

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
FINANCE SECTION
BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
STATE OF OREGON

In the Matter of	**ORDER NO. O-01-0035**
WJ MORTGAGE CORPORATION	**DENIAL OF MORTGAGE LENDER LICENSE; CEASE AND DESIST ORDER; AND CONSENT TO IMPOSITION OF CIVIL PENALTIES**

RECEIVED
SEP 10 2001
FISCAL SECTION

To: Brad Ludes
WJ Capital Corporation
180 E Main St Suite 210
Tustin CA 92780

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

WHEREAS WJ Capital Corporation wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order WJ Capital Corporation 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. WJ Capital Corporation (hereinafter "Respondent"), incorporated in California

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on February 9, 1999 engaged in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation.

2. Respondent is owned by Brad Ludes.

3. Respondent submitted a broker package to Master Financial, Inc. for funding a mortgage loan for Oregon consumers on Oregon property.

4. On July 18, 2001, the Director received a call from Master Financial, Inc. to verify the license for Respondent in anticipation of approving a broker application submitted by Respondent and indicated that the license that they had received from Respondent disclosed an expiration date of February 7, 2002.

5. As part of the verification process, the Director discovered that Respondent was not actively licensed at the time. Respondent had failed to renew the mortgage lender license by the expiration date and the license canceled on February 7, 2001.

6. The Director informed Master Financial, Inc. of the current license status of Respondent and requested a facsimile copy of the license sent to Master Financial, Inc. by Respondent.

7. Master Financial, Inc. provided to the Director a facsimile copy of the license sent to them by Respondent. The copy reveals that the license and expiration dates that are always printed below the license number had been altered. The license date was changed from 2/8/2000 to 2/8/2001 and the expiration date was changed from 2/7/2001 to 2/7/2002.

8. Respondent altered the license and expiration dates to conceal from Master Financial, Inc. that Respondent was not currently licensed to engage in Oregon residential mortgage transactions.

9. Respondent agrees not to apply for a mortgage lender license in Oregon for a period of three years.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

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

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

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

ORDER

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

The Director, pursuant to ORS 59.865, hereby **ORDERS** WJ Capital Corporation not to reapply for an Oregon Mortgage Lender License for a three year period beginning with the date of this order.

The Director, pursuant to ORS 59.996 hereby **ORDERS** WJ Capital Corporation to pay the State of Oregon a civil penalty of $1000.00 for engaging in an act or practice or course of business that operates or would operate as a fraud or deceit upon any person.

The Director suspends payment of $900 of the assessed civil penalty for a three year period. If in the period between the date of the Order to three years from the date

of the Order, WJ Capital Corporation violates any provision of the Oregon Mortgage Lender Law. OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division, the suspended portion of the assessed civil penalty will become immediately due and payable. If WJ Capital Corporation- does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division in the three year period, the suspended portion of the civil penalty is waived.

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

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

Dated this 18th day of September, 2001.

MARY C. NEIDIG, DIRECTOR
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

by _____
GREGORY A. MALKASIAN, ACTING ADMINISTRATOR
DIVISION OF FINANCE AND CORPORATE SECURITIES

CONSENT TO ENTRY OF ORDER

I, _____, state that I am the _____ of WJ Capital Corporation, and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that WJ Capital Corporation admits the findings of fact herein, voluntarily consents to the entry of this Order without further hearing, expressly waiving any right to a hearing in this matter; that WJ Capital Corporation 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 Oregon Mortgage Lender Law; and that WJ Capital Corporation will fully comply with Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 1st day of September, 2001.

By Matthew Peterson - Vice President
(Office Held)

(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 1st day of September, 2001, _____, who was first duly sworn on oath, and stated that s/he was and is the Vice president of WJ Capital Corporation and he is authorized and empowered to sign this Consent to Entry of Order on behalf of WJ Capital Corporation and to bind WJ Capital Corporation to the terms hereof.

Signature of Notary Public
Notary Public for the State of: California
My Commission expires: 7-18-02

BRADLEY T. LUDES
COMM. # 1190417
NOTARY PUBLIC-CALIFORNIA
ORANGE COUNTY
COMM. EXP. JULY 18, 2002