DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
FINANCE SECTION
BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
STATE OF OREGON

In the Matter of	**ORDER NO. O-02-0056**
CHOICE FINANCIAL MORTGAGE INC.	**CEASE AND DESIST ORDER AND CONSENT TO IMPOSITION OF CIVIL PENALTIES**

To: Choice Financial Mortgage, Inc.
1964 W 5600 S
Roy, UT 84067

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Choice Financial Mortgage, Inc., and determined that Choice Financial Mortgage, Inc. engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS Choice Financial Mortgage, Inc. wishes to resolve and settle this matter with the Director;

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order Choice Financial Mortgage, Inc. 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. Choice Financial Mortgage, Inc. (hereinafter "Respondent"), incorporated in Utah on April 1, 1999 engages in residential mortgage transactions in Oregon or on

Oregon real property in expectation of compensation.

2. The Director has licensed Respondent to engage in Oregon residential mortgage lending since November 14, 2001.

3. Michelle Smith is the owner of Respondent.

4. On October 12, 2001, the Director sent notice to all licensees that there had been changes in the Oregon Mortgage Lender Law and proposed changes in the administrative rules.

5. In January 2002, the Director published a new issue of the Mortgage Lender News on the web site which included an explanation of the new notification requirements.

6. On February 14, 2002, the Director sent a notice to all licensees that the final rules had been approved and were available on the web site along with the January 2002 issue of the Mortgage Lender News which explained the new requirements.

7. On August 9, 2002, the Director sent a letter to Respondent informing Respondent that the Director had not received notification of Respondent's loan originators and requesting that Respondent provide the required information by September 1, 2002 to avoid civil penalties.

8. On September 1, 2002, the Director had not received notification of Respondent's loan originators.

9. On September 16, 2002, the Director called Respondent's telephone number of record that played an automated recording that the telephone number had been changed.

10. On September 16, 2002, the Director called the telephone number listed in the automated recording and left a message for Michelle Smith to call the Director regarding the contents of the August 9, 2002 letter and the required loan originator notification.

11. As of October 23, 2002, Respondent still had not produced the loan originator

information as requested.

12. As of October 23, 2002, Respondent still had not provided written notification to the Director a change in Respondent's telephone number.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. Respondent violated OAR 441-880-0030(1) by failing to produce the required information about Respondent's loan originators by January 30, 2002.

2. Respondent violated ORS 59.969(1) by failing to provide to the Director information about Respondent's loan originators.

3. Respondent violated OAR 441-860-0070(1)(i) by failing to notify the Director within 30 days of a change in telephone numbers which is information contained in the application.

ORDER

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Choice Financial Mortgage, Inc. 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.

The Director, pursuant to ORS 59.996 hereby **ORDERS** Choice Financial Mortgage, Inc. to pay the State of Oregon a civil penalty of $6,000 based upon $5,000 for failure to notify the Director of Choice Financial Mortgage, Inc.'s loan originators and $1,000 for failure to notify the Director of a change in Choice Financial Mortgage, Inc.'s telephone number.

The Director suspends payment of $3,000 of the assessed civil penalty for a three-year period. If in the period between the date of the Order to three years from the date of the Order or until the non-suspended portion of the civil penalty has been paid, whichever occurs later, Choice Financial Mortgage, Inc. violates any provision of the

Oregon Mortgage Lender Law. OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division, the suspended portion of the assessed civil penalty will become immediately due and payable. If Choice Financial Mortgage, Inc. does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division in three years from the date of the Order or until the non-suspended portion of the civil penalty has been paid, whichever occurs later, the suspended portion of the civil penalty is waived.

The $3,000 non-suspended portion of the civil penalty may be paid in minimum monthly installments of $100. The first payment is due no later than November 1, 2003 and payment shall be due thereafter on the first day of each month until the $3,000 non-suspended portion of the civil penalty is paid in full.

The date of this order is the day the Director 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 6th day of November, 2003.

CORY STREISINGER, DIRECTOR
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

by _____ for
FLOYD G. LANTER, ADMINISTRATOR
DIVISION OF FINANCE AND CORPORATE SECURITIES

CONSENT TO ENTRY OF ORDER

I, _____, state that I am the _____ of Choice Financial Mortgage, Inc., 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 Choice Financial Mortgage, Inc. admits the findings of fact herein, voluntarily consents to the entry of this Order without further hearing, expressly waiving any right to a hearing in this matter; that Choice Financial Mortgage, Inc. 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 Oregon Mortgage Lender Law; and that Choice Financial Mortgage, Inc. will fully comply with Oregon Mortgage Lender Law.

I understand that this Consent Order is a public document.

Dated this 23 day of October, 2003

By President
(Office Held)

Michelle Smith
(Signature)

CORPORATE ACKNOWLEDGMENT

There appeared before me this 23rd day of October, 2003 Michelle Smith, who was first duly sworn on oath, and stated that s/he was and is the President of Choice Financial Mortgage, Inc. and she is authorized and empowered to sign this Consent to Entry of Order on behalf of Choice Financial Mortgage, Inc. and to bind Choice Financial Mortgage, Inc. to the terms hereof.

Signature of Notary Public
Notary Public for the State of: Utah
My Commission expires: 1-19-2005

CAROLYN K FALDALEN
NOTARY PUBLIC - STATE OF UTAH
1935 WEST 4600 SOUTH
ROY, UT 84067
COMM. EXP. 01-19-2005