STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
ENFORCEMENT SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of	**M-05-0065**
WESTERN HOME MORTGAGE CORP., a California corporation,	**ORDER TO CEASE AND DESIST AND CONSENT TO IMPOSITION OF CIVIL PENALTIES**
Respondent.	

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Western Home Mortgage Corp., and determined that Western Home Mortgage Corp. engaged in activities constituting violations of the Oregon Mortgage Lender Law, Oregon Revised Statutes ("ORS") 59.840 through 59.965 (hereinafter cited as "the Oregon Mortgage Lender Law"); and

WHEREAS Western Home Mortgage Corp. wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order, Western Home Mortgage Corp. hereby **CONSENTS** to entry of this order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

FINDINGS OF FACT

The Director **FINDS** that:

1. Western Home Mortgage Corp. (hereinafter "Western") is a California corporation registered in Oregon on November 19, 1999. On or about December 27,

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1999, the Director licensed Western to engage in Oregon residential mortgage transactions, assigning license number ML-2033 to the business. Western's principal office location is 502 E. Oceanfront; Newport Beach, California 92661, which is registered with the Director. Thomas P. Dugan is registered as the principal of the firm.

2. Michael Dugan is, by information and belief, a resident of the State of California and was, at all times relevant herein, working for Western at its Newport Beach, California office. Western did not notify the Director that Michael Dugan was employed as a residential mortgage loan originator for Western within thirty days of the start of Michael Dugan's employment. Michael Dugan was registered as a loan originator for Western on February 1, 2005.

3. Anatoly Sennikev ("Sennikev") is, by information and belief, a resident of the State of California and was, at all times relevant herein, working for Western at its Newport Beach, California office. Western did not notify the Director that Sennikev was employed as a residential mortgage loan originator for Western within thirty days of the start of Sennikev's employment. Sennikev is no longer employed by Western.

4. Beginning in February or March 2004, Sennikev and Michael Dugan spoke with an Oregon resident about refinancing their home mortgage loan. They each discussed mortgage rates and monthly payments with the applicant and they each quoted current mortgage rates. They negotiated with the applicant and obtained or ordered applications, a property appraisal, credit reports, and other documentation used in the business of mortgage lending.

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CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

5. Western violated ORS 59.969(1) by failing to notify the Director of the employment of Michael Dugan as a loan originator within thirty days of hire.

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6. Western violated ORS 59.969(1) by failing to notify the Director of the employment of Sennikev as a loan originator within thirty days of hire.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

7. Pursuant to the authority of ORS 59.885(4), the Director hereby **ORDERS** Western to **CEASE AND DESIST** from violating any provision of the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order, or policy issued by the Division.

8. Pursuant to the authority of ORS 59.996, the Director hereby **ASSESSES** Western a **CIVIL PENALTY** in the amount of $10,000 (ten thousand dollars),— $5,000 (five thousand dollars) for each of the two violations described in the Conclusions of Law, Paragraphs 5 and 6 above — however, the Director suspends payment of $7,500 of the assessed civil penalty for a three-year period. If, in the three-year period following the date of the Order, Western 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 Western 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 within three years from the date of the Order, the suspended portion of the civil penalty is waived.

9. The date of this Order is the date the Director signs the Order.

10. The entry of this Order in no way limits further remedies which may be

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available to the Director under Oregon law.

Dated this 22ND day of SEPTEMBER, 2005, at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

Floyd Lanter, Administrator
Division of Finance and Corporate Securities

CORPORATE CONSENT TO ENTRY OF ORDER
(for Western Home Mortgage Corp.)

I, Thomas P. Dugan, state that I am an officer of Western Home Mortgage Corp. ("the Respondent") 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 the Respondent, 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 the Respondent, makes no admission of liability with respect to the Findings of Fact in the foregoing Order; that the Respondent, executes this Consent as a settlement of the matters referred to in the foregoing Order; that the Respondent, 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, OAR 441-850-0005 through 441-885-0010, or any rule, order, or policy issued by the Division; and that the Respondent will fully comply with the terms and conditions stated herein.

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The Respondent understands that this Consent Order is a public document.

Dated this 13 day of September, 2005.

By: Thomas P. Dugan

Thomas P. Dugan

President

Office Held

CORPORATE ACKNOWLEDGMENT

There appeared before me this 13th day of September, 2005, Thomas P. Dugan, who was first duly sworn on oath, and stated that he was and is an officer of Western Home Mortgage Corp. ("the Respondent"), that he is authorized and empowered to sign this Consent to Entry of Order on behalf of the Respondent, and to bind the Respondent to the terms hereof.

Signature of Notary

Laura Woodbury

Printed Name of Notary Public

Notary Public for the State of: Ca

My commission expires: 12/26/07

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LAURA WOODBURY
Comm. # 1458834
NOTARY PUBLIC - CALIFORNIA
Orange County
My Comm. Expires Dec. 26, 2007

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