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State Issues Orders against Mortgage Brokers, Loan Originators

One broker is permanently barred from any financially related business in Oregon

(Salem) – The Department of Consumer and Business Services (DCBS) issued cease-and-desist orders against two mortgage brokers and two loan originators in four recent cases

- **Crown Point Enterprises dba Lighthouse Financial Group – Vancouver, Wash.** Lighthouse violated several Oregon mortgage lending laws by engaging in fraud, employing loan originators with disqualifying criminal convictions, failing to conduct required criminal background checks or diligently supervising loan originators, operating a branch office without notifying the department's Division of Finance and Corporate Securities (DFCS), and misrepresenting lender qualifications. Lighthouse and owner Sheldon Harmon are permanently barred from doing any financially related business in Oregon. Neither Lighthouse nor Harmon can apply for, hold, or renew any license or registration required by the DCBS. All but \$10,000 of a \$126,500 penalty was suspended after Harmon and Lighthouse agreed to the permanent ban.
- **Comcor Corporation dba Cyber One Mortgage – Tacoma, Wash.** Comcor failed to notify DFCS of significant developments related to loan originator hiring, terminations, and lawsuits. Comcor also failed to maintain borrower files originated by loan originator Larry Jason Somera and to maintain required personnel information. (Somera was recently permanently banned from the Oregon mortgage lending industry after pleading guilty in Multnomah County Court to one count of forgery. See http://egov.oregon.gov/DCBS/docs/news_releases/2009/nr_dfcs_4_23_09.pdf for more information.) Comcor's owner, Robert Rodriguez, agreed to not own, control, or otherwise work in the mortgage lending or other Oregon-regulated financial services capacity for five years unless allowed by DFCS. Comcor consented to suspended civil penalties of \$55,000 that will be waived if Comcor and Robert Rodriguez do not violate the Oregon Mortgage Lender Law in the next five years.
- **Kent Davis – Portland.** Davis, who worked as a loan originator for Pathfinders Mortgage Inc., knowingly submitted documents containing false statements to a mortgage banker, and engaged in unethical conduct by inappropriately accepting loan proceeds and submitting a loan application on behalf of a consumer who had not signed the application materials. Davis consented to a bar from serving as an officer, director, partner, or experienced person for a mortgage banker or mortgage broker. He also was levied a \$20,000 suspended civil penalty provided he does not violate the Oregon Mortgage Lender Law during the next 10 years.
- **Sharee S. Taggart – Redmond.** Taggart, a loan originator for her husband's firm, Espy Financial Services, used her client's money, intended for closing costs, for her own personal use. The Deschutes County District Attorney indicted Taggart for theft and mortgage fraud but the case was dismissed based on a "civil compromise" where she paid back the money to the borrower. Taggart consented to a bar from the mortgage industry as well as from other regulated financial services industries in Oregon. She was also assessed a \$5,000 suspended civil penalty provided she complies with the order and the law.

“Although most of our licensed mortgage lenders and their employees comply with the law and treat borrowers fairly, we continue to find loan originators and firms who fail to follow the basic rules of the mortgage business clearly set out by the Oregon Legislature,” said David Tatman, DFCS administrator. “DFCS will take appropriate action against those loan originators and firms to protect the public, including barring violators from performing any activity in Oregon that could harm borrowers.”

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The Division of Finance and Corporate Securities (DFCS) helps ensure that a wide range of financial products and services are available to Oregonians and protects consumers from financial fraud and abuse. It does that by licensing financial institutions and service providers, regulating the sale of securities in Oregon, investigating complaints and alleged violations of financial-service laws, and providing education and other resources to consumers. For more information, visit www.dfcs.oregon.gov.

The Department of Consumer and Business Services is Oregon’s largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.