contents hereof; that First Northwest Mortgage Corporation admits  
22 the findings of fact herein, voluntarily consents to the entry of this Order without further  
23 hearing, expressly waiving any right to a hearing in this matter; that First Northwest  
24 Mortgage Corporation understands that the Director reserves the right to take further  
25 actions to enforce this order or to take appropriate action upon discovery of other  
26 violations of Oregon Mortgage Lender Law; and that First Northwest Mortgage

1 Corporation will fully comply with Oregon Mortgage Lender Law.

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

3 Dated this 17<sup>th</sup> day of September, 2001.

4 By Christopher J. Nickel  
5 (Office Held)

6  
7 (Signature)

8 **CORPORATE ACKNOWLEDGMENT**

9 There appeared before me this 17<sup>th</sup> day of September, 2001,

10 Christopher J. Nickel, who was first duly sworn on oath, and stated that s/he was  
11 and is the President of First Northwest Mortgage Corporation and

12 \_\_\_\_\_ is authorized and empowered to sign this Consent to Entry of  
13 Order on behalf of First Northwest Mortgage Corporation and to bind First Northwest  
14 Mortgage Corporation to the terms hereof.

15 Gina Saarenas  
16 Signature of Notary Public  
17 Notary Public for the State of: Washington  
18 My Commission expires: 12/29/02

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GINA R. SAARENAS  
NOTARY PUBLIC  
STATE OF WASHINGTON  
COMMISSION EXPIRES  
DECEMBER 29, 2002