

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
2 DIVISION OF FINANCE AND CORPORATE SECURITIES
3 ENFORCEMENT SECTION
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

4 In the Matter of:

M-05-0019

5 Ridge Mortgage Services, Inc., and
6 William J. Ridge,

ORDER TO CEASE AND DESIST, ORDER
ASSESSING CIVIL PENALTIES, and
CONSENT TO ENTRY OF ORDER

7 Respondents.
8

9 WHEREAS, the Director of the Department of Consumer and Business Services
10 (hereinafter the "Director") has conducted an investigation, acting by the authority of the
11 Oregon Mortgage Lender Law, Chapter 59 of the Oregon Revised Statutes (hereinafter
12 cited as "the Oregon Mortgage Lender Law") of certain business activities conducted
13 by Ridge Mortgage Services, Inc. and William J. Ridge, (hereinafter "Respondents"),
14 and has found that they have engaged in mortgage brokerage or mortgage lending
15 activity in violation of Oregon law;

16 WHEREAS Respondents wish to resolve and settle this matter with the
17 DIRECTOR;

18 NOW THEREFORE, as evidenced by the authorized signature subscribed on
19 this Order, Respondents hereby CONSENT to entry of this Order to Cease and Desist
20 upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

21 FINDINGS OF FACT

22 The Director FINDS that:

23 1. Ridge Mortgage Services, Inc., (hereinafter "Respondent" or "Ridge"), is
24 registered to do business in Oregon with the Secretary of State. Respondent was
25 licensed by the Director as a mortgage lender on August 28, 2001, and was licensed
26 under predecessor names and entities in 1998. At all relevant times, Respondent has

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1 | been licensed by the Director to engage in Oregon residential mortgages, from one or
2 | more locations.

3 | 2. The primary contact for Respondent is William Ridge. He has a business
4 | address of 10230 SW Hall Blvd.; Tigard, OR 97223. Mr. Ridge is an owner and control
5 | person of Ridge Mortgage Services, Inc.

6 | 3. On behalf of the Director of the Department of Consumer and Business Services,
7 | Tim Spencer, an examiner from the Division of Finance and Corporate Securities,
8 | (hereinafter "the Director") conducted a routine examination of Respondent's office at
9 | the address shown in Paragraph 2 above. This examination was conducted on
10 | February 2, 2005, in accordance with applicable laws and rules, and in conformance
11 | with the Division's standard policy and practice.

12 | 4. As part of this exam, the Director reviewed and analyzed records of the
13 | Respondent. An exam report was prepared following the exam, detailing the Director's
14 | findings.

15 | 5. ORS 59.972 requires mortgage brokers and mortgage bankers to "conduct a
16 | criminal records check of each individual who the mortgage broker or mortgage banker
17 | employs or intends to employ as a loan originator." OAR 441-880-0050(2) became
18 | effective January 1, 2004. This rule requires that where a loan originator begins work
19 | for a licensee after January 1, 2004, a criminal records check must be completed before
20 | the person starts to work for the licensee. It further requires that, where a loan
21 | originator was already employed by a licensee on January 1, 2004, a criminal records
22 | check must have been completed within 120 days of the effective date of the rule; that
23 | is, by April 30, 2004.

24 | 6. During the course of this exam, the Director discovered that the Respondent had
25 | not completed a criminal records check as required by OAR 441-880-0050(2) for at
26 | least nine of its loan originators, and two support staff had been incorrectly listed as

1 loan originators.

2 **CONCLUSIONS OF LAW**

3 The Director **CONCLUDES** that:

4 1. Each Respondent violated ORS 59.972 and OAR 441-880-0050 by failing to
5 obtain criminal records checks on all of the loan originators working for Ridge Mortgage
6 Services as required under the Oregon Mortgage Lending Laws.

7 **ORDER**

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

12 The Director, pursuant to ORS 59.996 hereby **ORDERS** that Ridge Mortgage
13 Services, Inc. and William Ridge, jointly and severally, pay the State of Oregon a civil
14 penalty of \$55,000.00, of which \$47,500.00 shall be suspended for three years provided
15 that no violations of ORS 59.972 or OAR 441-880-0050 are discovered to have
16 occurred after the date of this Order. The nonsuspended portion may be paid in
17 monthly payments of \$1,250.00 to be received by the Division no later than 5:00 p.m. on
18 the tenth business day of the month. The total assessed civil penalty is based upon
19 \$5,000.00 for multiple violations of OAR 441-880-0050 If a payment is late, is missed
20 entirely, or any violation of ORS 59.972 or OAR 441-880-0050 is discovered to have
21 occurred after the date of this Order, the suspended portion of the civil penalties -
22 \$47,500.00 - shall become immediately due and payable and statutory interest shall
23 begin to accrue as of the date of the violation.

24 The date of this order is the day the Director signs the order. The entry of this
25
26

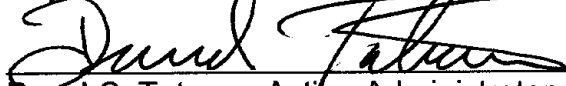
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1 Order in no way limits further remedies which may be available to the Director under
2 Oregon law.

3 Dated this 29th day of December, 2005 at Salem, Oregon.

4 **CORY STREISINGER, Director**
5 **Department of Consumer and Business Services**

6 

7 David C. Tatman, Acting Administrator
8 Division of Finance and Corporate Securities

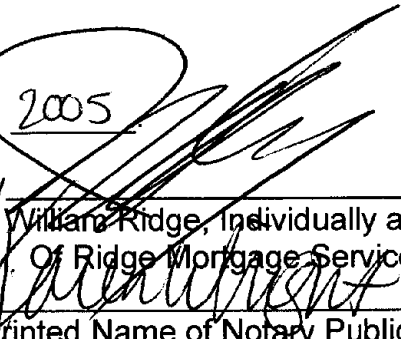
9 **CONSENT TO ENTRY OF ORDER**

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

19 I further assure the Director that neither I nor my employees and independent
20 contractors will effect mortgage transactions in Oregon unless such activities are
21 in full compliance with Chapter 59 of the Oregon Revised Statutes. I understand that
22 this Consent Order is a public document

23 Dated this 27th day of December, 2005

24 By

25 
26 William Ridge, Individually and on behalf
Of Ridge Mortgage Services, Inc.



Printed Name of Notary Public) KAREN WRIGHT

Notary Public

for the State of: Oregon

My commission expires: 8-8-08

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