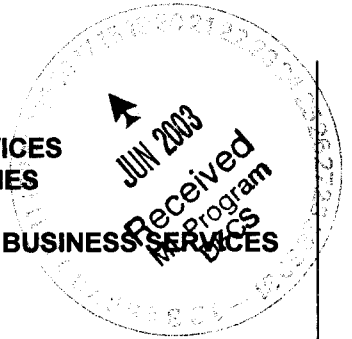


DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCE AND CORPORATE SECURITIES  
FINANCE SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
STATE OF OREGON



In the Matter of

ORDER NO. O-02-0041

PACIFIC NORTHWEST MORTGAGE  
INC.

CEASE AND DESIST ORDER AND  
CONSENT TO IMPOSITION OF CIVIL  
PENALTIES

To: Pacific Northwest Mortgage, Inc.  
4640 SW Macadam Ave. Suite 260  
Portland, Oregon 97201

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

**WHEREAS** Pacific Northwest Mortgage, Inc. wishes to resolve and settle this matter with the Director;

**NOW THEREFORE**, as evidenced by the authorized signatures subscribed on this order Pacific Northwest Mortgage, 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. Pacific Northwest Mortgage, Inc. (hereinafter "Respondent"), incorporated in Oregon on October 28, 1999 engages in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation.

2. Gerald S. Wilson is the sole owner of Respondent.

061703-030-001-001-0500-000500000

1           3. Respondent is only licensed to operate from a location of 4640 SW Macadam  
2 Avenue, Suite 260, in Portland, Oregon.

3           4. Sometime in July 2002, Respondent commenced mortgage lending operations  
4 at a branch location at 4640 SW Macadam Avenue, Suite 255 in Portland, Oregon  
5 (hereinafter "branch location").

6           5. Respondent did not provide the Director with notice of intent to operate the  
7 branch location at least 30 days prior to commencing branch operations.

8           6. Respondent did not provide the Director with the address, telephone number,  
9 fax number and a completed Section 5 for the branch manager at least 30 days prior  
10 to commencing operations at the branch location.

11          7. Respondent's bond on file with the Director evidences coverage of only  
12 \$25,000.

13          8. Respondent did not provide the Director with evidence of an additional \$5,000  
14 in surety bond coverage to cover the branch location.

15          9. Respondent is only licensed to operate under the name Pacific Northwest  
16 Mortgage, Inc.

17          10. Respondent used the dba "Home Mortgage Company Northwest" in  
18 connection with its business of engaging in Oregon residential mortgage loans.

19          11. Prior to using the dba, Respondent did not add the dba "Home Mortgage  
20 Company Northwest" to its license.

21          12. Prior to using the dba, Respondent did not register the dba "Home Mortgage  
22 Company Northwest" with the Secretary of State Corporations Division.

23          13. Prior to using the dba, Respondent did provide the Director with evidence that  
24 it had added the dba "Home Mortgage Company Northwest" to the coverage under  
25 Respondent's surety bond.

26          14. Prior to using the dba, Respondent did not provide to the Director evidence

1 that it had added the dba "Home Mortgage Company Northwest" to its clients' trust  
2 account.

3 15. Respondent did not keep current with the Director its list of loan originators  
4 when Respondent did not notify the Director of the hire of Leanne Booth and Lisa Benfit.

5 16. Respondent did not provide notice to the Director within 30 days of the hire of  
6 Lisa Benfit or Leanne Booth to act as loan originators for the company.

### 7 **CONCLUSIONS OF LAW**

8 The Director **CONCLUDES** that:

9 1. Respondent violated ORS 59.950(2) by failing to provide notification of the intent to  
10 operate a branch office at least 30 days prior to commencing branch operations.

11 2. Respondent violated OAR 441-860-0030 by failed to provide written notification of  
12 the branch address, telephone and fax numbers and a completed Section 5 of the  
13 mortgage lender application for the branch manager at least 30 days prior to  
14 commencing branch operations.

15 3. Respondent violated OAR 441-860-0090(5) by failing to increase its surety bond by  
16 \$5,000 prior to commencing branch operations.

17 4. Respondent violated ORS 59.945(2) by advertising using a name other than that  
18 licensed by the Director or registered as an assumed business name with the Secretary  
19 of State's Corporation Division.

