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: **COLUMN ONE PROPERTIES LLC,** **dba COLUMN ONE MORTGAGE,** **dba FORUM MORTGAGE and** **PRESTON HAYES** **Respondents.** **As to Preston Hayes**	**M-07-0047-2** **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 Column One and Preston Hayes and determined that Column One and Preston Hayes engaged in activities constituting violations of ORS 59.840 et seq. (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS, Preston Hayes wishes to avoid the additional costs and expenses resulting from an action by the Director, does not desire to expend further time on this matter, and seeks to obtain finality without invoking his right to a hearing and desires to resolve and settle this matter with the Director without admitting or denying the findings or conclusions set for herein;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order Preston Hayes hereby **CONSENTS** to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

FINDINGS OF FACT

The Director **FINDS** that:

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

1. Column One Properties LLC (hereinafter "Column One") is an Oregon domestic limited liability company registered on November 5, 1999.

2. On March 28, 2001, the Director issued a license to engage in Oregon residential mortgage transactions to Column One. This license was surrendered and cancelled on February 7, 2008. Column One's principle place of business is 727 Laurel Street, Lake Oswego, Oregon 97034. Column One was registered with the Division of Finance and Corporate Securities (hereinafter "the Division") to also do business as Column One Mortgage and Forum Mortgage.

3. The Director's records show Greg Lyons is the sole owner of Column One. Preston Hayes (hereinafter "Hayes") is listed as a loan originator for Column One.

4. In July 2005, Stephen Bakker (hereinafter "Bakker") purchased a home in Portland listed by a real estate agent affiliated with Column One. Hayes, as a loan originator for Column One, worked on the mortgage financing for this transaction. In early October 2006, Bakker contacted Hayes again and reported interest in buying another home. Hayes requested Column One's assistance to secure financing for this potential purchase. Hayes agreed to act as Bakker's loan originator for this transaction.

5. By early November, Bakker found the property he wanted to purchase and signed an earnest money agreement. On or about November 8, 2006, Bakker told Hayes about the earnest money agreement. The loan required funding by December 15, 2006.

6. On or about December 5, 2006, Bakker provided Hayes with various income statements. Hayes stated that the nature of Bakker's income statements and credit score made it difficult to find rates, programs and lenders for the transaction.

7. Hayes submitted Bakker's loan to his account executive at the lender on or about December 6, 2006. The account executive entered the information into the system on or about December 8, 2006. The lender informed Hayes through Column One that disclosure documents signed by the borrower were required to allow underwriting to access Bakker's file.

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8. These disclosure documents included the following: Privacy Policy Disclosure, Notice to Applicant of Right to Receive a Copy of the Appraisal Report, Equal Credit Opportunity Act Notice, Disclosure Notices, Insurance Confirmation and Authorization, Column One Mortgage Appraisal Consent, Borrower's Certification and Authorization, Notice to the Home Loan Applicant Credit Score Information Disclosure, RESPA Servicing Disclosure, USA Patriot Act Information Disclosure, Lock-In Options Disclosure, NAMB Mortgage Loan Origination Agreement, Credit Authorization, Housing Financial Discrimination Act of 1977 Fair Lending Notice (hereinafter "Disclosure Documents").

9. On or about December 8, 2006, Column One mailed the Disclosure Documents to Bakker to sign. Realizing the Disclosure Documents could not be received, signed and returned by Bakker in time for the submission deadline, Hayes signed Bakker's name on the Disclosure Documents in 14 places on or about December 9, 2006. In a written statement submitted to the Director on or about July 11, 2007, Hayes reported that he was given oral consent by Bakker to sign Bakker's name to the documents.

10. On or about December 11, 2006, the Disclosure Documents were submitted to underwriting. Neither Hayes nor Column One advised the lender that Hayes signed Bakker's name to the Disclosure Documents. After this submission to the lender, two mortgage loans were approved and funded for Bakker in 2007.

11. On or about April 10, 2007, the Director received a consumer complaint from Bakker reporting that Hayes, through Column One, signed Bakker's name to the Disclosure Documents.

12. Column One was notified by letter dated May 18, 2007, that the Division received this complaint from Bakker. In a written statement to the Director dated July 11, 2007, Hayes acknowledged signing Bakker's name to the Disclosure Documents.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. By repeatedly signing Bakker's name to the Disclosure Documents, Hayes engaged in

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unfair or unethical practices or conduct in connection with the mortgage business, in violation of **ORS 59.971(1)(a)** and **(1)(b)**.

2. By failing to advise the lender that Hayes signed Bakker's name to each document, Hayes knowingly omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in violation of **ORS 59.930(2)**.

3. By submitting or causing the Disclosure Documents to be submitted to the lender, Hayes engaged in an act, practice or course of business which operates or would operate as a fraud or deceit upon the lender, in violation of **ORS 59.930(3)**.

ORDER

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

Preston Hayes, until further order by the Director, is prohibited from owning, controlling, acting as a partner, officer, director, experienced person or loan originator for a mortgage banker/broker or performing similar functions of a partner, officer, director, experienced person or loan originator for any company licensed as a mortgage banker/broker by the Oregon Division of Finance and Corporate Securities.

The Director, pursuant to **ORS 59.996**, hereby **ORDERS** Preston Hayes to pay the State of Oregon a civil penalty of $5,000. The Director suspends payment of $3,500 of the assessed civil penalty for a three-year period. $1,500 will be paid at the time the Order is signed. If, in the period between the date of the Order to three years from the date of Order, Preston Hayes violates any part of this agreement or any provision of the Oregon Mortgage Lender Law, OAR 441-850-0005 through OAR 441-885-0010 or any rule, order, or policy issued by the Director, the suspended portion of the assessed civil penalty will become immediately due and a payable. If Preston Hayes does not violate any provision of the Oregon Mortgage Lender Law, OAR 441-

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850-0005 through OAR 441-885-0010 or any rule, order, or policy issued by the Director, the suspended portion of the civil penalty is waived.

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 13th day of February, 2009, at Salem, Oregon.

CORY STREISINGER, Director

Department of Consumer and Business Services

David Tatman

David Tatman, Administrator

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CONSENT OF ENTRY OF ORDER

I, Preston Hayes, 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, consent 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 discovery of other violations of the Oregon Mortgage Lender Law; and that I will fully comply with the terms and conditions stated herein.

I understand that this Consent Order is a public document.

Dated this 11 day of Dec. 2008.

By _____ Preston Hayes

ACKNOWLEDGMENT

Dated this 11th day of, Dec 2008

_____ Lisa K Day

OFFICIAL SEAL
LISA K DAY
NOTARY PUBLIC-OREGON
COMMISSION NO. 402162
MY COMMISSION EXPIRES FEB. 2, 2010

Notary Public for the State of Oregon

My commission expires: 2/2/2016

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