

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:

M-03-0054

6 Olympia Funding, Inc. DBA Olympic
7 Funding and Hogarty Funding
8 Group, Inc.,

ORDER TO CEASE AND DESIST
ORDER ASSESSING CIVIL PENALTIES

9 Respondent.

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
15 Consent to Entry of Order:

16 FINDINGS OF FACT

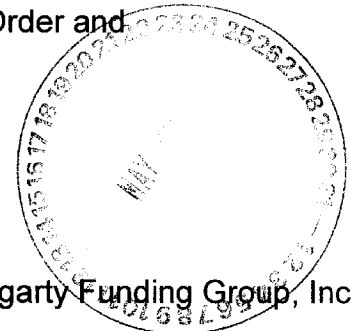
17 The Director FINDS that:

18 1. Olympia Funding, Inc. DBA Olympic Funding and Hogarty Funding Group, Inc.
19 (hereinafter "Respondent") was originally licensed by the Director on August 22, 2002 at
20 the principal location of 6693 Owens Drive in Pleasanton, California. In November 2002
21 the company moved to 7139 Koll Center Parkway Suite 100, in Pleasanton, California.
22 No other locations were licensed by the Director prior to September 17, 2003.

23 2. The Director did not receive notification that Respondent intended to operate any
24 branch locations until August 26, 2003.

25 3. The Director did not receive the address of the location of any branch office, the
26 telephone number and facsimile number along with the name of the branch supervisor

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1 until August 26, 2003.

2 4. The Director did not receive a surety bond or bond rider increasing the bond
3 coverage by \$5,000 per branch until August 26, 2003.

4 5. The Director did not receive the licensing fee for the branch offices until
5 September 3, 2003.

6 6. Respondent was licensed to use only the name Hogarty Funding Group, Inc. and
7 the DBA Olympic Funding from August 22, 2002 through July 17, 2003. From July 18,
8 2003 through November 17, 2003, Respondent has been licensed to use only the name
9 Olympia Funding, Inc. as well as the DBAs Olympic Funding and Hogarty Funding
10 Group, Inc.

11 7. Respondent reported that William R. Hogarty as the only loan originator
12 originating Oregon residential mortgage loans for Respondent until September 17,
13 2003.

14 8. Prior to August 14, 2003, Oregon consumers Frank and Martha Pierce
15 (hereinafter "the consumers") made application for an Oregon residential mortgage loan
16 through William Brown of Direct Funding Source Corporation (hereinafter "DFSC")
17 located in Boring, Oregon.

18 9. Chris Brown of DFSC indicated to the consumers that DFSC was working under
19 Respondent's license.

20 10. DFSC is not and has not been registered to Respondent at the Oregon Secretary
21 of State Corporation Division.

22 11. Respondent has not provided the Director a surety bond or rider evidencing
23 coverage of the DBA DFSC.

24 12. The Director contacted Respondent about the apparent unlicensed branch
25 location, unlicensed DBA of DFSC and the use of a loan originator other than those
26 reported to the Director.



1 13. In response to the Director's contact, Respondent provided a list indicating that
2 six Oregon residential mortgage loan applications were taken and closed prior to August
3 14, 2003.

4 14. Kurt Francis, William Brown, Susie Barber, James Luna and Eric Wasman
5 originated the six loan applications for Respondent.

6 15. The information Respondent provided indicated that William Brown had been a
7 loan originator since May 7, 2003.

8 16. The Director did not receive notice that William Brown was acting as a loan
9 originator for Respondent until August 21, 2003.

10 17. The Director has not received notification that Kurt Francis, Susie Barber, James
11 Luna and Eric Wasman have been hired as a loan originators for Respondent. The only
12 information the Director has received from Respondent is that these individuals acted as
13 a loan originator on Oregon residential mortgage loans prior to August 21, 2003.

14 18. Respondent later provided information about a seventh Oregon residential
15 mortgage loan application taken by Charlotte Steele for Respondent.

