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

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of:	**M-07-0046-2**
DEAN SCHMIDT	**FINAL ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTIES, AND CONSENT OF ENTRY OF ORDER**
Respondent.	

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Dean Schmidt (hereinafter "Schmidt") and determined that Schmidt engaged in activities constituting violations of **ORS 59.840** *et seq.* (hereinafter cited as the Oregon Mortgage Lender Law); and

WHEREAS Schmidt wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by his signature subscribed on this order, Schmidt hereby **CONSENTS** to entry of this order upon the Director's Findings of Fact and Conclusions as stated hereinafter:

FINDINGS OF FACT

The Director **FINDS** that:

1. Pacific Crest Funding LLC (hereinafter "Pacific Crest") is an Oregon domestic limited liability company registered on April 12, 2004. Schmidt and David Kammerer (hereinafter "Kammerer") are registered loan originators and joint owners of Pacific Crest.

2. Pacific Crest's principal place of business is located at 44 Club Rd Ste 330, Eugene, OR 97401. Pacific Crest has one registered branch office located at 566 Main Street, Lebanon, OR 97355.

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3. On July 14, 2004, the Director issued a license to engage in Oregon residential mortgage transactions to Pacific Crest (ML-3307). This license has been continuously renewed and expires on July 14, 2009.

4. Anna Mahony (hereinafter "Mahony"), an examiner in the Mortgage Lending section of the Division of Finance and Corporate Securities (hereinafter "the Division"), conducted a mortgage lender examination of Pacific Crest on or about April 24, 2006.

5. The examination revealed that Schmidt failed to complete the continuing education requirement for loan originators. Pursuant to the examination, Mahony reviewed Pacific Crest personnel information that indicated Schmidt qualified as an experienced loan originator.

6. Experienced loan originators are required to take a continuing education course, receive a certificate of completion for the course and submit the certificate to the Division. The deadline for Schmidt, as an experienced loan originator, to complete his continuing education requirement was January 31, 2006.

7. Since Schmidt did not complete this continuing education requirement by the deadline, he was then required to complete the entry-level education requirement as well. The entry-level requirement includes taking and passing an entry-level course and exam and receiving a certificate of completion.

8. On or about May 5, 2006, the Division sent a letter to Pacific Crest detailing the examination findings including Schmidt's failure to complete the continuing education requirement. Kammerer submitted a written response to the Division in May 2006 stating that Schmidt would complete 20 hours of continuing education and 20 hours of entry-level education. Kammerer also gave assurances that Schmidt would not originate loans until he completed the education requirement.

9. In late 2006, Timothy Spencer (hereinafter "Spencer"), an examiner in the Mortgage Lending section of the Division, visited Pacific Crest's principal office and requested verification that Schmidt completed his entry-level and continuing education requirements. Schmidt admitted

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to Spencer he had not completed either education requirement and continued to originate mortgage loans.

10. The Division requested a list of loans Schmidt originated or had involvement with since the January 31, 2006 deadline. On or about April 11, 2007, Schmidt submitted this list to the Division. From January 31, 2006 through April 11, 2007, Schmidt originated 62 mortgage loan transactions.

11. The Division received a ProSchools certificate of completion indicating that Schmidt completed a continuing education course (C-060106-172) in fulfillment of the continuing education requirement on or about November 21, 2006.

12. On or about June 26, 2007, Schmidt submitted his entry-level certificate of completion to Spencer. On or about June 27, 2007, the Division received verification from ProSchools that, from November 2006-June 2007, Schmidt took an entry-level mortgage lending course and an exam.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. By failing to complete the continuing education requirement for loan originators by January 31, 2006, Schmidt failed to meet the training, education or continuing education requirements in violation of **ORS 59.971(1)(d)**.

ORDER

The Director, pursuant to **ORS 59.885(4)** hereby **ORDERS** that Schmidt will **CEASE AND DESIST** from violating any provision of the Oregon Mortgage Lender Law, and any rules, order or policy issued by the Division.

The Director, pursuant to **ORS 59.996(2)**, hereby **ORDERS** Dean Schmidt to pay the State of Oregon a civil penalty of $5,000 for failure to complete his education requirements while continuing to originate loans, in violation of **ORS 59.971(1)(d)**.

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For the civil penalty assigned to Schmidt, the Director suspends payment of $4,000 for a four-year period. If in the period between the date of the order to four years from the date of the order, Schmidt violates any provision of the Mortgage Lender Law or any rule, order or policy issued by the Director, the suspended portion of the assessed civil penalty will become immediately due and payable. If Schmidt does not violate the Oregon Mortgage Lender Law, or any rule, order or policy issued by the Director in four years from the date of the order, the suspended portion of the civil penalty is waived.

The remaining $1,000 civil penalty must be paid in full by August 11, 2008.

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

Dated this 29th day of July 2008 at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

David Tatman

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

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CONSENT OF ENTRY OF ORDER

I, Dean Schmidt, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that I have been advised of the right to a hearing and of the right to be represented by counsel in this matter; that I 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 I understand that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discover of other violations of the Oregon Mortgage Lender Law; and that I will fully comply with the terms and conditions stated herein.

I further assures the Director that neither I, nor any employees or agents of mine will effect mortgage transactions in Oregon unless such activities are in full compliance with the Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 23 day of July 2008.

By _____

ACKNOWLEDGMENT

Dated this 23 day of, July 2008

_____

Notary Public for the State of Oregon

My commission expires: 11-14-2009

OFFICIAL SEAL
SHANNA BITIKOFER
NOTARY PUBLIC OREGON
COMMISSION NO. 398921
MY COMMISSION EXPIRES NOV.14, 2009

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