

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

<p>4 In the Matter of:</p> <p>5 MORTGAGE TRUST, INC., MICHAEL</p> <p>6 LELAND, AND TIMOTHY REID,</p> <p>7 Respondents.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>No. M-05-0024</p> <p>ORDER TO CEASE AND DESIST AND</p> <p>ASSESSING CIVIL PENALTIES AND</p> <p>CONSENT TO ENTRY OF ORDER AS</p> <p>TO MORTGAGE TRUST, INC. AND</p> <p>MICHAEL LELAND ONLY</p>
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11 **WHEREAS**, the Director of the Department of Consumer and Business Services for the
 12 State of Oregon (hereafter the "Director"), has conducted an investigation into the activities of
 13 Mortgage Trust, Inc., (hereafter "**MORTGAGE TRUST**"), Michael Leland (hereafter
 14 "**LELAND**"), and Timothy Reid (hereafter "**REID**"), and has determined that Respondents have
 15 engaged in activities that constitute violations of ORS 59.840 through ORS 59.965 (hereafter the
 16 "Oregon Mortgage Lender Law");

17
 18 **WHEREAS, MORTGAGE TRUST and LELAND** wish to avoid the time and expense
 19 of further investigation by the Director and desire to obtain a disposition of this matter without
 20 invoking their right to a hearing;

21
 22 **WHEREAS, MORTGAGE TRUST and LELAND** acknowledge fully reading and
 23 understanding the contents of this **ORDER TO CEASE AND DESIST AND ASSESSING**
 24 **CIVIL PENALTIES AND CONSENT TO ENTRY OF ORDER** (hereafter the "Order"), and
 25 expressly waive any right to a hearing or to challenge or appeal this Order;

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1 application, **REID** described Park as a consultant for an entity named Computers By Design
2 located at 1225 NW Murray Road, Portland, Oregon 97229. Park has never been employed by
3 Computers By Design, nor did he represent to **REID** that he had been employed by this firm.
4 **REID**'s actions constitute the making of an untrue statement of a material fact or the omission to
5 state a material fact necessary in order to make the statements made, in the light of the
6 circumstances under which they are made, not misleading, in violation of ORS 59.930 (2).
7 Furthermore, said conduct constitutes unethical conduct by a loan originator, in violation of ORS
8 59.971 (1).

9 14. On this same application, **REID** indicated that Park had been a consultant for
10 Computers By Design for "3Y and 3M" (three years and three months), and had been employed
11 in that line of work for "16Y" (sixteen years). Length of employment is an important factor in
12 the mortgage approval process. Park has never been employed by Computers By Design for *any*
13 period of time, nor did he represent to **REID** that he had been employed by this firm. **REID**'s
14 actions constitute the making of an untrue statement of a material fact or the omission to state a
15 material fact necessary in order to make the statements made, in the light of the circumstances
16 under which they are made, not misleading, in violation of ORS 59.930 (2). Furthermore, said
17 conduct constitutes unethical conduct by a loan originator, in violation of ORS 59.971 (1).

18 15. On this same application, **REID** indicated that Park's monthly income was \$3,200.00,
19 nearly triple his actual salary with his true employer. **REID**'s actions constitute the making of an
20 untrue statement of a material fact or the omission to state a material fact necessary in order to
21 make the statements made, in the light of the circumstances under which they are made, not
22 misleading, in violation of ORS 59.930 (2). Furthermore, said conduct constitutes unethical
23 conduct by a loan originator, in violation of ORS 59.971 (1).

24 16. To further his scheme to garner financing for Park, **REID** undertook to create
25 documentation that would support the falsehoods espoused in the Uniform Residential Loan
26 Application he authored. To this end, he instructed his wife, Taunya Reid, to complete a

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1 "Request For Verification of Employment" for Park's fictional employment with Computers By
2 Design, a business that **REID** had randomly selected from a telephone directory. **REID** provided
3 his wife with the names, dates, and income amounts to be placed onto the form, designed to lead
4 a prospective lender to conclude that Park's purported work history and reported income were
5 accurate. **REID**'s actions constitute the making of an untrue statement of a material fact or the
6 omission to state a material fact necessary in order to make the statements made, in the light of
7 the circumstances under which they are made, not misleading, in violation of ORS 59.930 (2).
8 Furthermore, said conduct constitutes unethical conduct by a loan originator, in violation of ORS
9 59.971 (1).