20 5. Respondent violated OAR 441-860-0025 by failing to add the dba "Home Mortgage  
21 Company Northwest" to the surety bond and clients trust account prior to using the dba.

22 6. Respondent violated ORS 59.969(1) by failing to provide and keep current a list of  
23 loan originators originating Oregon loans for Respondent when Respondent hired Lisa  
24 Benfit and Leanne Booth to act as loan originators.

25 7. Respondent violated OAR 441-880-0030(2) by failing to provide the required  
26 information for loan originators Lisa Benfit and Leanne Booth within 30 days of hiring

1 them to act as loan originators for Respondent.

2 **ORDER**

3 The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Pacific  
4 Northwest Mortgage, Inc. will **CEASE AND DESIST** from violating any provision of  
5 Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule,  
6 order, or policy issued by the Director.

7 The Director, pursuant to ORS 59.996 hereby **ORDERS** Pacific Northwest  
8 Mortgage, Inc. to pay the State of Oregon a civil penalty of \$15,000. The civil penalty  
9 is based upon \$5,000 for unlicensed activity, \$5,000 for the use of the unlicensed dba  
10 "Home Mortgage Company Northwest" and \$5,000 for the failure to notify the Director  
11 of the hire of loan originators Lisa Benfit and Leanne Booth as required by statute and  
12 administrative rule.

13 The Director suspends payment of \$10,000 of the assessed civil penalty for a  
14 three-year period. If in the period between the date of the Order to three years from the  
15 date of the Order, Pacific Northwest Mortgage, Inc. substantially, knowingly, willfully or  
16 with reckless disregard violates any material provision of the Oregon Mortgage Lender  
17 Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by  
18 the Division, the suspended portion of the assessed civil penalty will be assessed by the  
19 Director as part of an order for the subsequent violation. "Material" is defined as any  
20 violation that may have a detrimental effect on a consumer, such as failure to provide  
21 disclosures required by state or federal law, rule or regulation, or a subsequent violation  
22 of the statutes and/or rules contained in the Conclusions of Law portion of this Order.  
23 If Pacific Northwest Mortgage, Inc. does not violate the Oregon Mortgage Lender Law,  
24 OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the  
25 Division in the three-year period, the suspended portion of the civil penalty is waived.

26 The date of the Order is the date the Director signs the Order. The Order in no

1 way limits further remedies which may be available to the Director under Oregon law for  
2 any other violation of the Oregon Mortgage Lender Law not related to circumstances  
3 that were the basis of this Order.

4 Dated this 12<sup>th</sup> 30<sup>th</sup> day of June, 2003.

5 **CORY STREISINGER, DIRECTOR**  
6 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**

7  
8 by   
9 **FLOYD G. LANTER, ADMINISTRATOR**  
10 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

11 **CONSENT TO ENTRY OF ORDER**

12 I, Gerald S. Wilson, state that I am the  
13 President of Pacific Northwest Mortgage, 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 Pacific Northwest Mortgage, Inc. admits the  
16 findings of fact herein, voluntarily consents to the entry of this Order without further  
17 hearing, expressly waiving any right to a hearing in this matter; that Pacific Northwest  
18 Mortgage, Inc. understands that the Director reserves the right to take further actions  
19 to enforce this order or to take appropriate action upon discovery of other violations of  
20 Oregon Mortgage Lender Law; and that Pacific Northwest Mortgage, Inc. will fully  
21 comply with Oregon Mortgage Lender Law.

22 I understand that this Consent Order is a public document.

23 Dated this 12<sup>th</sup> day of June, 2003.

24 By Gerald S. Wilson - President  
25 (Office Held)

26   
(Signature)

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**CORPORATE ACKNOWLEDGMENT**

There appeared before me this 12<sup>th</sup> day of June, 2003,  
Gerald S. Wilson, who was first duly sworn on oath, and stated that s/he was  
and is the President of Pacific Northwest Mortgage, Inc. and  
Gerald S. Wilson is authorized and empowered to sign this Consent to Entry of  
Order on behalf of Pacific Northwest Mortgage, Inc. and to bind Pacific Northwest  
Mortgage, Inc. to the terms hereof.

Kristin K. Russell  
Signature of Notary Public  
Notary Public for the State of: Oregon  
My Commission expires: 1/4/04

