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

or on Oregon real property in expe

In the Matter of ORDER NO. O-01-0037

FIRST CALL MORTGAGE & CEASE AND DESIST ORDER AND CONSENT TO IMPOSITION OF CIVIL

To: First Call Mortgage & Investment LLC

832 E Main Suite 9

Medford, Oregon 97504

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

WHEREAS First Call Mortgage & Investment LLC wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order First Call Mortgage & Investment LLC 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. First Call Mortgage & Investment LLC (hereinafter "Respondent"), formed in Oregon on November 2, 2000 engages in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation.

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- Respondent is owned by Michelle Nistler is the sole owner of the company.James Nistler is the Operating Manager and experience person for the company.
- 3. The Director first issued a license to Respondent on February 22, 2001 for solely the principal location of 832 E. Main, Suite 9 in Medford, Oregon.
- 4. On June 12, 2001, the Director received an application for a mortgage lender license for Klamath River Mortgage, LLC that indicated that Lloyd Curtis Sorg had been employed by Respondent from February 22, 2001 through the date of the application.
- 5. As part of processing the application, the Director spoke with Lloyd Curtis Sorg who indicated that he had been originating loans for Respondent from a branch office at 409 Pine Street, Suite 311 in Klamath Falls Oregon (hereinafter "the branch office").
- 6. Respondent had not provided written notice to the Director regarding the branch office, including an address, telephone number, fax number, and the name of the branch manager. Respondent did not pay the licensing fee for the branch office. Respondent did not increase its surety bond by \$5,000 for the branch office.
- 7. On July 17, 2001, Respondent provided a pipeline of loan activity for the branch office in response to a request by the Director for information about the activity taking place in the branch office. The pipeline revealed that 33 applications had been taken in the branch office and that 27 of those applications had resulted in funded loans.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

- 1. Respondent violated ORS 59.950(2) by failing to provide the Division notification prior to opening a branch office.
- 2. Respondent violated OAR 441-860-0030 by failing provide the Director with written notification containing the address, telephone number, fax number, and branch manager's name along with the licensing fee prior to commencing activity at the branch office.

ORDER

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that First Call Mortgage & Investment LLC 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 Director.

The Director, pursuant to ORS 59.996 hereby **ORDERS** First Call Mortgage & Investment LLC to pay the State of Oregon a civil penalty of \$8,000. The civil penalty is based upon \$5,000 for engaging in activity at the branch office prior to notifying the Division, \$2,700 for funding 27 loans originated from the branch office prior to notifying the Division of the branch office (\$100 for each of 27 loans), and \$300 for taking 6 loan applications at the branch office that did not fund prior to notifying the Division of the branch office (\$50 for each of 6 loan applications).

The \$8,000 civil penalty is to be paid in eleven installments of \$700 beginning from April 1, 2002 and continuing monthly on the first day of the month with a final payment of the remaining balance of \$300 to be paid no later than February 1, 2003.

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

Dated this _______, 2002.

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

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

1	CONSENT TO ENTRY OF ORDER
2	I, James Cherles, state that I am the
3	of First Call Mortgage & Investment LLC, and I am
4	authorized to act on its behalf; that I have read the foregoing Order and that I know and
5	fully understand the contents hereof; that First Call Mortgage & Investment LLC admits
6	the findings of fact herein, voluntarily consents to the entry of this Order without further
7	hearing, expressly waiving any right to a hearing in this matter; that First Call Mortgage
8	& Investment LLC understands that the Director reserves the right to take further actions
9	to enforce this order or to take appropriate action upon discovery of other violations of
10	Oregon Mortgage Lender Law; and that First Call Mortgage & Investment LLC will fully
11	comply with Oregon Mortgage Lender Law.
12	I understand that this Consent Order is a public document.
13	Dated this 15 day of Jebuay 6.2
14151617	By Jomes Chiller Monoger (Office Held) (Signature)
18	CORPORATE ACKNOWLEDGMENT
19	There appeared before me this 15th day of February, 2003
20	James C. Distler, who was first duly sworn on oath, and stated that she was
21	and is the Madgev of First Call Mortgage & Investment LLC and
22	is authorized and empowered to sign this Consent to Entry of
23	Order on behalf of First Call Mortgage & Investment LLC and to bind First Call Mortgage
24	& Investment LLC to the terms hereof. OFFICIAL SEAL
25 26	Signature of Notary Public Notary Public for the State of: Ovegow My Commission expires: /8/05
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