10 17. **REID** told Park that he had no choice but to sign the inaccurate application
11 documents. **REID**'s actions in this regard constitute the making of an untrue statement of a
12 material fact or the omission to state a material fact necessary in order to make the statements
13 made, in the light of the circumstances under which they are made, not misleading, in violation
14 of ORS 59.930 (2). Furthermore, said conduct constitutes unethical conduct by a loan originator,
15 in violation of ORS 59. 971 (1).

16 **The Ruth Dragoo Transaction**

17 18. In September, 2004 Oregon resident Ruth Dragoo was employed as an office
18 manager for a dentist, a position she had held for two decades.

19 19. Dragoo sought **REID**'s assistance in an effort to refinance her mortgage so that she
20 could obtain funds to pay outstanding bills. Using objective scoring criteria, Dragoo had good
21 credit and would have qualified for financing at market rates.

22 20. On September 7, 2004, **REID** indicated to Dragoo that he would arrange for a seven
23 percent (7%) ARM (Adjustable Rate Mortgage) with a two percent (2%) origination fee, a two
24 percent (2%) rebate, and a one percent (1%) discount. **REID** represented to Dragoo that the steep
25 fees were necessary to reduce the interest rate on the loan.
26



1 21. **REID** ultimately arranged for financing for Draggo at a rate of 7.990%, a rate nearly
2 a full percentage point higher than she was originally quoted, *without any compensatory*
3 *reduction in the above described fees*. Furthermore, the financing that **REID** ultimately
4 orchestrated had the additional burden of a substantial two year prepayment penalty rider.

5 22. **REID** misrepresented the cost of the financing to Draggo, and structured her
6 financing in a manner designed to generate excessive fees for his benefit and to the financial
7 detriment of Draggo, who paid higher fees and a higher interest rate than market conditions and
8 her financial history called for. **REID**'s actions in this regard constitute the making of an untrue
9 statement of a material fact or the omission to state a material fact necessary in order to make the
10 statements made, in the light of the circumstances under which they are made, not misleading, in
11 violation of ORS 59.930 (2). Furthermore, said conduct constitutes unethical conduct by a loan
12 originator, in violation of ORS 59.971 (1).

13 **The Kristin Dahl Transaction**

14 23. On August 14, 2004 Oregon resident Kristin Dahl was awarded an M.S. in Urban
15 Planning by Portland State University. Dahl had been a full time graduate student and part time
16 employee of her boyfriend's business, ENRG Kayaking, during the previous two years.

17 24. On August 1, 2004 Dahl was retained on a full time basis by an entity named "Rural
18 Development and Initiatives" at a salary of \$5,500.00 per month.

19 25. **REID** garnered information about Dahl's employment, credit, and financial history
20 for the purpose of preparing applications to be submitted to prospective lenders.

21 26. **REID** prepared a loan package for Dahl consisting of a purchase loan and a
22 simultaneous second loan. Although separate lenders were involved, the loans were processed
23 concurrently, and **REID** should have listed completely identical employment data on each
24 Uniform Residential Loan Application.

25 27. Based on his conversations with Dahl, **REID** directed the preparation of a "Uniform
26 Residential Loan Application" for the simultaneous second loan. The application represented that



1 Dahl had been employed by Rural Development and Initiatives for one month, and had been a
2 graduate student at Portland State University for the previous two years. Although the
3 application lists a Christy Bockman as interviewer, **REID** prepared this document. This
4 information was substantially accurate, and was based on data provided to **REID** by Kristin
5 Dahl.

6 28. **REID** determined that, based on Dahl's recent hire date and the fact that she had
7 spent the past two years as a student, she would not be able to qualify for the financing she
8 sought for the purchase loan.

