

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 STATE OF OREGON

6 In the Matter of
7 THE LOAN ARRANGER INC.

8 } O-02-0074

9 } FINAL ORDER BY DEFAULT -
10 IMPOSITION OF CIVIL PENALTIES

11 To: The Loan Arranger Inc.
12 441 N. Central Ave. Suite 1
13 Campbell, CA 95008

14 On January 27, 2003, the Director served by certified mail certified true copies
15 of a Cease and Desist Order and a Notice of Intent to Impose Civil Penalties on CT
16 Corporation Systems, the registered agent for service of process for The Loan
17 Arranger Inc. (hereinafter "Respondent"). The certified mail was accepted on January
18 29, 2003 at 388 State Street in Salem, Oregon by Patricia McGriff. Copies of the
19 Cease and Desist Order and Notice of Intent to Impose Civil Penalties were mailed
20 to Respondent by certified mail on January 24, 2003. The certified mail was sent to
21 Respondent at 441 N. Central Ave. Suite 1 in Campbell, California. The certified
22 mail was received by Thuy Tran on January 27, 2003. This notice alleged that (1)
23 Respondent failed to provide the Director a list of Respondent's loan originators in
24 violation of ORS 59.969(1) and (2) Respondent failed to produce to the Director by
25 January 30, 2002 a list of Respondent's loan originators which included the name of
26 each loan originator, start date as a loan originator, current business and home
address, telephone number and e-mail address, social security number or detailed
physical description of the loan originator, date of birth and a certification of loan
originator's compliance with ORS 59.967(2), 59.969(4)(a) and (b) and 59.971 in

1 violation of OAR 441-880-0030(1).

2 The Notice further granted to Respondent an opportunity for hearing, if requested
3 within 21 days of service of the Notice. No request for hearing has been received by the
4 Director. The Notice designated the Division of Finance and Corporate Securities' file
5 on this matter as the record for purposes of default.

6 NOW THEREFORE, after consideration of the records and files of the Division
7 of Finance and Corporate Securities relating to this matter, the Director enters the
8 following Order.

9 **FINDINGS OF FACT**

10 1. The Loan Arranger Inc., incorporated in California on November 4, 1983,
11 engages in residential mortgage transactions in Oregon or on Oregon real property in
12 expectation of compensation.

13 2. Respondent was licensed to engage in Oregon residential mortgage
14 transactions between June 11, 1999 and March 7, 2003.

15 3. Mark Shelby is the owner of Respondent.

16 4. On October 12, 2001, the Director sent notice to all licensees that there had
17 been changes in the Oregon Mortgage Lender Law and proposed changes in the
18 administrative rules.

19 5. In January 2002, the Director published a new issue of the Mortgage Lender
20 News on the web site that included an explanation of the new notification requirements.

21 6. On February 14, 2002, the Director sent a notice to all licensees that the final
22 rules had been approved and were available on the web site along with the January
23 2002 issue of the Mortgage Lender News that explained the new requirements.

24 7. On August 6, 2002, the Director sent a letter to Respondent informing
25 Respondent that the Director had not received notification of Respondent's loan
26 originators and requesting that Respondent provide the required information by

1 September 1, 2002 to avoid civil penalties.

2 8. On September 1, 2002, the Director had not received notification of
3 Respondent's loan originators.

4 9. As of December 11, 2002, Respondent still had not contacted the Director or
5 produced the loan originator information as requested.

6 **ULTIMATE FINDINGS OF FACT**

7 1. Respondent failed to provide the Director a list of Respondent's loan
8 originators.

9 2. Respondent failed to produce to the Director by January 30, 2002 a list of
10 loan originators employed by Respondent that included the name of each loan
11 originator, start date as a loan originator, current business and home address,
12 telephone number and e-mail address, social security number or detailed physical
13 description of the loan originator, date of birth and a certification of loan originator's
14 compliance with ORS 59.967(2), 59.969(4)(a) and (b) and 59.971.

15 **CONCLUSIONS OF LAW**

16 1. Respondent violated ORS 59.969(1) by failing to provide the Director a list
17 of Respondent's loan originators.

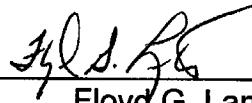
18 2. Respondent violated OAR 441-880-0030(1) by failing to produce to the
19 Director by January 30, 2002 a list of Respondent's loan originators which included the
20 name of each loan originator, start date as a loan originator, current business and home
21 address, telephone number and e-mail address, social security number or detailed
22 physical description of the loan originator, date of birth and a certification of loan
23 originator's compliance with ORS 59.967(2), 59.969(4)(a) and (b) and 59.971.

24 **ORDER**

25 The Director, pursuant to ORS 59.996, hereby **ORDERS** The Loan Arranger Inc.
26 to pay the State of Oregon a civil penalty of \$5,000 for violating ORS 59.969(1) and

1 OAR 441-880-0030(1).

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3 Dated this 8th day of MAY, 2003.

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7 Floyd G. Lanter, Administrator
8 Division of Finance and Corporate Securities

9 NOTICE: You are entitled to judicial review of this Order. Judicial review may be
10 obtained by filing a petition for review within 60 days from the service of this Order.
11 Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court of
12 Appeals.
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