16 19. The Director did not receive notice that Charlotte Steele was acting as a loan
17 originator until after September 1, 2003.

18 20. Respondent has addressed licensing and compliance concerns by taking
19 significant actions to improve Respondent's ability to handle licensing and compliance
20 matters.

21 21. Respondent's improvement include, but are not limited to:

- 22 a) Hiring an experienced person to assist in the management of branch operations,
23 b) Hiring at least one FTE to work exclusively on licensing,
24 c) Hiring a full-time compliance officer with over twenty years experience in the
25 industry,
26 d) Hiring a full-time auditor, and

- 1 e) Implementing policies and procedures regarding origination activities.
- 2 22. Respondent's actions indicate that Respondent is committed to compliance and
- 3 that there should be no further concerns regarding Respondent.

4 **CONCLUSIONS OF LAW**

5 The Director **CONCLUDES** that:

6 1. Respondent violated ORS 59.950(2) by failing to provide notification of its intent

7 to operate a branch location at least 30 days prior to the commencement of operations

8 at the branch location.

9 2. Respondent violated OAR 441-860-0030 by failing to provide the branch

10 location's address, telephone and facsimile number and the name of the branch

11 supervisor at least 30 days prior to the commencement of operations at the branch

12 location.

13 3. Respondent violated OAR 441-860-0090(5) by failing to provide the Director

14 evidence of the increase of Respondent's surety bond by \$5,000 for each branch

15 location that Respondent operated prior to the commencement of operations at the

16 branch location.

17 4. Respondent violated OAR 441-860-0025 by using the DBA Direct Funding

18 Source Corporation prior to registering the name with the Oregon Secretary of State

19 Corporation Division and adding the name to the surety bond or purchasing a separate

20 surety bond for the name.

21 5. Respondent violated ORS 59.969(1) by failing to provide and keep current a list

22 of Respondent's loan originators that were originating Oregon residential mortgage

23 loans.

24 6. Respondent violated OAR 441-880-0030(2) by failing to amend Respondent's

25 application to provide notice of the hire of a loan originator to the Division within 30 days

26 following the date of the hire.



1 7. Respondent violated OAR 441-880-0030(3) by failing to provide notification of
2 the hire of a loan originator within 30 days of hire that included the loan originator's
3 name, start date, current business and home address, telephone number and e-mail
4 address, social security number or physical description of the loan originator, date of
5 birth and the required certification of compliance with the educational and statutory
6 provisions.

7 **ORDER**

8 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Olympia
9 Funding, Inc. DBA Olympic Funding and Hogarty Funding Group, Inc. will **CEASE AND**
10 **DESIST** from violating any provision of Oregon Mortgage Lender Law, OAR 441-850-
11 005 through 441-885-0010 and any rule, order or policy issued by the Division.

12 The Director, pursuant to ORS 59.996 hereby **ORDERS** Olympia Funding, Inc.
13 DBA Olympic Funding and Hogarty Funding Group, Inc. to pay the State of Oregon a
14 civil penalty of \$15,000. The civil penalty is based upon \$5,000 for operating a branch
15 location prior to providing notice in violation of ORS 59.950(2), OAR 441-860-0030, and
16 OAR 441-860-0090(5), \$5,000 for using the DBA Direct Funding Source Corporation
17 prior to registering the name with the Oregon Secretary of State Corporation and
18 Division and providing the Director a surety bond or rider evidencing coverage in
19 violation of OAR 441-860-0025; and \$5,000 for failing to provide and keep current a list
20 of Olympia Funding, Inc. DBA Olympic Funding and Hogarty Funding Group, Inc.'s loan
21 originators and provide notice of hire of a loan originator, including the required
22 information about the loan originator, within 30 days of the date of hire in violation of
23 ORS 59.969(1), OAR 441-880-0030(2) and OAR 441-880-0030(3).