9 29. In an effort to nevertheless garner financing for Dahl, **REID** directed the preparation
10 of a fraudulent "Uniform Residential Loan Application" for the express purpose of providing
11 knowingly false information to a prospective lender that would cause it to approve financing for
12 the purchase loan it would not otherwise authorize. On this application, **REID** described Dahl as
13 a "guide" for ENRG Kayaking, who had been so employed for two years at a salary of \$5,500 a
14 month. (Length of employment is an important factor in the mortgage approval process.) **REID**
15 was cognizant of the fact that Dahl had been employed by ENRG Kayaking, on a part time basis,
16 for less than two years, at a salary significantly less than the above referenced amount, and was,
17 at the time of the application, a full time employee of Rural Development and Initiatives.

18 **REID**'s actions constitute the making of an untrue statement of a material fact or the omission to
19 state a material fact necessary in order to make the statements made, in the light of the
20 circumstances under which they are made, not misleading, in violation of ORS 59.930 (2).

21 Furthermore, said conduct constitutes unethical conduct by a loan originator, in violation of ORS
22 59.971 (1).

23 30. **REID** told Dahl that she had no choice but to sign the inaccurate application
24 documents. **REID**'s actions in this regard constitute the making of an untrue statement of a
25 material fact or the omission to state a material fact necessary in order to make the statements
26 made, in the light of the circumstances under which they are made, not misleading, in violation

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1 of ORS 59.930 (2). Furthermore, said conduct constitutes unethical conduct by a loan originator,
2 in violation of ORS 59.971 (1).

3 **Supervision of Loan Origination Activities and Employment**

4 31. **MORTGAGE TRUST** and **LELAND** had, pursuant to ORS 59.865 and ORS
5 59.870, a duty to supervise diligently and control the mortgage related activities of loan
6 originator **REID**.

7 32. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
8 mortgage related activities of its loan originator when, in connection with the Brian Park
9 transaction, it did not prohibit **REID** from employing a fraudulent "Uniform Residential Loan
10 Application" that misrepresented the loan applicant's employment status and history.

11 33. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
12 mortgage related activities of its loan originator when, in connection with the Brian Park
13 transaction, it did not prohibit **REID** from employing a fraudulent "Uniform Residential Loan
14 Application" that misrepresented the loan applicant's income history.

15 34. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
16 mortgage related activities of its loan originator when, in connection with the Brian Park
17 transaction, it did not prohibit **REID** from employing fictional employment verification
18 documents, which misrepresented the loan applicant's employment status and income history, in
19 support of a fraudulent "Uniform Residential Loan Application."

20 35. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
21 mortgage related activities of its loan originator when, in connection with Brian Park transaction,
22 it did not prohibit **REID** from representing to the loan applicant that he had no choice but to sign
23 the fraudulent documents as crafted.

24 36. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
25 mortgage related activities of its loan originator when, in connection with the Ruth Drago
26

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1 transaction, it did not prohibit **REID** from arranging for financing nearly a full percentage point
2 higher than originally quoted, without any compensatory reduction in fees.

3 37. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
4 mortgage related activities of its loan originator when, in connection with the Kristin Dahl
5 transaction, it did not prohibit **REID** from employing a fraudulent "Uniform Residential Loan
6 Application" that misrepresented the loan applicant's employment history.

7 38. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
8 mortgage related activities of its loan originator when, in connection with the Kristin Dahl
9 transaction, it did not prohibit **REID** from employing a fraudulent "Uniform Residential Loan
10 Application" that misrepresented the loan applicant's income history.

11 39. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
12 mortgage related activities of its loan originator when, in connection with the Kristin Dahl
13 transaction, it did not prohibit **REID** from representing to the loan applicant that she had no
14 choice but to sign the fraudulent documents as crafted.

15 40. **MORTGAGE TRUST** and **LELAND** had, pursuant to ORS 59.969 (1), a duty
16 notify the Division of Finance and Corporate Securities of the hiring of **REID** within thirty days
17 of his hiring.

18 41. **MORTGAGE TRUST** and **LELAND** failed to notify the Division of Finance and
19 Corporate Securities of the hiring of **REID** within thirty days of his September, 2004
20 employment, in violation of ORS 59.969 (1).

