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**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**

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In the Matter of

M-05-0100

**SUNSET MORTGAGE COMPANY,
an Oregon corporation,**

**FINAL ORDER TO CEASE AND
DESIST AND ASSESSING CIVIL
PENALTIES ENTERED BY DEFAULT**

Respondent.

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On January 21, 2006, the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter "the Director"), acting by and pursuant to the authority of the Oregon Securities Law, Oregon Revised Statutes ("ORS") Chapter 59, and other applicable authority, issued Administrative Order No. M-05-0100 to **CEASE AND DESIST, ASSESSING CIVIL PENALTIES AND NOTICE OF RIGHT TO A PUBLIC HEARING** ("the Notice Order") against **SUNSET MORTGAGE COMPANY** (hereinafter "Sunset" or "the Respondent").

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On or about January 24, 2006, Sunset was duly served with a true copy of the Notice Order by certified mail, postage prepaid, and addressed to Sunset's president, Todd W. Johnson, at the company's business location 4230 Galewood Street, Suite 200, Lake Oswego, Oregon 97035.

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The Respondent has not made a written request for a contested case hearing in this matter and time to do so has expired.

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NOW THEREFORE, after consideration of the Investigation Report and accompanying exhibits submitted in this matter by Patrick A. Fitzgerald, Enforcement Officer, the Director hereby issues the following Findings of Fact, Conclusions of Law,



1 and Final Order.

2 **FINDINGS OF FACT**

3 The Director **FINDS** that:

4 1. Sunset Mortgage Company, (hereinafter "Sunset" or Respondent) is an
5 Oregon corporation doing business under the assumed business name Calsun Funding
6 LLC. Sunset was registered as an Oregon corporation with the Oregon Secretary of
7 State on July 20, 1992. The assumed business name Calsun Funding LLC is not
8 registered with the Oregon Secretary of State. The Respondent's principal business
9 location as registered with the Secretary of State is 4230 Galewood Street, Suite 200;
10 Lake Oswego, Oregon 97035.

11 2. Sunset is licensed by the Director to engage in Oregon residential
12 mortgage transactions, holding license number ML-137. The Galewood Street address
13 in Lake Oswego is registered as Sunset's corporate office. The Director has also
14 licensed branch offices for Sunset in Clackamas, Lake Oswego, Scappoose, Oregon
15 City, Salem and Portland. Todd W. Johnson is president of Sunset.

16 3. Beginning no later than May 20, 2005, Sunset engaged in residential
17 mortgage transactions from a branch office located at 243 SW Scalehouse Loop, Bend,
18 Oregon 97702 (hereafter referred to as "the Scalehouse Loop location").

19 4. In response to complaints received, the Division of Finance and Corporate
20 Securities ("the Division") viewed the Sunset website www.sunsetmortgageco.com on
21 August 30, 2005 and found that Sunset was advertising that it operated a branch office
22 located at 243 SW Scalehouse Loop in Bend, Oregon.

23 5. On September 22, 2005, Sunset sent an email message to Kenneth
24 Power, a Financial Examiner for the Division, that Sunset was operating a branch office
25 at the Scalehouse Loop location. This was the first official notice from Sunset to the
26 Director that Sunset was operating a branch office in Bend, Oregon.

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



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6. On December 12, 2005, the Division received a branch office application from Sunset for the Scalehouse Loop location.

7. During the period May 20, 2005 to September 22, 2005, Sunset engaged in at least one Oregon residential mortgage loan transaction from the unlicensed branch office at the Scalehouse Loop location.

8. The Director has not yet licensed a branch office in Bend, Oregon for Sunset.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

9. Sunset violated ORS 59.950(2) by failing to notify the Director of its Bend, Oregon branch office location not later than thirty days prior to the opening the office.

10. During the period May 20, 2005 to December 12, 2005, Sunset violated OAR 441-860-0030 by failing to submit a notice that includes the branch location address, telephone number, fax number, branch supervisor's name and required information about the supervisor at least thirty days prior to the commencement of business at the Scalehouse Loop location branch office.

11. During the period May 20, 2005 to December 12, 2005, Sunset violated OAR 441-860-0020(10) by failing to submit the required licensing fee at least thirty days prior to the commencement of business at the Scalehouse Loop location branch office.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

12. Pursuant to the authority of ORS 59.885(4), the Director hereby **ORDERS** Sunset 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.

Pursuant to the authority of ORS 59.996, the Director hereby **ASSESSES** the

1 following **CIVIL PENALTIES:**

2 13. Sunset is assessed a civil in the amount of \$5,000 (five thousand dollars)
3 for violation of ORS 59.950(2);

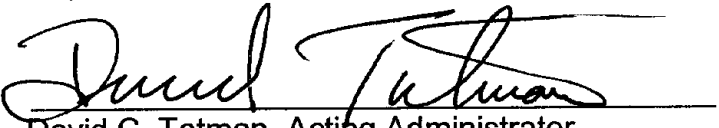
4 14. Sunset is assessed a civil penalty in the amount of \$5,000 (five thousand
5 dollars) for violation of OAR 441-860-0030; and

6 15. Sunset is assessed a civil penalty in the amount of \$5,000 (five thousand
7 dollars) for violation of OAR 441-860-0020, for a total **CIVIL PENALTY ASSESSED** of
8 \$15,000 (fifteen thousand dollars).

9 **IT IS SO ORDERED.**

10 Dated this 21st day of February 2006 at Salem, Oregon NUNC PRO
11 TUNC, January 21, 2006.

CORY STREISINGER, Director
Department of Consumer and Business Services



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

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