

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**

5 **In the Matter of:**

M-07-0016

6 **Morgan Financial, Inc.,**

**ORDER TO CEASE AND DESIST
ORDER ASSESSING CIVIL PENALTIES**

7 **Respondent.**

**And
CONSENT TO ENTRY OF ORDER**

8
9
10 **WHEREAS** the Director of the Department of Consumer and Business Services
 11 for the State of Oregon (hereinafter "the Director") conducted an investigation of Morgan
 12 Financial, Inc. and determined that Morgan Financial, Inc. engaged in activities
 13 constituting violations of ORS 59.840 through 59.965 (hereinafter cited as the Oregon
 14 Mortgage Lender Law); and

15 **WHEREAS** Morgan Financial, Inc., wishes to resolve and settle this matter with
 16 the Director,

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

20 **FINDINGS OF FACT**

21 The Director **FINDS** that:

- 22 1. Morgan Financial, Inc. (hereinafter "Respondent"), an Oregon corporation formed
 23 on October 30, 1995, negotiates mortgage loans in expectation of compensation in
 24 Oregon and elsewhere. Respondent first obtained a license to engage in Oregon
 25 residential mortgage transactions on November 7, 1995 and has continuously
 26 maintained that license.

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



1 2. Curtis Kimsey was convicted on July 13, 2001 of Driving Under the Influence of
2 Intoxicants in violation of ORS 813.010(5), a class C felony, in Multnomah county case
3 number 000332822 based upon an incident occurring on February 8, 2000.

4 3. Curtis Kimsey was convicted on July 13, 2001 of Driving Under the Influence of
5 Intoxicants in violation of ORS 813.010(5), a class C felony, in Multnomah county case
6 number 000937314 based upon an incident occurring on July 21, 2000.

7 4. On or about October 5, 2006, Respondent reported to the Director that it had
8 hired Curtis Kimsey to originate loans for the company on October 4, 2006.

9 5. As of April 12, 2007, Respondent had not requested the Director issue a no-
10 action letter confirming that the Director would not take action against Respondent for
11 hiring a loan originator with a disqualifying conviction.

12 CONCLUSIONS OF LAW

13 The Director **CONCLUDES** that:

14 1. Conviction of a violation of ORS 813.010(5) is a felony, which is defined in ORS
15 161.525 as a crime punishable by a maximum term of Imprisonment in excess of one
16 year.

17 2. Because Curtis Kimsey's felony convictions are crimes punishable by
18 imprisonment in excess of one year, they are disqualifying convictions pursuant to OAR
19 441-880-0050(4)(a).

20 3. Respondent violated OAR 441-880-0050(6)(c) by hiring Curtis Kimsey as a loan
21 originator when Curtis Kimsey has been convicted of disqualifying convictions without
22 obtaining a no-action letter from the Director.

23 ORDER

24 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Respondent will
25 **CEASE AND DESIST** from violating any provision of Oregon Mortgage Lender Law,
26 OAR 441-850-0005 through 441-885-0010 and any rule, order or policy issued by the

Division of Finance and Corporate Securities
Labor and Industries Building
330 Wheeler Street, NE, Suite 410
Salem, OR 97307-3181
Telephone: (503) 378-1440




1 Division, specifically including employing a person with disqualifying convictions as a
2 loan originator unless Respondent has obtained a no-action letter from the Director.

3 The Director, pursuant to ORS 59.996 hereby **ORDERS** Respondent to pay the
4 State of Oregon a civil penalty of \$5,000 for the violation of OAR 441-880-0050(6)(c).

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

8 Dated this 28th day of June, 2007, at Salem, Oregon.

9
10 CORY STREISINGER, Director
11 Department of Consumer and Business Services

12 
13 David Tatman, Administrator
14 Division of Finance and Corporate Securities

15
16 **CORPORATE CONSENT TO ENTRY OF ORDER**

17 I, Morgan Smith, state that I am an officer of Respondent, and I
18 am authorized to act on its behalf; that I have read the foregoing Order and that I know
19 and fully understand the contents hereof; that I and this entity have been advised of the
20 right to a hearing and of the right to be represented by counsel in this matter; that
21 Respondent voluntarily and without any force or duress, consents to the entry of this
22 Order, expressly waiving any right to a hearing in this matter; that Respondent
23 understands that the Director reserves the right to take further actions to enforce this
24 Order or to take appropriate action upon discovery of other violations of the Oregon
25 Mortgage Lender Law; and that Respondent will fully comply with the terms and
26 conditions stated herein.

Division of Finance and Corporate Securities
Labor and Industries Building
150 Winter Street NE, Suite 410
Salem, OR 97301-3381
Telephone: (503) 378-4140



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

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.

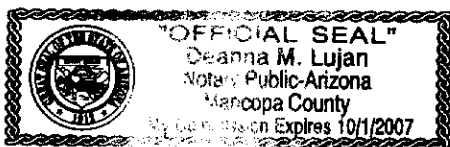
Dated this 1st day of June, 2007.

By *MS*
(Signature of officer)
President
(Office Held)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 1st day of June, 2007,
Morgan Smith, who was first duly sworn on oath, and stated that
(s)he was and is President of Respondent and that (s)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.

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street, NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4149



Deanna M. Lujan
Notary Public
for the State of: Arizona
My commission expires: 10/1/2007