21 CONCLUSIONS OF LAW

22 The Director **CONCLUDES** that:

23 42. **REID** caused, in connection with the Brian Park transaction, a fraudulent "Uniform
24 Residential Loan Application" to be prepared, with the express goal of providing knowingly
25 false information to a prospective lender that would cause it to approve financing it would not
26 otherwise authorize. **REID** described Park as a consultant for an entity called Computers By

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1 Design. Park has never been employed by Computers By Design, nor did he represent to **REID**
2 that he had been employed by this firm. **REID**'s actions constitute the making of an untrue
3 statement of a material fact or the omission to state a material fact necessary in order to make the
4 statements made, in the light of the circumstances under which they are made, not misleading, in
5 violation of ORS 59.930 (2). Furthermore, said conduct constitutes unethical conduct by a loan
6 originator, in violation of ORS 59.971 (1).

7 43. **REID** caused, in connection with the Brian Park transaction, a fraudulent "Uniform
8 Residential Loan Application" to be prepared, with the express goal of providing knowingly
9 false information to a prospective lender that would cause it to approve financing it would not
10 otherwise authorize. **REID** indicated that Park had been a consultant for Computers By Design
11 for "3Y and 3M" (three years and three months), and had been employed in that line of work for
12 "16Y" (sixteen years). Park has never been employed by Computers By Design for *any* period of
13 time, nor did he represent to **REID** that he had been employed by this firm. **REID**'s actions
14 constitute the making of an untrue statement of a material fact or the omission to state a material
15 fact necessary in order to make the statements made, in the light of the circumstances under
16 which they are made, not misleading, in violation of ORS 59.930 (2). Furthermore, said conduct
17 constitutes unethical conduct by a loan originator, in violation of ORS 59.971 (1).

18 44. **REID** caused, in connection with the Brian Park transaction, a fraudulent "Uniform
19 Residential Loan Application" to be prepared, with the express goal of providing knowingly
20 false information to a prospective lender that would cause it to approve financing it would not
21 otherwise authorize. **REID** indicated that Park's monthly income was \$3,200.00, nearly triple his
22 actual salary with his true employer. **REID**'s actions constitute the making of an untrue
23 statement of a material fact or the omission to state a material fact necessary in order to make the
24 statements made, in the light of the circumstances under which they are made, not misleading, in
25 violation of ORS 59.930 (2). Furthermore, said conduct constitutes unethical conduct by a loan
26 originator, in violation of ORS 59.971 (1).

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1 45. **REID**, in connection with the Brian Park transaction, undertook to create
2 documentation that would support the falsehoods espoused in the Uniform Residential Loan
3 Application he authored. To this end, he instructed his wife, Taunya Reid, to complete a
4 "Request For Verification of Employment" for Park's fictional employment with Computers By
5 Design, a business that **REID** had randomly selected from a telephone directory. **REID** provided
6 his wife with the names, dates, and income amounts to be placed onto the form, designed to lead
7 a prospective lender to conclude that Park's purported work history and reported income were
8 accurate. **REID**'s actions constitute the making of an untrue statement of a material fact or the
9 omission to state a material fact necessary in order to make the statements made, in the light of
10 the circumstances under which they are made, not misleading, in violation of ORS 59.930 (2).
11 Furthermore, said conduct constitutes unethical conduct by a loan originator, in violation of ORS
12 59.971 (1).

13 46. **REID**, in connection with the Brian Park transaction, told Park that he had no choice
14 but to sign the inaccurate application documents. **REID**'s actions in this regard constitute the
15 making of an untrue statement of a material fact or the omission to state a material fact necessary
16 in order to make the statements made, in the light of the circumstances under which they are
17 made, not misleading, in violation of ORS 59.930 (2). Furthermore, said conduct constitutes
18 unethical conduct by a loan originator, in violation of ORS 59.971 (1).

19 47. **REID**, in connection with the Ruth Dragoo transaction, misrepresented the cost of
20 financing to Dragoo, and structured her financing in a manner designed to generate excessive
21 fees for his benefit and to the financial detriment of Dragoo, who paid higher fees and a higher
22 interest rate than market conditions and her financial history called for. **REID**'s actions in this
23 regard constitute the making of an untrue statement of a material fact or the omission to state a
24 material fact necessary in order to make the statements made, in the light of the circumstances
25 under which they are made, not misleading, in violation of ORS 59.930 (2). Furthermore, said
26 conduct constitutes unethical conduct by a loan originator, in violation of ORS 59.971 (1).

