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-09-0065**
Killion Enterprises, Inc.	)	**ORDER TO CEASE AND DESIST, REVOKING MORTGAGE BANKER / BROKER LICENSE, BARRING FROM INDUSTRIES, ASSESSING CIVIL PENALTIES**
dba Spartan Mortgage,	)	
and Steve Killion;	)	**AND**
Respondents.	)	**CONSENT TO ENTRY OF ORDER**

WHEREAS The Director of the Department of Consumer and Business Services for the State of Oregon (the "Director") acting pursuant to the authority granted by Statutes ("ORS") 86A.095 et seq. (the "Oregon Mortgage Lender Law") [formerly numbered ORS 59.840 to 59.980, changed effective January 1, 2010] has conducted an investigation into the activities of Killion Enterprises, Inc., dba Spartan Mortgage ("Killion Enterprises") and Steve Killion ("Killion"),

WHEREAS Respondents wish to resolve this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order, Respondents hereby **CONSENT** 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

1. Killion Enterprises is an active Oregon corporation, not currently operating an active business. Killion Enterprises' principal location while in business was 12178 SW Garden Place, Park 217, Building #3, Tigard, Oregon 97223.

2. Killion Enterprises obtained its Oregon mortgage license, ML-696, on June 30, 1995, which is due to expire on June 28, 2010. Killion is the 100% owner, President, the

Experienced Person and the contact person for the firm.

3. On June 12, 2008, a Division examiner completed an on-site examination (the "First Exam") of Killion Enterprises' books and records. Killion Enterprises scored a 5, the lowest possible score, based upon, among other violations, deficiencies regarding criminal background checks, failure to notify the Division within 30-days of the employment/termination of loan originators, employment of loan originators with disqualifying convictions, and operating from an unlicensed branch. Division examiners notified Respondents of these violations in a report of exam findings issued after the First Exam (the "First Exam Report").

4. The First Exam Report also notified Respondents that Killion Enterprises had violated OAR 441-860-0070 by failing to notify the Division of a change in control person when Killion purchased 50% of the Killion Enterprises' ownership from his mother and father, William and Genevieve Killion, making Killion the sole owner of Killion Enterprises.

5. Following the first exam, on August 21, 2008, "No Action" letters were requested by counsel for Killion Enterprises for two loan originators with disqualifying convictions; Lane MacLean and Michael Box. On August 28, 2008, letters were sent to counsel for Killion Enterprises, denying the "No Action" request for Michael Box, and granting the "No Action" request for Lane MacLean.

6. On or about February 25, 2009, a Division employee received information that Killion had recently been arrested in Clatsop county, for criminal charges relating to an assault that Killion had committed against a former employee / loan originator of Killion Enterprises on February 16, 2009, in Astoria Oregon.

7. On February 25, 2009, a Division employee accessed Oregon's Judicial Information Network ("OJIN") to verify the validity of the information obtained. According to OJIN, Killion was arrested on February 16, 2009, Case #091052, on the

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following charges: Assault 2, Assault 3, Assault 4 – Section 3, and Criminal Trespass 2. Assault 2, Assault 3 and Assault 4- Section 3 are all felony charges. The victim in that alleged assault was a loan originator formerly employed by Respondent.

8. According to the OJIN records reviewed on February 25, 2009, Killion was released from the Clatsop county jail on February 17, 2009, placed under felony indictment on February 20, 2009 based on the same acts that led to his arrest on February 16, 2009, and re-arrested on February 23, 2009.

9. On March 18, 2009, a Division employee received information that Killion was arrested again on March 13, 2009, in Coeur D'Alene, Idaho and that Killion was being charged as a "Fugitive from Justice." On the same day, a Division employee accessed arrest records for Kootenai County in Coeur D'Alene, Idaho (*www.kcsheriff.com/jailroster.htm)* and verified the reported information.

10. Killion Enterprises did not notify the Division that a felony indictment had been filed against Killion in Clatsop County, Oregon until on or about June 22, 2009.

11. On or about June 22, 2009 the Division conducted a second on-site examination (the "Second Exam") of Killion Enterprises. Killion Enterprises received a score of 4, for, among other violations, deficiencies regarding criminal background checks, failure to notify the Division within 30-days of the employment/termination of loan originators, employment of a loan originator with a disqualifying conviction, and operating from an unlicensed branch. Each of these violations is a repeat violation that Respondents were notified of in the First Exam Report.

