

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
2 DIVISION OF FINANCE AND CORPORATE SECURITIES  
3 FINANCE SECTION  
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

5 In the Matter of:  
6 RV FINANCIAL INC.,  
7 Respondent.

O-01-0041  
ORDER TO CEASE AND DESIST  
ORDER ASSESSING CIVIL PENALTIES  
And  
CONSENT TO ENTRY OF ORDER

10 The Director of the Department of Consumer and Business Services  
11 for the State of Oregon (hereinafter "the Director") acting by the authority of  
12 the Oregon Mortgage Lender Law, Chapter 59 of the Oregon Revised  
13 Statutes (hereinafter cited as "the Oregon Mortgage Lender Law"), hereby  
14 issues the following Findings of Fact, Conclusions of Law, Order and Notice  
15 of Right to a Public Hearing:

16 FINDINGS OF FACT

17 The Director FINDS that:

18 1. Respondent was originally licensed by the Director on November 22, 1996. The  
19 licenses to operate at their principal location, at the time located at 555 N Parkcenter  
20 Drive Suite 105 in Santa Ana, California, and the branch location in Bellevue,  
21 Washington were cancelled by the Director effective June 13, 2000 when they were not  
22 renewed by Respondent.

23 2. On August 23, 2001, the Director received a call from SCME Mortgage Bankers  
24 to verify the license for Respondent for the purpose of funding a mortgage loan for  
25 Oregon consumers on Oregon property. The copy of the license submitted to SCME for  
26 the Bellevue, Washington location disclosed an expiration date of June 13, 2002.

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3861  
Telephone: (503) 378-4387





1 3. SCME Mortgage Bankers provided the Director a facsimile copy of the license  
2 sent to them by Respondent. The copy reveals that the expiration date printed below  
3 the license number had been altered. The expiration date was changed from June 13,  
4 2000 to June 13, 2002.

5 4. Respondent provided a response at the request of the Director confirming that  
6 Respondent had taken one mortgage loan application taken since June 13, 2000.

7 5. An independent contractor working under the umbrella of Respondent's license  
8 altered the expiration date to conceal from SCME Mortgage Bankers that Respondent  
9 was not currently licensed to engage in Oregon residential mortgage transactions.

10 6. Respondent asserts that it was not aware of the actions of the independent  
11 contractor and would not have allowed the activity if Respondent had been aware of the  
12 activity.

13 7. Respondent asserts that the application taken by the independent contractor on  
14 behalf of Respondent was cancelled and did not fund.

15 8. Respondent asserts that the independent contractor who altered the license has  
16 been terminated and will not ever be employed again by Respondent to engage in  
17 Oregon residential mortgage transactions on behalf of Respondent.

18 9. Respondent asserts that Respondent no longer employs independent contractors  
19 to engage in Oregon residential mortgage lending on behalf of Respondent.

20 10. Respondent asserts that Respondent has implemented measures to prevent  
21 Respondent's employees from engaging in behavior that is fraudulent pursuant to ORS  
22 59.930 or otherwise prohibited by the Oregon Mortgage Lender Law.

23 11. On June 7, 2000, Respondent entered into a Consent Order with the Director  
24 resolving the Director's allegations that Respondent engaged in unlicensed activity at a  
25 branch location in Vancouver, Washington. That Order provided for a civil penalty of  
26 \$5,800.00 but suspended payment of \$5,220.00 for three years. The suspended

1 portion becomes payable if Respondent violates any provision of the Oregon Mortgage  
2 Lender Law within three years of the date of the Order.

3 12. Respondent asserts that it has not engaged in Oregon residential mortgage  
4 transactions, other than the one application, since June 13, 2000.

5 13. Respondent agrees not to apply for a mortgage lender license in Oregon for a  
6 period of three years from August 23, 2001.

### 7 **CONCLUSIONS OF LAW**

8 The Director **CONCLUDES** that:

9 1. Respondent, by and through Respondent's independent contractor, conducted  
10 unlicensed activity in violation of **ORS 59.845(1)** by engaging in an Oregon residential  
11 mortgage transaction without a license.

12 2. Respondent, by and through Respondent's independent contractor, violated ORS  
13 59.930(3) by engaging in any act, practice or course of business which operates or  
14 would operate as a fraud or deceit upon any person when Respondent altered the  
15 expiration date on Respondent's Oregon Mortgage Lender License and submitted it to  
16 SCME Mortgage Bankers.

