

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

4 In the Matter of:

M-04-0007

5 Meier G. Lowenthal dba Allegra
6 Mortgage dba AA Benett Mortgage,

ORDER TO CEASE AND DESIST
ORDER ASSESSING CIVIL PENALTIES

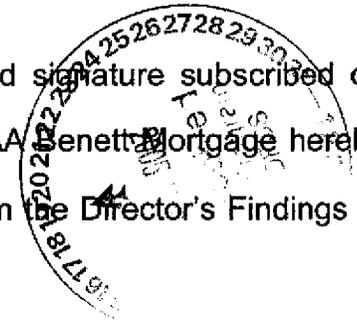
7 Respondent.

And
8 CONSENT TO ENTRY OF ORDER

9 WHEREAS the Director of the Department of Consumer and Business Services
10 has conducted an investigation of certain business activities conducted by Meier G.
11 Lowenthal dba Allegra Mortgage dba AA Benett Mortgage and has determined that
12 Meier G. Lowenthal dba Allegra Mortgage dba AA Benett Mortgage has engaged in
13 Oregon residential mortgage brokering activities without a license and fraudulently
14 altered an Oregon residential mortgage lender license in violation of the Oregon
15 Mortgage Lender Laws;

16 WHEREAS Meier G. Lowenthal dba Allegra Mortgage dba AA Benett Mortgage
17 wishes to resolve and settle this matter with the DIRECTOR;

18 NOW THEREFORE, as evidenced by the authorized signature subscribed on
19 this Order, Meier G. Lowenthal dba Allegra Mortgage dba AA Benett Mortgage hereby
20 CONSENTS to entry of this Order to Cease and Desist upon the Director's Findings of
21 Fact and Conclusions of Law as stated hereinafter.



22 61241-0500
23 EK

FINDINGS OF FACT

24 The Director FINDS that:

011495-036-003-001-0500-0000250000

25 1. Meier G. Lowenthal dba Allegra Mortgage dba AA Benett Mortgage (hereinafter
26 "the Respondent") is a Washington sole proprietorship formed on February 1, 1998.

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Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3181
Telephone: (503) 378-4387





1 2. The Director licensed Respondent to engage in Oregon residential mortgage
2 transactions between May 21, 2002 and May 21, 2003.

3 3. Respondent elected not to renew the Oregon residential mortgage license,
4 therefore the license expired on May 21, 2003. Since May 21, 2003, Respondent has
5 not been licensed to engage in Oregon residential mortgage transactions.

6 4. On April 19, 2004, the Director received a fax from Long Beach Mortgage, a
7 subsidiary of Washington Mutual Bank, (hereinafter "Long Beach") containing a copy of
8 a license purporting to belong to Respondent (hereinafter "the altered license") for
9 verification of its authenticity.

10 5. The Director reviewed the licensing file and database of the Oregon residential
11 mortgage licensees and concluded that no license had been issued to Respondent for
12 the period May 21, 2003 through May 21, 2004.

13 6. Upon inspection, the altered license has two defects that further demonstrate that
14 the Director did not issue the altered license in its present form. The license and
15 expiration date shown on the altered license are not aligned as they would be on a valid
16 license. In addition, at the time that the altered license would have been issued, Cory
17 Streisinger had assumed the position as the Director and her signature appeared on all
18 residential mortgage lender licenses issued. The altered license has the former Director
19 Mary Neidig's signature.

20 7. The Director received a second facsimile from Long Beach containing a six-page
21 residential mortgage application for Ben Weiner and Sarah Ward (hereinafter "the
22 applicants") for a refinance loan on their primary residence located at 1675 SE
23 Milwaukie Avenue, Portland, Oregon (hereinafter "the application").

24 8. Respondent met with the applicants on April 3, 2004 in Portland, Oregon to take
25 their information for the application.

26 9. Respondent submitted the application to Long Beach for approval.



1 10. In order to complete the approval process, Long Beach requested that
2 Respondent provide a copy of Respondent's current Oregon residential mortgage
3 lender license.

4 11. Respondent's employee received the request and assumed Respondent was
5 licensed in the state of Oregon but could not locate a copy of the current license.

6 12. Meier Lowenthal admits he was out of the country and was completely unable to
7 be reached by the employee.

8 13. In response to the strong request by Long Beach for a copy of Respondent's
9 current Oregon license which the employee could not find, the employee sent Long
10 Beach the expired license with new current dates overlaying older dates on the license.

11 14. The employee believed the information placed the license was completely
12 accurate information about the company's license status in Oregon

13 15. When the employee learned that Respondent was not licensed in Oregon, the
14 employee was extremely regretful for sending the expired license.

15 16. Respondent no longer employs the employee.

16 17. Meier Lowenthal admits he was not in the country and was unable to be reached
17 when the employee sent the license to Long Beach. As such, there was no manner in
18 which he could have prevented the employee from engaging in the behavior in question.