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CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. By failing to notify the Director of the filing of a felony indictment against Killion, an officer, director or principal of Killion Enterprises, within 30 days, Respondents violated OAR 441-860-0070 (1)(c).

2. By repeating four violations of Oregon Mortgage Lender law noted in the First Exam, at the Second Exam, regarding, specifically, criminal background checks, failure to notify the Division within 30-days of the employment/termination of loan originators, employment of a loan originator with a disqualifying conviction, and operating from an unlicensed branch, Respondents established grounds for revoking a mortgage banker / broker license under ORS 86A.115 (3) [formerly numbered ORS 59.865 (3)], as willful or repeated violations or failures to comply with any provision of Oregon Mortgage Lender Law or any rule or order of the Director.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

The Director, pursuant to ORS 86A.115 [formerly numbered ORS 59.865] hereby **REVOKES** the residential mortgage banker / broker license of Killion Enterprises Incorporated;

The Director, pursuant to ORS 86A.992 [formerly numbered ORS 59.996], hereby **ORDERS** Respondents to pay the State of Oregon a civil penalty of $5,000 for violating OAR 441-860-0070(1)(c), and $20,000 for four violations of ORS 86A.115 (3) [formerly numbered ORS 59.865 (3)] (4 x $5000) for a total **CIVIL PENALTY** of **$25,000**; **AND**

Respondents are **BARRED** from applying for, holding, or renewing any license or registration for consumer finance, manufactured structure dealer or mortgage lending. Killion is further **BARRED** from acting as a mortgage loan originator in

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Oregon.

Killion is permanently **DENIED** the use of securities registration and transaction exemptions that would otherwise be available to him under ORS 59.025 and ORS 59.035, respectively. Killion is permanently **BARRED** from applying for or renewing any investment adviser, broker-dealer or securities salesperson license in the State of Oregon. Killion is permanently **BARRED** from applying to register or renew any securities registration in the State of Oregon.

The Director, pursuant to ORS 86A.127 (4)[formerly numbered ORS 59.885(4)] hereby **ORDERS** that Respondents, including any assignees or successor business(es) or corporation(s), 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.

For the civil penalty assigned to Respondents, the Director suspends payment of the entirety for a four-year period. If, in the period between the date of this order to four years from the date of this order, Respondents violate any provision of the Oregon Mortgage Lender Law or Oregon Securities 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 Respondents do not violate the Oregon Mortgage Lender Law or Oregon Securities Law, or any rule, order or policy issued by the Director within four years from the date of this Order, the suspended portion of the civil penalty is waived.

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Respondents are jointly and severally liable for the full amount of the assessed civil penalty. The entry of this Order in no way limits further remedies which may be available to the Director under the Oregon Law.

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Dated this 29th day of June, 2010, at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Administrator

PERSONAL CONSENT TO ENTRY OF ORDER

I, Steve Killion, 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 25th day of June, 2010.

By /s/ Steve M. Killion

Steve Killion

SUBSCRIBED AND SWORN to before me this 25th day of June, 2010.

/s/ Kenneth E. Power
(Printed Name of Notary Public)
Notary Public for the State of: Oregon
My commission expires: Nov. 8, 2013

CORPORATE CONSENT TO ENTRY OF ORDER

I, Steve Killion, state that I am an officer of Killion Enterprises, Inc., and I am authorized to act on its behalf; that I have read the foregoing Order and that I know

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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 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 Respondents will fully comply with the terms and conditions stated herein.

I further assure the Director that neither I nor Killion Enterprises Inc., nor its officers, directors, employees or agents 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 25th day of June, 2010.

By /s/ Steve M. Killion President

Steve Killion President

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CORPORATE ACKNOWLEDGMENT

There appeared before me this 25th day of June, 2010, Steve Killion, who was first duly sworn on oath, and stated that he was and/or is President / Owner of Killion Enterprises Inc. and that he is authorized and empowered to sign this Consent to Entry of Order on behalf of Killion Enterprises Inc., and to bind Killion Enterprises Inc. to the terms hereof.

/s/ Kenneth E. Power
Signature of Notary Public
Notary Public for the State of: Oregon.
My Commission Expires: Nov. 08, 2013
Dated this 25th day of June, 2010.