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FISCAL SECTION

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-02-0018**
THE LOAN CO. INC. DBA TLC MORTGAGE	**CEASE AND DESIST ORDER AND CONSENT TO IMPOSITION OF CIVIL PENALTIES**

To: The Loan Co. Inc. dba TLC Mortgage
4559 Marguerite St NE
Salem, Oregon 97305

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

WHEREAS The Loan Co. Inc. dba TLC Mortgage wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order The Loan Co. Inc. dba TLC Mortgage 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. The Loan Co. Inc. dba TLC Mortgage (hereinafter "Respondent"), incorporated in Oregon on December 11, 1996 engages in residential mortgage transactions in

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Oregon or on Oregon real property in expectation of compensation.

2. Respondent is solely owned by Joseph W. Hydes III.

3. Consumers Rich and Beth Hunt applied with Respondent for a residential mortgage loan in November 2001.

4. Consumers Rich and Beth Hunt signed a lock agreement with Respondent on November 10, 2001 to lock their loan application at 5 5/8% with a 1% origination fee and no discount points. The lock was to expire on December 20, 2001. The lock agreement was compliant with the requirements of OAR 441-865-0060(1)(c).

5. Respondent obtained an approval on behalf of consumers Rich and Beth Hunt for their loan application with CMG Mortgage however Respondent did not lock the loan with CMG Mortgage.

6. Respondent was unable to lock the loan per the lock agreement entered into between the consumers and Respondent.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. Respondent violated ORS 59.865(2) by engaging in an unfair or unethical practice by entering into a lock agreement with the consumers and then failing to lock the loan with the ultimate lender, CMG Mortgage.

ORDER

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that The Loan Co. Inc. dba TLC Mortgage 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** The Loan Co. Inc. dba

TLC Mortgage to pay the State of Oregon a civil penalty of $1,000 for the one violation of ORS 59.865(2).

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, The Loan Co. Inc. dba TLC Mortgage 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 The Loan Co. Inc. dba TLC Mortgage 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 11th day of July, 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, _____, state that I am the _____ of The Loan Co. Inc. dba TLC Mortgage, 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 The Loan Co. Inc. dba TLC Mortgage 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 The Loan Co. Inc. dba TLC Mortgage 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 The Loan Co. Inc. dba TLC Mortgage will fully comply with Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 25 day of June, 2002.

By Joseph W Hycks III Pres
(Office Held)

(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 25 day of June, 2002, Joe Hycks, who was first duly sworn on oath, and stated that s/he was and is the Pres of The Loan Co. Inc. dba TLC Mortgage and Joseph W Hycks III is authorized and empowered to sign this Consent to Entry of Order on behalf of The Loan Co. Inc. dba TLC Mortgage and to bind The Loan Co. Inc. dba TLC Mortgage to the terms hereof.

Karen M. Bays
Signature of Notary Public
Notary Public for the State of: Oregon
My Commission expires: Oct. 11, 2005

OFFICIAL SEAL
KAREN M. BAYS
NOTARY PUBLIC-OREGON
COMMISSION NO. 350893
MY COMMISSION EXPIRES OCTOBER 11, 2005