19 18. Meier Lowenthal, the owner of the company, admits the license and expiration
20 date on the expired Oregon residential mortgage broker license were altered by an
21 employee without his knowledge while he was out of the country and unreachable.

22 19. Although he was not in the country when the license was sent to Long Beach,
23 Meier Lowenthal admits that he is responsible for employee's actions but the behavior
24 was not premeditated or malicious.

25 20. Because the employee was not malicious in sending the license to Long Beach,
26 Meier Lowenthal admits that he feels strongly that fraud or deceit did not occur in any

1 way whatsoever.

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CONCLUSIONS OF LAW

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The Director **CONCLUDES** that:

5

1. Respondent violated ORS 59.930(3) by engaging in any act, practice or course of
6 business which operates or would operate as a fraud or deceit upon any person when
7 Respondent altered the license and expiration dates on Respondent's expired Oregon
8 Mortgage Lender License to make the license appear as if it were not expired and
9 submitted it to Long Beach so altered.

10

2. As a matter of law, violations of ORS 59.930(3) constitute fraud or deceit with
11 respect to the mortgage banker or broker business.

12

3. As a matter of law, engaging in fraud or deceit with respect to the mortgage
13 banker or broker business is engaging in dishonest, fraudulent, or illegal practices or
14 conduct in any business pursuant to ORS 59.865(2) which constitutes grounds to deny
15 a mortgage lender license to the applicant.

16

4. Respondent violated ORS 59.845(1) by engaging in residential mortgage lending
17 transactions without a license by taking the Oregon residential mortgage application for
18 a refinance loan for the applicants.

19

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ORDER

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The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Meier G.
22 Lowenthal dba Allegra Mortgage dba AA Benett Mortgage will **CEASE AND DESIST**
23 from violating any provision of Oregon Mortgage Lender Law, OAR 441-850-005
24 through 441-885-0010 and any rule, order or policy issued by the Division.

25

The Director, pursuant to ORS 59.996 hereby **ORDERS** Meier G. Lowenthal dba
26 Allegra Mortgage dba AA Benett Mortgage to pay the State of Oregon a civil penalty of

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1 \$10,000.00. The civil penalty is based upon \$5,000.00 for knowingly conducting a
2 mortgage business without a license and \$5,000 for fraudulently altering the expired
3 license and submitting it to Long Beach.

4 The Director suspends payment of \$7,500 of the assessed civil penalty for a
5 three-year period. If in the three-year period following the date of the Order, Meier G.
6 Lowenthal dba Allegra Mortgage dba AA Bennett Mortgage violates any provision of the
7 Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule,
8 order, or policy issued by the Division, the suspended portion of the assessed civil
9 penalty will become immediately due and payable. If Meier G. Lowenthal dba Allegra
10 Mortgage dba AA Bennett Mortgage does not violate the Oregon Mortgage Lender Law,
11 OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the
12 Division within three years from the date of the Order, the suspended portion of the civil
13 penalty is waived.

14 The date of this order is the day the Director signs the order. The entry of this
15 Order in no way limits further remedies which may be available to the Director under
16 Oregon law.

17 Dated this 24th day of JANUARY, 2005, at Salem,
18 Oregon.

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21 

22 **FLOYD LANTER, ADMINISTRATOR**
23 **DIVISION OF FINANCE AND CORPORATE SECURITIES**
24 **DEPARTMENT OF CONSUMER & BUSINESS SERVICES**
25
26

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1 **CONSENT TO ENTRY OF ORDER**

2 I, Meier G. Lowenthal, state that I have read the foregoing Order and that I know
3 and fully understand the contents hereof; that I enter into this order without admitting or
4 denying any of the Findings of Facts or Conclusions or Law other than those which
5 specifically indicate that I admit to them; that I have been advised of my right to a
6 hearing and to obtain counsel in this matter; that I voluntarily consent to the entry of this
7 Order without any force or duress, expressly waiving any right to a hearing in this
8 matter; that I understand that the Director reserves the right to take further actions
9 against me to enforce this Order or to take appropriate action upon discovery of other
10 violations of the Oregon Mortgage Lender Law by me or those whom I supervise; and
11 that I will fully comply with the terms and conditions stated herein.

12 I further assure the Director that I will not engage in the activities of a
13 broker-dealer, investment adviser, or mortgage broker, or act as a salesperson for any
14 of these unless such activities are in full compliance with Chapter 59 of the Oregon
15 Revised Statutes.

16 I understand that this Consent Order is a public document.

17 Dated this 12th day of January, 2005.

18
19 Meier G. Lowenthal
20 Meier G. Lowenthal

21 SUBSCRIBED AND SWORN to before me this 12 day of January,

22 2005.

23
24 **BELDINA OTIENO**
25 **STATE OF WASHINGTON**
26 **NOTARY PUBLIC**
MY COMMISSION EXPIRES 9-16-07

Beldina Otieno
(Printed Name of Notary Public)
Notary Public
for the State of: Washington
My commission expires: 09/16/07

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