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: **American Financial Resources, Inc.,** **Respondent.**	**M-06-0023** **ORDER TO CEASE AND DESIST** **ORDER ASSESSING CIVIL PENALTIES** **And** **CONSENT TO ENTRY OF ORDER**

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of American Financial Resources Inc. and determined that American Financial Resources Inc. engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter cited as the Oregon Mortgage Lender Law); and

WHEREAS American Financial Resources Inc., wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, American Financial Resources Inc. hereby **CONSENTS** to entry of this order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4140

FINDINGS OF FACT

The Director **FINDS** that:

1. American Financial Resources, Inc. (hereinafter "American Financial" or "Respondent") is an Arizona corporation formed on March 5, 1993 that engages in residential mortgage lending. C. Gary Huntoon and Rachelle A. Smith each own one-half of American Financial.

2. American Financial applied to the Director for a license to engage in Oregon residential mortgage lending in October 2004. The application indicated that that American Financial wished to license a primary location of 3700 N. 7th Street Suite A in Phoenix, Arizona, 85014 (hereinafter "the primary location") and one branch location at 588 SW Hillwood Court in Bend, Oregon 977203 (hereinafter "the Hillwood Branch"). The application only included one loan originator, Curtis Norsen.

3. The Director granted American Financial license number ML-3440 on November 19, 2004 for the primary location and Hillwood Branch. At the time American Financial was issued the license, it had only Curtis Norsen listed as a loan originator.

4. On August 24, 2005, the Division received a completed loan originator notification form to add Michael Neimberg as a loan originator for American Financial.

5. At all times relevant, American Financial had not provided notice of its intent to operate a branch location at any location other than the Hillwood branch.

6. At all times relevant, the Division had not received notification from American Financial that any person would be originating Oregon residential mortgage loans for American Financial other than Curtis Norsen and Michael Neimberg.

7. On October 7, 2005, the Director's examiner Timothy Spencer sent American Financial a letter inquiring about information that indicated that American Financial may have been operating with a loan originator for whom the company had not provided notification.

8. On November 1, 2005, American Financial submitted a letter responding to the Director's October 7, 2005 inquiry indicating that Mary Norsen had been operating as a loan originator for the company since November 1, 2004 and had originated eleven loans for the company.

9. In its November 1, 2005 response, American Financial provided a completed loan originator notification form reporting that Mary Norsen operates from a branch at

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1258 Vicksburg Avenue in Bend, Oregon 97701 (hereinafter "the Vicksburg location"). This response was the first notice the Director received of the Vicksburg location.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. American Financial violated ORS 59.950(2) by failing to provide notice of its intent to operate a branch at the Vicksburg location at least thirty days prior to commencing operations from the location.

2. American Financial violated ORS 59.969(1) by failing to provide notice within 30 days after hiring Mary Norsen to originate Oregon mortgage loans for American Financial.

ORDER

The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Respondent will **CEASE AND DESIST** from violating any provision of Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order or policy issued by the Division, including, but not limited to:

a) Failing to notify the Division of its intent to operate a branch location at least 30 days prior to commencing operations at the location; and

b) Failing to notify the Division within 30 days for the hire of a loan originator to originate Oregon residential mortgage loans.

The Director, pursuant to ORS 59.996 hereby **ORDERS** that Respondent's license to engage in Oregon residential mortgage transactions is revoked. Respondent and all successor entities and alternative names of Respondent shall not be eligible to reapply for a license to engage in Oregon residential mortgage transactions until July 1, 2011.

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The date of this order is the day the Director or Director's nominee signs the order. The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

Dated this 30th day of June, 2006, at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

David Tatman, Administrator
Division of Finance and Corporate Securities

CORPORATE CONSENT TO ENTRY OF ORDER

I, _____, state that I am an officer of 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 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 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; and that Respondent will fully comply with the terms and conditions stated herein.

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Respondent further assures the Director that neither Respondent, 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.

Respondent understands that this Consent Order is a public document.

Dated this 20 day of June, 2006.

By _____
(Signature of officer)

Vice President
(Office Held)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 20 day of June, 2006, Jamie Korus, who was first duly sworn on oath, and stated that she was and is Vice President of Respondent and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of Respondent, and to bind Respondent to the terms hereof.

KATHERINE MEEKS
NOTARY PUBLIC- ARIZONA
MARICOPA COUNTY
My Comm. Exp.: January 20, 2010

_____
Notary Public
for the State of: Arizona
My commission expires: 1-20-2010

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