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-09-0029- 16**
RESIDENTIAL WHOLESALE MORTGAGE INC.,	**FINAL ORDER TO CEASE AND DESIST, ASSESSING CIVIL PENALTIES**
Respondent.	**ENTERED BY CONSENT**

WHEREAS the Director (the "Director") of the Department of Consumer & Business Services for the State of Oregon (the "Department") conducted an investigation into the activities of **RESIDENTIAL WHOLESALE MORTGAGE INC.,** (the "Respondent") and determined that Respondent engaged in activities constituting violations of ORS 59.840 through 59.980 (hereinafter cited as the Oregon Mortgage Lender Law); and

WHEREAS Respondent wishes to resolve this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Respondent hereby **CONSENTS** to entry of this order upon the Director's Findings of Facts 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) 378-4387

FINDINGS OF FACT

The Director **FINDS** that:

1. **RESIDENTIAL WHOLESALE MORTGAGE INC.,** ("Respondent") is or was engaged in Oregon residential mortgage lending, operating from a principal place of business located at **11234 EL CAMINO REAL #100, SAN DIEGO, CA 92130.** Respondent obtained a license **ML-3883** to engage in Oregon residential mortgage transactions that was effective in 2008.

2. ORS 59.860(3) requires that the Department's Division of Finance and Corporate

Securities (the "Division") obtain from licensed Oregon mortgage bankers and brokers annual reports concerning their residential mortgage lending activities. Oregon Administrative Rule ("OAR") 441-865-0025 defines the data required to be included in those reports and sets the deadline for filing them. The deadline for filing mortgage lending annual reports was March 31, 2009.

3. On or about February 5, 2009, the Division activated a website (https://www4.cbs.state.or.us/exs/dfcs/mlrpt/) for licensees to use to file their annual reports. The Division posted a link to that website from the Division home page along with information on the annual report requirement. In addition, on February 6, 2009, the Division also posted a prominent notice on its Mortgage Lending Section website (http://www.dfcs.oregon.gov/mortgage_lending.html).

4. On or about February 6, 2009, an e-mail was sent to all the valid e-mail addresses the Mortgage Lending Section had for entities with a license at any time in 2008 reminding them of the requirement to file the report and providing information on how to do so. The list of e-mail addresses was tracked on a spreadsheet (the "Annual Report Spreadsheet") and saved on the Division's hard drive. Each "undeliverable" e-mail address notice received was tracked on the Annual Report Spreadsheet. When the Division received notice that the e-mail should be forwarded to a different address, a Division employee forwarded the e-mail to the new address provided. This information was also tracked on the Annual Report Spreadsheet.

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5. On or about February 6, 2009, a letter was sent to all active licensees that had a license any time in 2008 informing them of the requirement to file an annual report.

6. On March 9, 2009, another e-mail was sent to those entities for which the Division had a valid e-mail address, with a license at any time in 2008, but that had not yet filed an annual report. Again, the Division tracked those e-mails that were returned as "undeliverable" and a Division employee forwarded e-mails as directed. This

information was tracked on the Annual Report Spreadsheet.

7. On March 25, 2009, a final e-mail was sent to those entities the Division had a valid e-mail address for that had not yet filed an annual report. The Division tracked those e-mails that were returned as "undeliverable" and forwarded e-mails as directed. This information was tracked on the Annual Report Spreadsheet.

8. On April 1, 2009, a final letter was sent to all active licensees that currently hold a mortgage banker / broker license in Oregon and had a license at some point in 2008, but had not yet filed an annual report. The letter reminded the licensees of the obligation to file an annual report and of the $100 per day penalty for failure to file the report.

9. Respondent has now filed an annual report for mortgage lending business conducted in 2008 and has written the Division to explain why it did not do so in a timely manner.

CONCLUSION OF LAW

1. By failing to file an annual report with the Director by March 31, 2009, Respondent violated ORS 59.860(3) and OAR 441-865-0025.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

The Director, pursuant to its authority under ORS 59.885(4), hereby **ORDERS** that Respondent shall **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.

The Director, pursuant to ORS 59.996 hereby **ORDERS** Respondent to pay the State of Oregon a civil penalty of **$500** based on Respondent's violations of ORS

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59.860(3) and OAR 441-865-0025(3). Respondent has paid the ordered civil penalty in full.

Dated this 23rd day of July, 2009.

By:

CORY STREISINGER, Director
Department of Consumer and Business Services

David Tatman, Administrator
Division of Finance and Corporate Securities

MORTGAGE BANKER / BROKER CONSENT TO ENTRY OF ORDER

I, Suzanne Livingston, 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 Law; and that Respondent will fully comply with the terms and conditions stated herein.

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.

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Respondent understands that this Consent Order is a public document.

Dated this 20th day of July, 2009.

By [signature], secretary, broker
(Signature) (Office Held)

NOTARY ACKNOWLEDGMENT

There appeared before me this 20th day of July, 2009, Susanne D. Livingston (Respondent's Representative) who was first duly sworn on oath, and stated that s/he was and is Secretary / Broker (Representative's Title) 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.

[signature]
Signature of Notary Public

TERI KERNS
COMM. #1648156
NOTARY PUBLIC • CALIFORNIA
SAN DIEGO COUNTY
Comm. Exp. FEB. 28, 2010

Notary Public for the State of: Calif.

My Commission Expires: 2/28/10.

Dated this 20th day of July, 2009.

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