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**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:

**TriStar Finance, Inc., NMLS No. 43583, and
Morgan Hammer, NMLS No. 71568,**

Respondents.

M-15-0052

**Order to Cease and Desist and Consent
to Entry of Order as to TriStar Finance,
Inc. only**

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The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of TriStar Finance, Inc. (TriStar) and Morgan Hammer (Hammer) and determined that TriStar and Hammer 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”). TriStar now wishes to resolve and settle this matter with the Director.

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This Order and Consent to Entry of Order resolves the matter as to Respondent TriStar only. The matter involving Morgan Hammer is dealt with under separate cover. As evidenced by the authorized signature subscribed on this order, TriStar consents to entry of this order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter:

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FINDINGS OF FACT

The Director finds that:

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1. TriStar Finance, Inc. (TriStar) is a foreign business corporation first incorporated in Washington on June 14, 2006.
 2. TriStar first obtained an Oregon mortgage banker/broker license from the Division of Finance and Corporate Securities (Division) on July 17, 2013, ML-5231.
 3. TriStar’s principal place of business is located at 5209 Lake Washington Blvd., Suite 220, NE, Kirkland, Washington 98003.





- 1 4. Seth Raddue (Raddue) is the President of TriStar. He was the only person listed as
- 2 an Oregon loan originator for TriStar until November 8, 2013 and is currently the only
- 3 Oregon loan originator for TriStar.
- 4 5. On February 6, 2014, the Division concluded a routine exam of TriStar's books and
- 5 records. The company received a score of 4 on a scale of 1 to 5 with 5 being a poor score.
- 6 6. The exam revealed that while Raddue signed the application, Morgan Hammer
- 7 originated the loan for TriStar for Oregon borrower RM.
- 8 7. Hammer was not licensed as a loan originator in Oregon and has never been
- 9 sponsored by TriStar in Oregon.
- 10 8. TriStar provided a response to the exam explaining that the inclusion of Hammer's
- 11 name on the loan documents was an error but that the error was corrected when Raddue signed
- 12 the application.

CONCLUSIONS OF LAW

14 The Director concludes that:

- 15 1. Hammer acted as a loan originator as defined in ORS 86A.200(4)(a) by taking the
- 16 loan application for an Oregon residential mortgage loan for RM on behalf of TriStar.
- 17 2. By allowing Hammer to originate a residential mortgage transaction in Oregon
- 18 when the Director had not accepted sponsorship of Hammer by TriStar, TriStar violated OAR
- 19 441-880-0315(2).
- 20 3. By allowing Hammer to originate a residential mortgage transaction in Oregon
- 21 when he was not licensed to do so, TriStar failed to adequately supervise Hammer in violation
- 22 of ORS 86A.115(16) and OAR 441-860-0040(1).

ORDER

- 24 1. Pursuant to ORS 86A.127(4) the Director hereby orders TriStar, and all entities
- 25 owned or controlled by TriStar, to cease and desist from violating the Oregon Mortgage Lender
- 26 Law.



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2. The Director, pursuant to ORS 86A.992, may assess a civil penalty in an amount not to exceed \$5,000 per violation against any person who violates or who procures, aids or abets in the violation of any provision of ORS 86A.095 to 86A.198 or any rule or order issued under ORS 86A.124 or 86A.242.

3. The Director, pursuant to ORS 86A.992(2) hereby orders TriStar to pay a civil penalty of \$10,000 as follows:

- a. \$5,000 for one violation of ORS 86A.115(16);
- b. \$5,000 for one violation of OAR 441-880-0315(2).

4. However, the Division will suspend \$2,500 of the civil penalty so long as TriStar does not violate any provision of the Oregon Mortgage Lender Law, or any rule, order, or policy issued by the Division. If TriStar is found to have committed any such violation, then the suspended portion of the assessed civil penalty will become immediately due and payable. If TriStar does not violate the Oregon Mortgage Lender Law, or any rule, order, or policy issued by the Division in three years from the date of the Order, the suspended portion of the civil penalty is waived.

5. TriStar shall make full payment of \$7,500 no later than July 31, 2015.

Dated this 28th day of July, 2015 at Salem, Oregon.

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

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



ENTITY CONSENT TO ENTRY OF ORDER

I, Seth Raddue, state that I am an officer of TriStar Finance, Inc. 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 and was represented by counsel in this matter. TriStar voluntarily and without any force or duress consents to the entry of this order expressly waiving any right to a hearing in this matter. TriStar 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. TriStar will fully comply with the terms and conditions stated herein.

TriStar further assures the Director that neither TriStar, 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. TriStar understands that this consent order is a public document.

Dated this 14th day of July 2015, at Kirkland, Washington.

By /S/ Seth Raddue
 Seth Raddue, President

ENTITY ACKNOWLEDGMENT

State of Washington)
)ss.
 County of King)

There appeared before me this 14th day of July, 2015,
Seth Raddue who was first duly sworn on oath, and stated that he was and is

1 an officer of TriStar and that he is authorized and empowered to sign this Consent to Entry of
2 Order on behalf of TriStar and to bind TriStar to the terms hereof.

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4 /S/ Alisha E. Armstrong
5 Notary Public for the State of: Washington
6 My commission expires: 02/15/2017

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