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-02-001**
MAGSDEN CORP DBA MORTGAGE LOAN ASSOCIATES	**CEASE AND DESIST ORDER AND CONSENT TO IMPOSITION OF CIVIL PENALTIES**

To: Magsden Corp. dba Mortgage Loan Associates
5 Centerpointe Dr. Ste. 400
Lake Oswego, Oregon 97035

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Magsden Corp. dba Mortgage Loan Associates, and determined that Magsden Corp. dba Mortgage Loan Associates engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS Magsden Corp. dba Mortgage Loan Associates wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order Magsden Corp. dba Mortgage Loan Associates hereby **CONSENTS** to entry of this order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

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FINDINGS OF FACT

The Director **FINDS** that:

1. Magsden Corp. dba Mortgage Loan Associates (hereinafter "Respondent"), incorporated in Oregon on March 16, 1983 engages in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation.

2. Respondent has been continuously licensed by the Director to engage in Oregon mortgage loan transactions since October 17, 1995.

3. Dennis O'Neel and Alta O'Neel each own 50% of Respondent.

4. On June 11, 2001, the Director received from consumer John Dempsey a complaint regarding the Respondent's handling of the consumer's loan transaction.

5. While investigating the consumer complaint, the Director received a copy of John Dempsey's file and multiple pieces of correspondence from the Respondent and John Dempsey.

6. A review of the John Dempsey loan file indicated that Respondent provided John Dempsey with a Truth in Lending disclosure that did not contain dates for the repayment of the obligation.

7. A review of the John Dempsey loan file indicated that John Dempsey signed a blank Tax Information Authorization.

8. On January 28, 2002, the Director received from consumer John Plyter a complaint regarding the Respondent's handling of the consumer's loan transaction.

9. While investigating the consumer complaint, the Director received a copy of John Plyter's file and correspondence from the Respondent and John Plyter.

10. A review of the John Plyter loan file indicated that Respondent provided John Plyter with a good faith estimate that did not contain an estimate of the yield spread premium that Respondent was likely to receive had this loan transaction closed.

11. A review of the John Plyter loan file indicated that Respondent provided John

Plyter with a Truth in Lending disclosure that did not contain dates for the repayment of the obligation.

12. A review of the John Plyter loan file indicated that the file did not contain a borrower acknowledged lock or float agreement.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. Respondent violated ORS 59.955 by failing to provide John Dempsey with a Truth in Lending disclosure in compliance with 12 CFR 226.18(g) which requires that the Truth in Lending disclosure include the timing of payments scheduled to repay the obligation.

2. Respondent violated ORS 59.865(2) by failing to provide John Plyter with a Truth in Lending disclosure in compliance with the content described in 12 CFR 226.18 which requires that the disclosure contain the timing of payments scheduled to repay the obligation.

3. Respondent violated ORS 59.865(2) by failing to provide John Plyter with a good faith estimate in compliance with 24 CFR 3500.7(b) and Appendix A to Part 3500 which requires that a mortgage broker provide the consumer with a good faith estimate that contains an estimate of the charges the consumer is likely to incur at closing including any yield spread premium likely to be paid to the mortgage broker.

4. Respondent violated OAR 441-865-0060(1)(c) by failing to have a borrower acknowledged lock or float agreement in the John Plyter loan file.

5. Respondent violated ORS 59.865(2) by having John Dempsey sign a blank document.

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ORDER

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Magsden Corp. dba Mortgage Loan Associates 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 59.996 hereby **ORDERS** Magsden Corp. dba Mortgage Loan Associates to pay the State of Oregon a civil penalty of $5,000. The civil penalty is based upon $1,000 for the violation of ORS 59.955 for failing to provide John Dempsey with a complete Truth in Lending disclosure, $1,000 for the violation of ORS 59.865(2) for failing to provide John Plyter with a complete Truth in Lending disclosure, $1,000 for the violation of ORS 59.865(2) for failing to provide John Plyter with a good faith estimate containing an estimate of the yield spread premium, $1,000 for the violation of ORS 59.865(2) for having John Dempsey sign a blank document and $1,000 for the violation of OAR 441-865-0060(1)(c) for failing to have a rate lock or float agreement in the John Plyter file.

The Director suspends payment of $4,500 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, Magsden Corp. dba Mortgage Loan Associates 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 Magsden Corp. dba Mortgage Loan Associates 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 21 day of June, 2002.

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

by _____
FLOYD G. LANTER, ADMINISTRATOR
DIVISION OF FINANCE AND CORPORATE SECURITIES

CONSENT TO ENTRY OF ORDER

I, Dennis R. O'Neel, state that I am the President of Magsden Corp. dba Mortgage Loan Associates, 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 Magsden Corp. dba Mortgage Loan Associates 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 Magsden Corp. dba Mortgage Loan Associates 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 Magsden Corp. dba Mortgage Loan Associates will fully comply with Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 21 day of June, 2002.

By Dennis R. O'Neel, President
(Office Held)

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(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 21st day of June, 2002, Dennis O'Neel, who was first duly sworn on oath, and stated that ~~s~~/he was and is the President of Magsden Corp. dba Mortgage Loan Associates and Dennis O'Neal is authorized and empowered to sign this Consent to Entry of Order on behalf of Magsden Corp. dba Mortgage Loan Associates and to bind Magsden Corp. dba Mortgage Loan Associates to the terms hereof.

Laura W Flynn
Signature of Notary Public
Notary Public for the State of: Oregon
My Commission expires: 10-23-2003

OFFICIAL SEAL
LAURA W. FLYNN
NOTARY PUBLIC-OREGON
COMMISSION NO. 327213
MY COMMISSION EXPIRES OCT. 23, 2003