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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:)
MORTGAGE ONE, INC.)
Respondent.)
O-95-0017
ORDER TO CEASE AND DESIST
ORDER ASSESSING CIVIL PENALTIES
AND
CONSENT OF
MORTGAGE ONE, INC
TO ENTRY OF ORDER

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter DIRECTOR) has reviewed certain mortgage brokerage transactions effected by Mortgage One, Inc. and has determined that Mortgage One, Inc. violated the provisions of ORS 59.840 through 59.960 (herein after Oregon Mortgage Lender Law); and

WHEREAS Mortgage One, Inc. wishes to resolve and settle this matter and agrees to conduct all future business in compliance with the Oregon Mortgage Lender Law;

NOW THEREFORE, as evidenced by the authorized signature subscribed on this Order, Mortgage One, Inc. hereby Consents to entry of this Order to Cease and Desist and Assess Civil Penalties upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

FINDINGS OF FACT

The Director FINDS that:

- 1. Mortgage One, Inc. (hereinafter Respondent), an Oregon Corporation in the business of Mortgage Brokering, may be served process at 17315 SW Boones Ferry Rd., Lake Oswego, Oregon 97035;
- 3. RESPONDENT was licensed to conduct business as a mortgage broker

1 under the Oregon Securities Law from December 28, 1992 to July 28, 1994, and
2 under the Oregon Mortgage Lender Law from July 28, 1994 to the present;

3 4. RESPONDENT established and operated a branch office in Vancouver,
4 Washington in about March of 1994 from which Oregon transactions were effected;

5 5. At all times relevant to this Order, no application to license the
6 Vancouver office of RESPONDENT has been received and no license was issued to
7 the Vancouver Office;

8 6. ORS 59.935 requires all licensed mortgage lenders to establish a
9 Clients' Trust Account beginning January 1, 1994;

10 7. RESPONDENT established a Clients' Trust Account on February 9, 1994.

11 8. Between January 1, 1994 and February 9, 1994, RESPONDENT commingled
12 Client Trust Funds with operating funds by depositing Client Trust Funds into an
13 operating account;

14 9. ORS 59.935(9) and OAR 441-875-040(1)(a)(A) requires all licensed
15 mortgage lenders to reconcile the Clients' Trust Account on a monthly basis and
16 the reconciliation must be signed by an officer of the company;

17 10. On March 29, 1995 the Division conducted an office examination of
18 RESPONDENT and no signed reconciliations of the Clients' Trust Account were
19 found in the files;

20 11. ORS 59.860(1) and OAR 441-865-060(1)(d) and (g) require licensed
21 mortgage lenders to maintain copies of Good Faith Estimates of closing costs and
22 Truth In Lending disclosures in the borrower files;

23 12. On March 29, 1995 16 borrower files were reviewed by the Division and
24 four of the files did not contain either the Good Faith Estimate or the Truth In
25 Lending disclosure documents.

26 CONCLUSIONS OF LAW

1 Director executes the Order. If in the period of suspension, Respondent
2 violates any provision of Oregon's Mortgage Lender Law and administrative rules,
3 the \$9,000.00 shall become immediately due and payable. If at the end of the
4 three year period the Respondents have not violated the provisions of Oregon's
5 Mortgage Lender Law, the suspended portion of the civil penalty shall be waived.
6 The entry of this Order in no way limits further remedies which may be available
7 to the Director under Oregon Law.

8 Dated this 2nd day of June, 1995 at Salem, Oregon.
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12 KERRY BARNETT, DIRECTOR
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

13 CONSENT TO ENTRY OF ORDER

14 I, Willard Moore Sr., state that I am an officer of MORTGAGE ONE, INC. and
15 I am authorized to act on its behalf; that I have read the foregoing Order and
16 that I know and fully understand the contents hereof; that the factual
17 allegations stated herein are true and correct; that MORTGAGE ONE, INC. has been
18 advised of its right to a hearing and of its right to be represented by counsel
19 in this matter; that MORTGAGE ONE, INC. voluntarily consents to the entry of
20 this Order without further hearing and without any force or duress, expressly
21 waiving any right to a hearing in this matter; that MORTGAGE ONE, INC.
22 understands that the Director reserves the right to take further actions to
23 enforce this Order or to take appropriate action upon discovery of other
24 violations of the Oregon Mortgage Bankers and Brokers Law; and that MORTGAGE
25 ONE, INC. will fully comply with the terms and conditions stated herein.
26 MORTGAGE ONE, INC. further assures the Director that MORTGAGE ONE, INC. will not

