

1 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
2 DIVISION OF FINANCE AND CORPORATE SECURITIES
3 ENFORCEMENT SECTION
4 BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

5 In the Matter of:

M-08-0005

6 Pine Mountain Mortgage Inc. and
7 Del Barber Jr.,

8 Respondents.

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FINAL ORDER TO CEASE AND DESIST,
ORDER REVOKING MORTGAGE
BROKER/BANKER LICENSE,
ORDER ASSESSING CIVIL PENALTIES
ENTERED BY DEFAULT

10 On or about March 18, 2008, the Director of the Department of Consumer and
11 Business Services for the State of Oregon (hereinafter "the Director") acting by the
12 authority of the Oregon Mortgage Lender Law, Chapter 59.840 et seq. of the Oregon
13 Revised Statutes (hereinafter cited as "the Oregon Mortgage Lender Law), and other
14 applicable authority, issued Administrative Order No. M-08-0005, ORDER TO CEASE
15 AND DESIST, ORDER REVOKING MORTGAGE BROKER/BANKER LICENSE,
16 ORDER ASSESSING CIVIL PENALTIES AND NOTICE OF RIGHT TO HEARING
17 (hereinafter "the Proposed Order") against Respondents Pine Mountain Mortgage Inc.
18 and Del Barber Jr.

19 On or about March 20, 2008, respondent was duly served with true copies of the
20 Proposed Order by regular, first-class mail and by certified mail, postage prepaid, and
21 addressed to: 1240 SW Knoll Ave. Suite 204 Bend, OR 97702, 19067 Mt Hood Pl.
22 Bend, OR 97701 and PO Box 1240 Bend, OR 97709. The copies sent by certified and
23 regular first-class mail to the first address were returned as undeliverable. The copy
24 sent by certified mail to the second address was returned as unclaimed, but the copy
25 sent regular first-class mail was not returned. The copy sent by certified mail to the third
26 address was also returned as unclaimed, but the copy sent regular first-class mail was

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 not returned. The Respondent has not made a written request for a contested case
2 hearing in this matter and time to do so has expired.

3 NOW THEREFORE, after consideration of the Division's investigative file
4 and related documents, the Director hereby issues the following Findings of Fact,
5 Conclusions of Law, and Final Order.

6 FINDINGS OF FACT

7 The Director **FINDS** that:

8 1. Pine Mountain Mortgage Inc. (hereinafter "Pine"), is mortgage broker with a
9 principal place of business located at 1240 SW Knoll Avenue, Suite 204, Bend, Oregon
10 97702. Del Barber, Jr. (hereinafter "Barber") is the Experienced Person, President and
11 sole owner of Pine.

12 2. Pine first obtained a license to engage in Oregon residential mortgage
13 lending, license number ML-2432, on August 1, 2001. Pine surrendered the license on
14 July 22, 2004. Pine obtained a new license to engage in Oregon residential mortgage
15 lending, license number ML-3461, on November 22, 2004, but that was cancelled on
16 November 22, 2005 when Pine failed to renew the license. Pine immediately completed
17 its application and was issued a renewal license on November 23, 2005. The license
18 was then cancelled on September 21, 2005 because Pine failed to maintain its surety
19 bond. The Director re-instated Pine's license on October 5, 2006, but it was again
20 cancelled on August 16, 2007 when Pine again failed to maintain its surety bond. The
21 Director re-instated Pine's license on September 10, 2007, but cancelled it again on
22 November 24, 2007 when Pine failed to renew the license. Pine applied to renew the
23 license and was granted a 90-day license on January 9, 2008, which is set to expire on
24 April 9, 2008.

25 3. An Examiner employed by the Director conducted examinations of Pine on
26 February 9, 2004 (hereinafter "the February Exam"), June 1, 2004 (hereinafter "the June





1 Exam", and April 4, 2007 (hereinafter "the 2007 Exam"). On a scale of 1 to 5, with 5
2 being the worst, Pine received a score of 4 on each of the examinations.

3 **A. Notification**

4 **A.1. Address Changes**

5 4. The Director issued the initial license to Pine to operate only from a location
6 of 3624 NW Falcon Ridge, Bend, Oregon 97701.

7 5. On December 30, 2004, Pine moved its operation to 2564 NW Shields
8 Drive, Bend, Oregon 97701. Pine provided the Director with notice of the change of
9 address on January 10, 2005.

10 6. On March 1, 2006, Pine then moved its operation to 745 NW Mt.
11 Washington #304, Bend, Oregon 97701. Pine provided the Director with notice of the
12 change of address on April 7, 2006.

13 7. On January 1, 2007, Pine moved its operation to 1465 NW Knoll #204,
14 Bend, Oregon 97701, which is its present location. Pine provided the Director with
15 notice of the change of address on January 12, 2007.

16 **A.2. Clients' Trust Account**

17 8. Pine provided notice of a clients' trust account located at Bank of the
18 Cascades when it applied for its initial license.

19 9. Pine notified the Examiner during the February Exam that Pine had closed
20 the clients' trust account approximately eighteen months prior to the exam. This was
21 the first notice that Pine provided the Director regarding the closure of the clients' trust
22 account.

23 10. As part of the 2007 Exam, Pine reported that it does not operate a clients'
24 trust account. However, in response to the 2007 Exam, Pine provided a copy of a
25 disclosure that it provides to borrowers that indicates that the company will collect a
26 admin fee, appraisal fee, credit reporting fee, and processing fee "at the time of

