

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-04-0028**

6 **Randy McAtee dba A-1 Mortgage**  
7 **Options,**

**ORDER TO CEASE AND DESIST**  
**ORDER ASSESSING CIVIL PENALTIES**

8                                    **Respondent.**

**And**  
**CONSENT TO ENTRY OF ORDER**

9  
10                    The Director of the Department of Consumer and Business Services for the  
11 State of Oregon (hereinafter "the Director") acting by the authority of the Oregon  
12 Mortgage Lender Law, Chapter 59 of the Oregon Revised Statutes (hereinafter cited as  
13 "the Oregon Mortgage Lender Law"), hereby issues the following Findings of Fact,  
14 Conclusions of Law, Order and Notice of Right to a Public Hearing:

15  
16                                    **FINDINGS OF FACT**

17 The Director **FINDS** that:

18                    1. Randy McAtee dba A-1 Mortgage Options (hereinafter "Respondent") is a sole  
19 proprietorship of Randy McAtee formed in Oregon on December 11, 2001. Respondent  
20 was originally licensed by the Director on December 15, 1996. At all relevant times,

21 Respondent has been licensed by the Director to engage in Oregon residential  
22 mortgages only from a location of 6750 SW Franklin Suite C in Tigard, Oregon.

23                    2. On May 10, 2004, Respondent sent a facsimile to third-party that listed an  
24 address for Respondent of 319 A Street in Springfield, Oregon (hereinafter "the  
25 Springfield location").

26                    3. According to the May 10, 2004 facsimile, Fidel Garcia is a loan originator for

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





1 Respondent working from the Springfield location.

2 4. The first page of the May 10, 2004 facsimile inquired about reserving city grant  
3 funds for a consumer loan.

4 5. The second page of the May 10, 2004 facsimile was a good faith estimate  
5 included in the estimate city grant funds that were referred to on the first page of the  
6 facsimile.

7 6. Respondent did not provide the Director with notice that Respondent intended to  
8 operate the Springfield location until May 11, 2004.

9 7. Respondent did not provide the Director with the address, telephone and  
10 facsimile number of the Springfield location until May 11, 2004.

11 8. Respondent did not provide the Director with the name and work history for the  
12 branch supervisor for the Springfield location until December 16, 2004.

13 9. Respondent did not provide the Director the branch licensing fee for the  
14 Springfield location by May 11, 2004.

15 10. Respondent did not increase Respondent's surety bond by \$5,000 by May 11,  
16 2004.

17 11. Respondent did not provide the Director with evidence that Respondent had  
18 increased Respondent's surety bond by \$5,000 by May 11, 2004.

19 12. Fidel Garcia was the loan originator for the April 30, 2004 good faith estimate  
20 attached to the May 10, 2004 facsimile.

21 13. Fidel Garcia took a loan application for Respondent on June 19, 2004.

22 14. Respondent reported Fidel Garcia's hire date as August 15, 2004.

23 15. On December 14, 2004, Respondent first provided notice to the that Fidel Garcia  
24 was originating loans for Respondents that included Fidel Garcia's name, address,  
25 phone number, date of birth, social security number and certifications that the loan  
26 originator is not originating loans for any other company, has completed any required

1 education, has not violated any provision of the Oregon Mortgage Lender Law and that  
2 a criminal records check has been completed for the loan originator..

3 16. Respondent employed several loan originators on January 1, 2004, including  
4 Bassel Ayoub, when the new requirements went into effect requiring Respondent to  
5 conduct a criminal background check of federal and relevant state records of all existing  
6 loan originators by April 30, 2004.

7 17. Respondent obtained a federal and state criminal record check on Bassel Ayoub  
8 from Associated Credit Systems, Inc. on December 14, 2004.

### 9 10 **CONCLUSIONS OF LAW**

11 The Director **CONCLUDES** that:

12 1. Respondent violated ORS 59.950(2) by failing to provide notification to the  
13 Director of Respondent's intent to operate the branch office located at 319 A Street in  
14 Springfield, Oregon at least 30 days prior to commencing branch operations.

15 2. Respondent violated OAR 441-860-0030 by failing to provide notification to the  
16 Director of the address, mailing address, phone, facsimile number, branch supervisor's  
17 name and the branch supervisor's ten-year employment history including the name of  
18 each employer, job position and title, date each employment began and date each  
19 employment ended at least 30 days prior to commencing branch operations.

20 3. Respondent violated 441-860-0020(10) by failing to pay to the Director the  
21 branch licensing fee of \$150 prior to commencing branch operations.

22 4. Respondent violated OAR 441-860-0090(5) by failing to obtain an additional  
23 \$5,000 surety bond coverage and provide evidence of that coverage to the Director  
24 when it commenced operating a branch office at 319 A Street in Springfield, Oregon.

25 5. Respondent violated ORS 59.969(1) by failing to notify the Director of the hire of  
26 Fidel Garcia to originate loans for the company with 30 days of his date of hire.



1 6. Respondent violated OAR 441-880-0030(2) by failing to provide notification to  
2 the Director of the hire of Fidel Garcia to originate loans for the company on the form  
3 proscribed by the Director within 30 days of the date of his hire.

