$14STATE 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: **Baxter Mortgage Corporation,** **NMLS# 235530** **Respondent.**	**M-12-0046** **Order to Cease and Desist, Order Assessing Civil Penalties, Order Assessing Exam Expenses 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 Baxter Mortgage Corporation and determined that Baxter Mortgage Corporation engaged in activities constituting a violation of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the "Oregon Mortgage Lender Law"); and

WHEREAS Baxter Mortgage Corporation wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Baxter Mortgage Corporation 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:

1. Baxter Mortgage Corporation (hereinafter "Baxter") is an Oregon corporation formed on May 13, 1994.

2. Baxter obtained an Oregon mortgage broker license from the Division of Finance and Corporate Securities (hereinafter the "Division") on July 22, 1994, NMLS# 235530.

3. Baxter's principal place of business is located at 2812 Scottish Highland LN SE,

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

Salem, Oregon 97317.

I. Mortgage Call Report

4. The Oregon Mortgage Lender Law requires licensed mortgage bankers and mortgage brokers to file an annual report with the Division concerning their residential mortgage lending activity.

5. The deadline for filing the annual report for 2011 mortgage lending activity was March 31, 2012.

6. On January 3, 2012, the Division made public a website https://www4.cbs.state.or.us/exs/dfcs/mlrpt/index.cfm that licensees were to use to file their annual reports. The Division posted a link to that website from the Divison's mortgage lending home page along with information on the annual report requirements.

7. The Division's mortgage lending home page also included a prominent notice about the requirement.

8. During the time period of January 9 through April 2, 2012, the Division sent three emails to Baxter's email address of record, baxtermort@aol.com, reminding of the annual report requirement and the deadline to file, another email that included an electronic copy of the Division's newsletter that explained the report requirement and reminded of the deadline, and a letter warning that if the report was not filed by the deadline, the matter would be referred to enforcement.

9. Since Baxter did not file the annual report with the Division by March 31, 2012, the matter was referred for enforcement.

10. Baxter filed its annual report with the Division on June 6, 2012.

II. 2012 Examination

11. On January 30, 2012, an examiner employed by the Division completed an on-site examination of the books and records of Baxter, and the company received a satisfactory score of 3 out of a possible 5, with 5 being the worst.

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12. On or about February 8, 2012, the Division mailed a report detailing the examination findings (hereinafter "examination report"), an invoice for payment of the examination expenses and a cover letter to the company's address of record requiring a response within two weeks. Baxter did not submit a response.

13. During the time period of March 5 through April 16, 2012, the Division sent two emails to Baxter's email address of record reminding that the response was past due attaching an electronic copy of the examination report and a letter warning that if the response was not received by May 16, 2012, the matter would be referred to enforcement.

14. Since the Division did not receive a response, this matter was referred for enforcement.

15. As the Division had not received payment for the examination fees, on March 12, 2012, the Division sent a demand letter for payment of the $318.75 examination fees.

16. On April 17, 2012, the Division received partial payment of $170.00 in examination fees from Baxter. To date, the Division has not received the remaining balance of examination fees from Baxter.

17. On June 6, 2012, Baxter submitted a satisfactory response to the examination report to the Division.

18. Division employees spent two hours of enforcement time following the issuance of the examination report working to complete the examination.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

1. By failing to make a timely filing of the annual report for 2011 mortgage lending activity, Baxter violated ORS 86A.112(3) and OAR 441-865-0025.

2. By failing to submit a timely response to the Division's examination report, Baxter violated ORS 86A.115(12).

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ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

The Director, pursuant to ORS 86A.127, hereby ORDERS Baxter to Cease and Desist from violating Oregon's Mortgage Lender Law.

The Director, pursuant to ORS 86A.992(2), hereby ORDERS Baxter to pay a civil penalty of $1,200 for the violation of ORS 86A.112(3) and OAR 441-865-0025 (failure to timely file annual report) and, pursuant to OAR 441-860-0110(2), Baxter must pay $148.75 for the outstanding balance of the examination fees, and $150 in additional examination expenses ($75.00 x 2) for the 2 hours of Division time spent preparing this case.

Total balance: $1498.75 [examination fees: $298.75 ($148.75 + $150) + civil penalty: $1,200]. The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

Baxter will pay $124.90 per month to the Oregon Division of Finance and Corporate Securities, Oregon Department of Consumer and Business Services for twelve months toward the civil penalty until the total balance is paid. The payments are due on the 20th day of the month, and the first payment is due on August 20, 2012 along with the signed consent order. There is no prepayment penalty. There is no interest for the civil penalty installment payments, so long as payments are timely made in compliance with this payment plan.

Dated this 5th day of September, 2012

PATRICK M. ALLEN, Director
Department of Consumer and Business Services

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

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ENTITY CONSENT TO ENTRY OF ORDER

I, John G. Baxter, state that I am an officer of Baxter and I am authorized to act on its behalf. I have read the foregoing order and that I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Baxter voluntarily and without any force or duress consents to the entry of this order expressly waiving any right to a hearing in this matter. Baxter 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 Lender Law. Baxter will fully comply with the terms and conditions stated herein.

Baxter further assures the Director that neither Baxter 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. Baxter understands that this Consent Order is a public document.

Dated this 1st day of August, 2012.

By /s/ John G. Baxter

Pres/CEO
Office Held

ENTITY ACKNOWLEDGMENT

There appeared before me this 1st day of August, 2012 who was first duly sworn on oath, and stated that (s)he was and is an officer of Baxter and that (s)he is authorized and empowered to sign this Consent to Entry of Order on behalf of Baxter and to bind Baxter to the terms hereof.

/s/ Marlene J. Lua
Notary Public for the State of: [Oregon]
My commission expires: March 30, 2015

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