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

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

### 23 **ORDER**

24 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that RV Financial Inc.  
25 will **CEASE AND DESIST** from violating any provision of Oregon Mortgage Lender Law,  
26





1 OAR 441-850-005 through 441-885-0010 and any rule, order or policy issued by the  
2 Division.

3 The Director, pursuant to ORS 59.865, hereby **ORDERS** RV Financial Inc.  
4 not to reapply for an Oregon Mortgage Lender License prior to October 1, 2004.

5 The Director, pursuant to ~~ORS 59.996~~ hereby **ORDERS** RV Financial Inc. to pay  
6 the State of Oregon a civil penalty of \$11,220.00. The civil penalty is based upon  
7 \$5,000.00 for knowingly conducting a mortgage business without a license, \$1,000.00  
8 for engaging in an act or practice or course of business that operates or would operate  
9 as a fraud or deceit upon any person, and \$5,220.00 which represents the previously  
10 suspended payment from Order No. O-00-0022 dated June 7, 2000.

11 The Director suspends payment of \$6,000 of the assessed civil penalty for a  
12 three-year period. If in the period between the date of the Order to three years from the  
13 date of the Order or until the non-suspended portion of the civil penalty has been paid,  
14 whichever occurs later, RV Financial, Inc. violates any provision of the Oregon  
15 Mortgage Lender Law. OAR 441-850-0005 through 441-885-0010 or any rule, order, or  
16 policy issued by the Division, the suspended portion of the assessed civil penalty will  
17 become immediately due and payable. If RV Financial, Inc. does not violate the Oregon  
18 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or  
19 policy issued by the Division in three years from the date of the Order or until the non-  
20 suspended portion of the civil penalty has been paid, whichever occurs later, the  
21 suspended portion of the civil penalty is waived.

22 The \$5,220 non-suspended portion of the civil penalty may be paid in minimum  
23 monthly installments of \$435. The first payment is due no later than January 1, 2004  
24 and payment shall be due thereafter on the first day of each month until the \$6,000 non-  
25 suspended portion of the civil penalty is paid in full. If any one payment is not received  
26 by the Director by the fifth day of the month in the month it is due, the entire civil

1 penalty, comprised of any unpaid portion of the non-suspended portion of the civil  
2 penalty still unpaid along with the suspended portion of the civil penalty, becomes  
3 immediately due and payable.

4 The date of this order is the day the Director signs the order. The entry of this  
5 Order in no way limits further remedies which may be available to the Director under  
6 Oregon law.

7 Dated this 7th day of May, 2003, at Salem, Oregon.

8  
9  
10   
11 **CORY STREISINGER, DIRECTOR**  
12 **DEPARTMENT OF CONSUMER & BUSINESS SERVICES**

13 **CORPORATE CONSENT TO ENTRY OF ORDER**

14 I, Michael P. Higgins, state that I am an officer of RV Financial Inc., and I am  
15 authorized to act on its behalf; that I have read the foregoing Order and that I know and  
16 fully understand the contents hereof; that I and this entity have been advised of the right  
17 to a hearing and of the right to be represented by counsel in this matter; that RV  
18 Financial Inc. voluntarily and without any force or duress, consents to the entry of this  
19 Order, expressly waiving any right to a hearing in this matter; that RV Financial Inc.  
20 understands that the Director reserves the right to take further actions to enforce this  
21 Order or to take appropriate action upon discovery of other violations of the Oregon  
22 Securities Law; and that RV Financial Inc. will fully comply with the terms and conditions  
23 stated herein.

24 RV Financial. Inc. further assures the Director that neither RV Financial Inc. nor  
25 its officers, directors, employees or agents will effect securities transactions in Oregon  
26



1 unless such activities are in full compliance with Chapter 59 of the Oregon Securities  
2 Revised Statutes.

3 RV Financial Inc. understands that this Consent Order is a public document.

4 Dated this 16 day of April, 2004.

5  
6 [Signature]  
(Signature of officer)

7 TREASURER / CFO  
8 (Office Held)

9  
10 **CORPORATE ACKNOWLEDGMENT**

11 There appeared before me this 16 day of April, 2004, Michael P. Higgins, who  
12 was first duly sworn on oath, and stated that he was and is CFO/Treasurer of RV  
13 Financial Inc. and that he is authorized and empowered to sign this Consent to Entry of  
14 Order on behalf of RV Financial Inc., and to bind RV Financial Inc. to the terms hereof.



15  
16 [Signature]  
(Individual)

17 Jill Sanchez  
(Printed Name of Notary Public)

18 Notary Public  
19 for the State of: California  
20 My commission expires: SEP. 28, 2005

21  
22  
23  
24  
25  
26  
Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387