4 7. Respondent violated OAR 441-880-0030(3) by failing to provide notification to  
5 the Director of the hire of Fidel Garcia to originate loans that included the loan  
6 originator's name, address, phone number, date of birth, social security number or a  
7 physical description of the loan originator, and certifications that the loan originator is  
8 not originating loans for any other company, has completed any required education, has  
9 not violated any provision of the Oregon Mortgage Lender Law and that a criminal  
10 records check has been completed for the loan originator.

11 8. Respondent violated OAR 441-880-0050(2) by failing to obtain criminal records  
12 checks on loan originators that Respondent employed on January 1, 2004 by April 30,  
13 2004.

14  
15 **ORDER**

16 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Randy McAtee  
17 dba A-1 Mortgage Options will **CEASE AND DESIST** from violating any provision of  
18 Oregon Mortgage Lender Law, OAR 441-850-005 through 441-885-0010 and any rule,  
19 order or policy issued by the Division.

20 The Director, pursuant to ORS 59.996 hereby **ORDERS** Randy McAtee dba A-1  
21 Mortgage Options to pay the State of Oregon a civil penalty of \$15,000.00. The civil  
22 penalty is based upon \$5,000.00 for violating ORS 59.950(2), OAR 441-860-0030, OAR  
23 441-860-0020(10), and OAR 441-860-0090(5) by operating the branch location at 319 A  
24 Street in Springfield prior to providing proper notice to the Director, paying the licensing  
25 fee and obtaining the requisite surety bond coverage, \$5,000.00 for violating ORS  
26 59.969 (1), OAR 441-880-0030(2), and OAR 441-880-0030(3) by failing to notify the

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1 Director within 30 days of hire of Fidel Garcia as a loan originator and \$5,000 for  
2 violating OAR 441-880-0050(2) by failing to obtain criminal background checks by April  
3 30, 2004 on loan originators employed as of January 1, 2004 by Randy McAtee dba A-1  
4 Mortgage Options.

5 The Director suspends payment of \$7,500.00 of the assessed civil penalty for a  
6 three-year period. If in the period between the date of the Order to three years from the  
7 date of the Order or until the non-suspended portion of the civil penalty has been paid,  
8 whichever occurs later, Randy McAtee dba A-1 Mortgage Options violates any provision  
9 of the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any  
10 rule, order, or policy issued by the Division, the suspended portion of the assessed civil  
11 penalty will become immediately due and payable. If Randy McAtee dba A-1 Mortgage  
12 Options does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005 through  
13 441-885-0010 or any rule, order, or policy issued by the Division in three years from the  
14 date of the Order or until the non-suspended portion of the civil penalty has been paid,  
15 whichever occurs later, the suspended portion of the civil penalty is waived.

16 The \$7,500.00 non-suspended portion of the civil penalty may be paid in  
17 minimum monthly installments of \$681.81. The first payment is due no later than  
18 February 1, 2005 and payment shall be due thereafter on the first day of each month  
19 until the \$7,500.00 non-suspended portion of the civil penalty is paid in full. If any one  
20 payment is not received by the Director by the fifth day of the month in the month it is  
21 due, the entire civil penalty, comprised of any unpaid portion of the non-suspended  
22 portion of the civil penalty still unpaid along with the suspended portion of the civil  
23 penalty, becomes immediately due and payable.

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

1 Dated this 31ST day of JANUARY, 2005, at Salem, Oregon.

2  
3  
4 *Floyd S. Lanter*

5 **FLOYD LANTER, ADMINISTRATOR**  
6 **DIVISION OF FINANCE AND CORPORATE SECURITIES**

7 **CONSENT TO ENTRY OF ORDER**

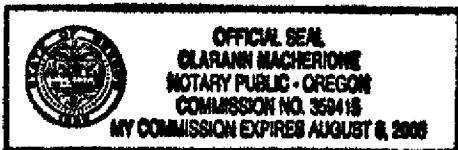
8 I, Randy McAtee, state that I have read the foregoing Order and that I know and  
9 fully understand the contents hereof; that I have been advised of the right to a hearing  
10 and of the right to be represented by counsel in this matter; that I voluntarily and without  
11 any force or duress, consent to the entry of this Order, expressly waiving any right to a  
12 hearing in this matter; that I understand that the Director reserves the right to take  
13 further actions to enforce this Order or to take appropriate action upon discovery of  
14 other violations of the Oregon Mortgage Lender Law; and that I will fully comply with the  
15 terms and conditions stated herein.

16 I further assure the Director that neither I nor my employees will effect mortgage  
17 transactions in Oregon unless such activities are in full compliance with Chapter 59 of  
18 the Oregon Revised Statutes.

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

20 Dated this 26<sup>th</sup> day of JANUARY, 2005.

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



22 By *Randy McAtee*  
23 Randy McAtee

24 *Clarann Macherione*  
25 (Printed Name of Notary Public)  
26 Notary Public  
for the State of: OREGON  
My commission expires: AUG 8, 2006