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

In the Matter of: **NORTH COUNTY REAL ESTATE, INC. dba HMC FUNDING,** **Respondent.**	**O-02-00851** **ORDER TO CEASE AND DESIST** **ORDER ASSESSING CIVIL PENALTIES** **And** **CONSENT TO ENTRY OF ORDER**

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

JAN 2004

FINDINGS OF FACT

The Director **FINDS** that:

1. North County Real Estate, Inc. dba HMC Funding (hereinafter "Respondent"), incorporated in California on May 31, 1994, engages in residential mortgage transactions in Oregon or on Oregon real property in expectation of compensation. Respondent has been licensed to engage in Oregon residential mortgage transactions since April 18,1997.

2. Brian Tierney owns 52% of Respondent while Dale Knott owns the remaining 48%.

011204-029-011-001-0500-0000100100

3. On June 25, 1999, the Georgia Department of Banking and Finance, Mortgage Division, (hereinafter "the Georgia DBF") revoked a license held by Respondent in that

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Salem, OR 97301-3881
Telephone: (503) 378-4387

state.

4. Respondent did not provide notification to the Director of the institution of license revocation proceedings within 30 days of revocation of Respondent's license by the Georgia DBF.

5. On June 8, 2000, the Rhode Island Department of Business Regulation, Division of Banking, (hereinafter "the Rhode Island DBR") revoked a license held by Respondent in that state.

6. Respondent did not provide notification to the Director of the institution of license revocation proceedings within 30 days of revocation of Respondent's license by the Rhode Island DBR.

7. On April 11, 2001, the Indiana Department of Financial Institutions, (hereinafter "the Indiana DFI") revoked a license held by Respondent in that state.

8. Respondent did not provide notification to the Director of the institution of license revocation proceedings within 30 days of revocation of Respondent's license by the Indiana DFI.

9. Respondent asserts that, although these actions did take place, Respondent did not consider them to be revocations because Respondent chose not to proceed with lending plans in those states. As result, Respondent did not realize that it had to provide such information to the Director and did not wiilfully fail to

10. Respondent wishes to resolve this matter with the Director therefore consents to the entry of this order without admitting to the Findings of Fact.

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CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. Respondent violated OAR 441-860-0070(1)(b) by failing to provide notice within 30 days of the institution of license revocation procedures against the licensee by any state when the Respondent failed to provide notification of revocation proceedings by

the Georgia DBR, the Rhode Island DBR and the Indiana DFI.

ORDER

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that North County Real Estate, Inc. dba HMC Funding 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 Director.

The Director, pursuant to ORS 59.996 hereby **ORDERS** North County Real Estate, Inc. dba HMC Funding to pay the State of Oregon a civil penalty of $5,000 for the three violations of OAR 441-860-0070(1)(b).

The Director suspends payment of $4,000 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, North County Real Estate, Inc. dba HMC Funding 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 North County Real Estate, Inc. dba HMC Funding 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 three years from the date of the Order, the suspended portion of the civil penalty is waived. The date of this order is the day the Director signs the order. The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

Dated this 20th day of JANUARY, 2004, at Salem, Oregon.

CORY STREISINGER, DIRECTOR
DEPARTMENT OF CONSUMER & BUSINESS SERVICES

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CORPORATE CONSENT TO ENTRY OF ORDER

I, Dale Knott, state that I am an officer of North County Real Estate, Inc. dba HMC Funding, and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that I and this entity have been advised of the right to a hearing and of the right to be represented by counsel in this matter; that North County Real Estate, Inc. dba HMC Funding. voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that North County Real Estate, Inc. dba HMC Funding understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law; and that North County Real Estate, Inc. dba HMC Funding will fully comply with the terms and conditions stated herein.

North County Real Estate, Inc. dba HMC Funding understands that this Consent Order is a public document.

Dated this 5 day of January, ~~2003~~ 2004.

By _____
(Signature of officer)

President
(Office Held)

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CORPORATE ACKNOWLEDGMENT

There appeared before me this 5 day of Jan, ~~2003~~ 2004, Dale Knott, who was first duly sworn on oath, and stated that he was and is President of North County Real Estate, Inc. dba HMC Funding and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of North County Real

Estate, Inc. dba HMC Funding, and to bind North County Real Estate, Inc. dba HMC Funding to the terms hereof.

Vickie L. Smith
(Individual)

Vickie L. Smith
(Printed Name of Notary Public)
Notary Public
for the State of: California
My commission expires: 12-26-2006

BCT 6 VICKIE L. SMITH COMM. #1391931 NOTARY PUBLIC-CALIFORNIA SAN DIEGO COUNTY My Comm. Expires December 26, 2006 BCT 6

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