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-02-0062

Mortgage Resource Group, Inc.

CEASE AND DESIST ORDER AND CONSENT TO IMPOSITION OF CIVIL PENALTIES

Mortgage Resource Group, Inc. To:

497 Oakway Road, Suite 280

Eugene, OR 97401

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

WHEREAS Mortgage Resource Group, Inc. wishes to resolve and settle this matter with the Director:

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order Mortgage Resource Group, Inc. 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. Mortgage Resource Group, Inc. (hereinafter "Respondent"), incorporated in Oregon on December 4, 1996 engages in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation.

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- 2. The Director has licensed Respondent to engage in Oregon residential mortgage lending since January 7, 1997.
 - 3. Polly Perkins is the owner of Respondent.
- 4. On October 22, 2002, the Division conducted an examination of the company's books and records and reviewed five loan files to determine compliance with the Oregon Mortgage Lender Law and federal regulations.
- 5. During the examination, Polly Perkins confessed that she has not maintained their client's trust account as required in that she had not reconciled the account for the past eighteen (18) months.
- 6. Polly Perkins provided an explanation that due to family medical needs (she provided daily care for her grandparents who had failing health and have since passed away) and the high level of activity in the mortgage business, she did not have the time or attention to reconcile the client's trust account as required.
- 7. Polly Perkins did confirm all funds received are deposited within three business days, and all disbursements are made from the client's trust account to the licensee's general account after the loan has closed.
- 8. Five loan files were reviewed; four of those files contained blank documents signed by the borrower which included appraisal request forms, IRS Form 4506, and lock/float agreements. These files were for Jared Achepol, Christina DeWolfe, Beverly Glass, and George and Valerie Strong.
- 9. Polly Perkins inquired about the selection of these items, while she was copying the loan files.
- 10. The Director finds the signing of blank documents or documents that contained blanks to be an unfair and unethical practice or conduct in connection with the mortgage business as defined in ORS 59.865(2).

CONCLUSIONS OF LAW

The Director CONCLUDES that:

- 1. Respondent violated OAR 441-875-0040(1) by failing to reconcile, sign and date the monthly statements for the client's trust account.
- 2. Respondent violated ORS 59.865(2) by having borrowers sign documents that are blank or contained blanks that should have been completed.

ORDER

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Mortgage Resource Group, Inc. 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** Mortgage Resource Group, Inc. to pay the State of Oregon a civil penalty of \$10,000. The civil penalty is based upon \$5,000 for failure to properly maintain the client's trust account and \$5,000 for having borrowers sign documents that are blank or that contained blanks that should have been completed.

The Director suspends payment of \$5,000 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, Mortgage Resource Group, Inc. 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 Mortgage Resource Group, Inc. 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.

1	The entry of this Order in no way limits further remedies which may be available
2	to the Director under Oregon law.
3	Dated this 127h day of December , 2002.
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5	MARY C. NEIDIG, DIRECTOR DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
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8	by 46 8. K
9	FLOYD G. LANTER, ADMINISTRATOR DIVISION OF FINANCE AND CORPORATE SECURITIES
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11	CONSENT TO ENTRY OF ORDER
12	I, Polly Pexkins, state that I am the
13	President of Mortgage Resource Group, Inc., and I am authorized to
14	act on its behalf; that I have read the foregoing Order and that I know and fully
15	understand the contents hereof; that Mortgage Resource Group, Inc. admits the findings
16	of fact herein, voluntarily consents to the entry of this Order without further hearing,
17	expressly waiving any right to a hearing in this matter; that Mortgage Resource Group,
18	Inc. understands that the Director reserves the right to take further actions to enforce
19	this order or to take appropriate action upon discovery of other violations of Oregon
20	Mortgage Lender Law; and that Mortgage Resource Group, Inc. will fully comply with
21	Oregon Mortgage Lender Law.
22	I understand that this Consent Order is a public document.
23	Dated this <u>5</u> day of <u>December</u> , <u>2002</u> .
24	D11 20 6
25	By Polly ter Kins
26	(Office Held)
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3	CORPORATE ACKNOWLEDGMENT
4	There appeared before me this 51 day of DLC , 2002,
5	Polly fections, who was first duly sworn on oath, and stated that s/he was
6	and is the <u>Resident</u> of Mortgage Resource Group, Inc. and
7	is authorized and empowered to sign this Consent to Entry of
8	Order on behalf of Mortgage Resource Group, Inc. and to bind Mortgage Resource
9	Group, Inc. to the terms hereof.
10	OFFICIAL SEAL VICKIE L BAUGHMAN NOTARY PUBLIC - OREGON COMMISSION NO. 316600
11	Signature of Notary Public
12	Signature of Notary Public Notary Public for the State of: (1) USBN My Commission expires: 12-18-02
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