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1 48. **REID**, in connection with the Kristin Dahl transaction, directed the preparation of a
2 fraudulent "Uniform Residential Loan Application" for the express purpose of providing
3 knowingly false information to a prospective lender that would cause it to approve financing for
4 the purchase loan it would not otherwise authorize. **REID** described Dahl as a "guide" for ENRG
5 Kayaking, who had been so employed for two years at a salary of \$5,500 a month. **REID** was
6 cognizant of the fact that Dahl had been employed by ENRG Kayaking, on a part time basis, for
7 less than two years, at a salary significantly less than the above referenced amount, and was, at
8 the time of the application, a full time employee of Rural Development and Initiatives. **REID**'s
9 actions constitute the making of an untrue statement of a material fact or the omission to state a
10 material fact necessary in order to make the statements made, in the light of the circumstances
11 under which they are made, not misleading, in violation of ORS 59.930 (2). Furthermore, said
12 conduct constitutes unethical conduct by a loan originator, in violation of ORS 59.971 (1).

13 49. **REID**, in connection with the Kristin Dahl transaction, told Dahl that she had no
14 choice but to sign the inaccurate application documents. **REID**'s actions in this regard constitute
15 the making of an untrue statement of a material fact or the omission to state a material fact
16 necessary in order to make the statements made, in the light of the circumstances under which
17 they are made, not misleading, in violation of ORS 59.930 (2). Furthermore, said conduct
18 constitutes unethical conduct by a loan originator, in violation of ORS 59.971 (1).

19 50. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
20 mortgage related activities of its loan originator when, in connection with the Brian Park
21 transaction, it did not prohibit **REID** from employing a fraudulent "Uniform Residential Loan
22 Application" that misrepresented the loan applicant's employment status and history, in violation
23 of ORS 59.865 (15).

24 51. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
25 mortgage related activities of its loan originator when, in connection with the Brian Park
26 transaction, it did not prohibit **REID** from employing a fraudulent "Uniform Residential Loan

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1 Application” that misrepresented the loan applicant’s income history, in violation of ORS 59.865
2 (15).

3 52. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
4 mortgage related activities of its loan originator when, in connection with the Brian Park
5 transaction, it did not prohibit **REID** from employing fictional employment verification
6 documents that misrepresented the loan applicant’s employment status and income history, in
7 support of a fraudulent “Uniform Residential Loan Application”, in violation of ORS 59.865
8 (15).

9 53. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
10 mortgage related activities of its loan originator when, in connection with the Brian Park
11 transaction, it did not prohibit **REID** from representing to the loan applicant that he had no
12 choice but to sign the fraudulent documents as crafted, in violation of ORS 59.865 (15).

13 54. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
14 mortgage related activities of its loan originator when, in connection with the Ruth Dragoo
15 transaction, it did not prohibit **REID** from arranging for financing nearly a full percentage point
16 higher than originally quoted, without any compensatory reduction in fees, in violation of ORS
17 59.865 (15).

18 55. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
19 mortgage related activities of its loan originator when, in connection with the Kristin Dahl
20 transaction, it did not prohibit **REID** from employing a fraudulent “Uniform Residential Loan
21 Application” that misrepresented the loan applicant’s employment history, in violation of ORS
22 59.865 (15).

23 56. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
24 mortgage related activities of its loan originator when, in connection with the Kristin Dahl
25 transaction, it did not prohibit **REID** from employing a fraudulent “Uniform Residential Loan
26

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1 Application" that misrepresented the loan applicant's income history, in violation of ORS 59.865
2 (15).

3 57. **MORTGAGE TRUST** and **LELAND** failed to supervise diligently and control the
4 mortgage related activities of its loan originator when, in the Kristin Dahl transaction, it did not
5 prohibit **REID** from representing to the loan applicant that she had no choice but to sign the
6 fraudulent documents as crafted, in violation of ORS 59.865 (15).

