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3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCE AND CORPORATE SECURITIES
6 BEFORE THE DIRECTOR OF THE DEPARTMENT
7 OF CONSUMER AND BUSINESS SERVICES

8 In the Matter of:

M-07-0046-2

9 DEAN SCHMIDT

Respondent.

FINAL ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PENALTIES,
AND
CONSENT OF ENTRY OF ORDER

10
11 WHEREAS the Director of the Department of Consumer and Business Services for the
12 State of Oregon (hereinafter "the Director") conducted an investigation of Dean Schmidt
13 (hereinafter "Schmidt") and determined that Schmidt engaged in activities constituting violations
14 of **ORS 59.840 et seq.** (hereinafter cited as the Oregon Mortgage Lender Law); and

15 WHEREAS Schmidt wishes to resolve and settle this matter with the Director,

16 NOW THEREFORE, as evidenced by his signature subscribed on this order, Schmidt
17 hereby **CONSENTS** to entry of this order upon the Director's Findings of Fact and Conclusions
18 as stated hereinafter:

19 **FINDINGS OF FACT**

20 The Director **FINDS** that:

21 1. Pacific Crest Funding LLC (hereinafter "Pacific Crest") is an Oregon domestic limited
22 liability company registered on April 12, 2004. Schmidt and David Kammerer (hereinafter
23 "Kammerer") are registered loan originators and joint owners of Pacific Crest.

24 2. Pacific Crest's principal place of business is located at 44 Club Rd Ste 330, Eugene, OR
25 97401. Pacific Crest has one registered branch office located at 566 Main Street, Lebanon, OR
26 97355.

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CONSENT TO ENTRY OF ORDER**

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 3. On July 14, 2004, the Director issued a license to engage in Oregon residential mortgage
2 transactions to Pacific Crest (ML-3307). This license has been continuously renewed and expires
3 on July 14, 2009.

4 4. Anna Mahony (hereinafter "Mahony"), an examiner in the Mortgage Lending section of
5 the Division of Finance and Corporate Securities (hereinafter "the Division"), conducted a
6 mortgage lender examination of Pacific Crest on or about April 24, 2006.

7 5. The examination revealed that Schmidt failed to complete the continuing education
8 requirement for loan originators. Pursuant to the examination, Mahony reviewed Pacific Crest
9 personnel information that indicated Schmidt qualified as an experienced loan originator.

10 6. Experienced loan originators are required to take a continuing education course, receive a
11 certificate of completion for the course and submit the certificate to the Division. The deadline
12 for Schmidt, as an experienced loan originator, to complete his continuing education requirement
13 was January 31, 2006.

14 7. Since Schmidt did not complete this continuing education requirement by the deadline, he
15 was then required to complete the entry-level education requirement as well. The entry-level
16 requirement includes taking and passing an entry-level course and exam and receiving a
17 certificate of completion.

18 8. On or about May 5, 2006, the Division sent a letter to Pacific Crest detailing the
19 examination findings including Schmidt's failure to complete the continuing education
20 requirement. Kammerer submitted a written response to the Division in May 2006 stating that
21 Schmidt would complete 20 hours of continuing education and 20 hours of entry-level education.
22 Kammerer also gave assurances that Schmidt would not originate loans until he completed the
23 education requirement.

24 9. In late 2006, Timothy Spencer (hereinafter "Spencer"), an examiner in the Mortgage
25 Lending section of the Division, visited Pacific Crest's principal office and requested verification
26 that Schmidt completed his entry-level and continuing education requirements. Schmidt admitted

1 to Spencer he had not completed either education requirement and continued to originate
2 mortgage loans.

3 10. The Division requested a list of loans Schmidt originated or had involvement with since
4 the January 31, 2006 deadline. On or about April 11, 2007, Schmidt submitted this list to the
5 Division. From January 31, 2006 through April 11, 2007, Schmidt originated 62 mortgage loan
6 transactions.

7 11. The Division received a ProSchools certificate of completion indicating that Schmidt
8 completed a continuing education course (C-060106-172) in fulfillment of the continuing
9 education requirement on or about November 21, 2006.

10 12. On or about June 26, 2007, Schmidt submitted his entry-level certificate of completion to
11 Spencer. On or about June 27, 2007, the Division received verification from ProSchools that,
12 from November 2006-June 2007, Schmidt took an entry-level mortgage lending course and an
13 exam.

14 CONCLUSIONS OF LAW

15 The Director **CONCLUDES** that:

16 1. By failing to complete the continuing education requirement for loan originators by
17 January 31, 2006, Schmidt failed to meet the training, education or continuing education
18 requirements in violation of **ORS 59.971(1)(d)**.

19 ORDER

20 The Director, pursuant to **ORS 59.885(4)** hereby **ORDERS** that Schmidt will
21 **CEASE AND DESIST** from violating any provision of the Oregon Mortgage Lender
22 Law, and any rules, order or policy issued by the Division.

23 The Director, pursuant to **ORS 59.996(2)**, hereby **ORDERS** Dean Schmidt to pay the
24 State of Oregon a civil penalty of \$5,000 for failure to complete his education requirements while
25 continuing to originate loans, in violation of **ORS 59.971(1)(d)**.



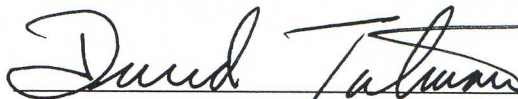
1 For the civil penalty assigned to Schmidt, the Director suspends payment of \$4,000 for a
2 four-year period. If in the period between the date of the order to four years from the date of the
3 order, Schmidt violates any provision of the Mortgage Lender Law or any rule, order or policy
4 issued by the Director, the suspended portion of the assessed civil penalty will become
5 immediately due and payable. If Schmidt does not violate the Oregon Mortgage Lender Law, or
6 any rule, order or policy issued by the Director in four years from the date of the order, the
7 suspended portion of the civil penalty is waived.

8 The remaining \$1,000 civil penalty must be paid in full by August 11, 2008.

9 The date of this order is the day the Director or Director's nominee signed the order. The
10 entry of this Order in no way limited further remedies which may be available to the Director
11 under Oregon law.

12
13 Dated this 29th day of July 2008 at Salem, Oregon.

14 CORY STREISINGER, Director
15 Department of Consumer and Business Services

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17 David C. Tatman, Administrator
18 Division of Finance and Corporate Securities

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26 **CONSENT OF ENTRY OF ORDER**