24 The Director suspends payment of \$10,000 of the assessed civil penalty for a
25 three-year period. If in the period between the date of the Order to three years from the
26 date of the Order, Olympia Funding, Inc. DBA Olympic Funding and Hogarty Funding
Group, Inc. violates any provision of the Oregon Mortgage Lender Law, OAR 441-850-



1 0005 through 441-885-0010 or any rule, order, or policy issued by the Division, the
2 suspended portion of the assessed civil penalty will become immediately due and
3 payable. If Olympia Funding, Inc. DBA Olympic Funding and Hogarty Funding Group,
4 Inc. does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005 through
5 441-885-0010 or any rule, order, or policy issued by the Division in three years from the
6 date of the Order, the suspended portion of the civil penalty is waived.

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

10 Dated this 14th day of JUNE, 2004, at Salem, Oregon.

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13 **CORY STREISINGER, DIRECTOR**
14 **DEPARTMENT OF CONSUMER & BUSINESS SERVICES**

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19 **DAN**

20 **CORPORATE CONSENT TO ENTRY OF ORDER**

21 I, Daniel S. Cunningham, state that I am an officer of Olympia
22 Funding, Inc. DBA Olympic Funding and Hogarty Funding Group, Inc., and I am
23 authorized to act on its behalf; that I have read the foregoing Order and that I know and
24 fully understand the contents hereof; that I and this entity have been advised of the right
25 to a hearing and of the right to be represented by counsel in this matter; that Olympia
26 Funding, Inc. DBA Olympic Funding and Hogarty Funding Group, Inc. voluntarily and
without any force or duress, consents to the entry of this Order, expressly waiving any



1 right to a hearing in this matter; that Olympia Funding, Inc. DBA Olympic Funding and
2 Hogarty Funding Group, Inc. understands that the Director reserves the right to take
3 further actions to enforce this Order or to take appropriate action upon discovery of
4 other violations of the Oregon Securities Law; and that Olympia Funding, Inc. DBA
5 Olympic Funding and Hogarty Funding Group, Inc. will fully comply with the terms and
6 conditions stated herein.

7 Olympia Funding, Inc. DBA Olympic Funding and Hogarty Funding Group, Inc.
8 further assures the Director that neither Olympia Funding, Inc. DBA Olympic Funding
9 and Hogarty Funding Group, Inc. nor its officers, directors, employees or agents will
10 effect securities transactions in Oregon unless such activities are in full compliance with
11 Chapter 59 of the Oregon Mortgage Lender Law.

12 Olympia Funding, Inc. DBA Olympic Funding and Hogarty Funding Group, Inc.
13 understands that this Consent Order is a public document.

14 Dated this 14th day of May, 2004.

15
16 By [Signature]
(Signature of officer)

17
18 Director of Finance
(Office Held)

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20 **CORPORATE ACKNOWLEDGMENT**

21 There appeared before me this 17th day of May, 2008, ckw
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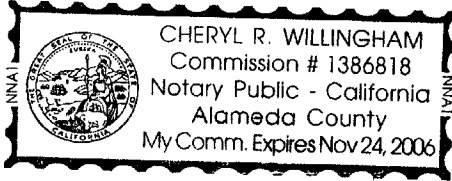
22 Daniel S. Cunningham, who was first duly sworn on oath, and stated that
23 he was and is Director of Finance of Olympia Funding, Inc. DBA Olympic Funding and
24 Hogarty Funding Group, Inc. and that he is authorized and empowered to sign this
25 Consent to Entry of Order on behalf of Olympia Funding, Inc. DBA Olympic Funding and
26

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1 Hogarty Funding Group, Inc., and to bind Olympia Funding, Inc. DBA Olympic Funding
2 and Hogarty Funding Group, Inc. to the terms hereof.

3
4 *Cheryl R. Willingham*
5 (Individual)



7 Cheryl R. Willingham
8 (Printed Name of Notary Public)
9 Notary Public
10 for the State of: California
11 My commission expires: Nov. 24, 2006.

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