7 58. **MORTGAGE TRUST** and **LELAND** failed to notify the Division of Finance and
8 Corporate Securities of the hiring of **REID** within thirty days of his September, 2004
9 employment, in violation of ORS 59.969 (1).

10 **ORDER**

11 Therefore, the Director **ORDERS**:

12 1. That **MORTGAGE TRUST** and **LELAND** shall **CEASE AND DESIST** from
13 violating any provision of Oregon Mortgage Lender Law, its accompanying administrative rules,
14 and the terms of this Order.

15 2. That **MORTGAGE TRUST** and **LELAND** shall, pursuant to ORS 59.870, pay the
16 sum of **ELEVEN THOUSAND SIX HUNDRED AND SIXTY SIX DOLLARS** (\$11,666.00)
17 as a civil penalty for all violations of ORS 59.865 (15) with respect to each mortgage transaction
18 (Brian Park, Ruth Dragoo, Kristin Dahl) described herein, for a total sum of **THIRTY FIVE**
19 **THOUSAND DOLLARS** (\$35,000.00), of which payment of the sum of **TWENTY**
20 **THOUSAND DOLLARS** (\$20,000.00) shall be **SUSPENDED** so long as **MORTGAGE**
21 **TRUST** or **LELAND** does not engage in any violations of the Oregon Mortgage Lender Law, its
22 accompanying administrative rules, or the terms of this Order within a period of **THREE**
23 **YEARS** from the date of entry of this Order. (Should either **MORTGAGE TRUST** or
24 **LELAND** commit any such violation within the above referenced time frame, the suspended
25 portion of the above described civil penalty shall become immediately due and owing.)

26 3. That **MORTGAGE TRUST** and **LELAND** shall pay the sum of **FIVE THOUSAND**

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1 **DOLLARS** (\$5,000.00) as a civil penalty for violations of ORS 59.969 (1) described herein.

2

3 IT IS SO ORDERED.

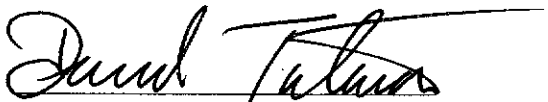
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5 Dated this 24th day of April, 2006 at Salem, Oregon.

6

7 CORY STREISINGER, Director
8 Department of Consumer and Business Services

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10 David C. Tatman, Administrator
11 Division of Finance and Corporate Securities

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CONSENT TO ENTRY OF ORDER

I, Michael Leland, state that I am an officer of Mortgage Trust, Inc. and am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents herein; that Mortgage Trust, Inc. has been advised of the right to a hearing and of the right to be represented by counsel in this matter; that Mortgage Trust, Inc. 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 this Order contains the entirety of the agreement reached by the parties, and that no other assurances or promises have been made by either party; that Mortgage Trust, Inc. 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 Mortgage Trust, Inc. will fully comply with the terms and conditions stated herein.

Mortgage Trust, Inc. further assures the Director that neither Mortgage Trust, Inc., nor its officers, directors, employees or agents will effect mortgage transactions in Oregon unless such activities are in full compliance with Chapter 59 of the Oregon Revised Statutes.

Mortgage Trust, Inc. further understands that this Consent Order is a public document.

Dated this 13th day of April, 2006.

By Michael Leland
Michael Leland

By Michael Leland
Michael Leland,
President, Mortgage Trust, Inc.

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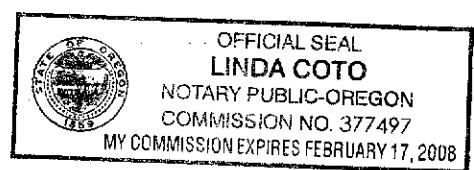
CORPORATE ACKNOWLEDGMENT

There appeared before me this 13th day of April, 2006 Michael Leland, who was first duly sworn on oath, and stated that he was and is President of Mortgage Trust, Inc. and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of Mortgage Trust, Inc., and to bind Mortgage Trust, Inc. to the terms hereof.

Michael Leland
Michael Leland

Linda Coto
(Printed Name of Notary Public)

Notary Public
for the State of: Oregon
My commission expires: 2/17/08



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