

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4140



1 5. Mr. Moorman and Mr. Lafky participated in a meeting with Division staff on March
2 4, 2005. During that meeting, Mr. Moorman indicated that he was to be the "rainmaker"
3 for Valley Central Mortgage. Additional statements and information provided at that
4 meeting and subsequently indicated that Mr. Moorman was expected to have a
5 significant role in the management and operation of Valley Central Mortgage.

6 6. The Division received a Section 6 – Loan Originator Information form indicating
7 that Tom Moorman was terminated from Morgan Financial as of February 1, 2005. This
8 form includes the following reason check-marked as the reason for the termination,
9 "Failure to comply with state or federal laws, rules, or regulations." By letter dated April
10 11, 2005, Morgan Financial explained that Mr. Moorman was terminated for telling
11 another Morgan employee that he was working for a new broker and attempting to
12 recruit her; this violated Morgan's exclusive employment requirements and Oregon law
13 prohibiting dual employment for loan originators.

14 7. Because of concerns about the mortgage-related activities occurring at the
15 address of 349 Union St. NE; Salem, Oregon, 97301, the Division undertook additional
16 research concerning the application of Valley Central Mortgage and Mr. Moorman's
17 expected employment.

18 8. Ken Powers is an examiner employed by the Division. On or around March 18,
19 2005, Tom Moorman told Mr. Powers that Mr. Moorman will be a loan originator for
20 Valley Central Mortgage. Mr. Moorman said that he would have the owner, Mr. Lafky,
21 complete a "Section 6 – Loan Originator Information Form" for him.

22 9. On March 23, 2005, Mr. Lafky submitted a request for a "no action" determination
23 by the Division. If granted, this would indicate that the Division would not undertake
24 enforcement action concerning Mr. Moorman's work as a loan originator, and would
25 allow Mr. Moorman to work as a loan originator for Mr. Lafky.
26



1 10. In preparing to respond to Mr. Lafky's request for a no action letter, the Division
2 conducted additional research concerning Mr. Moorman and his ability to work as a loan
3 originator. As part of this effort, a criminal background check was undertaken. This
4 background check revealed that Mr. Moorman had disqualifying criminal convictions in
5 the most recent ten-year period. On April 27, 2005, Mr. Moorman and Mr. Lafky
6 confirmed to representatives of the Division that Mr. Moorman had plead guilty to at
7 least one of these convictions.

8 11. The Division has discretion in determining whether to grant a request for "no
9 action." Mr. Lafky's request for no enforcement action was not granted and he was
10 advised of this.

11 12. ORS 59.865 and 59.870 authorizes the Director to condition a license under the
12 circumstances present in this matter. In addition to granting the Director examination
13 authority, ORS 59.880 generally grants the Director general supervision and control
14 over all loan originators, mortgage bankers and mortgage brokers residing or doing
15 business in this state.

16 CONCLUSIONS OF LAW

17 The Director **CONCLUDES** that:

18 1. Oversight and limitations on the mechanisms employed by Mr. Lafky for loan
19 originating, including employment by Mr. Moorman as a loan originator, are within the
20 purview of the Director under ORS 59.880, 59.865, and 59.870.

21 2. Pursuant to ORS 59.971(2), a person convicted of certain crimes may not be
22 employed as a loan originator. As specified by rule, OAR 441-880-0050(4)(a), any
23 felony is among the categories of criminal convictions that will prevent a person from
24 acting as a loan originator.

25 3. Because Mr. Moorman pled guilty or was otherwise convicted of multiple
26 disqualifying felonies during the most recent ten-year period, ORS 59.971(2) and

1 59.972 prohibit Tom Moorman from acting as, or fulfilling the duties of, a loan originator
2 as defined in ORS 59.840 or 59.970.

3 4. Neither Valley Central Mortgage, nor Mr. Lafky on its behalf, may employ Mr.
4 Moorman as a loan originator by title or to provide the services of a loan originator,
5 directly or indirectly, as defined in the Oregon Mortgage Lender laws. Such
6 employment would be in violation of the Oregon Mortgage Lender laws.

7 **ORDER**

8 The Director, pursuant to ORS 59.865, 59.870, 59.880, and 59.905 hereby
9 **ORDERS** that Valley Central Mortgage is restrained, enjoined, and prohibited from,
10 directly or indirectly:

11 1. Employing Mr. Moorman to act as or fulfill the duties of a loan originator,
12 whether in the capacity as an officer, employee, independent contractor or under any
13 other mechanism, whether directly or indirectly, regardless of the technical title given to
14 him.

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

18 Dated this 17th day of May, 2005.

19 CORY STREISINGER, Director
20 Department of Consumer and Business Services

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21 *David Fisher for*
22 Floyd Lanter, Administrator
23 Division of Finance and Corporate Securities

24
25 **CONSENT TO ENTRY OF ORDER**
26

1 I, Elton F. Lafky, state that I have read the foregoing Order and that know and
2 fully understand the contents hereof; that I have been advised of the right to a hearing
3 and of the right to be represented by counsel in this matter; that I voluntarily and without
4 any force or duress, consent to the entry of this Order, expressly waiving any right to a
5 hearing in this matter; that I understand that the Director reserves the right to take
6 further actions to enforce this Order or to take appropriate action upon discovery of
7 other violations of the Oregon Mortgage Lender Law; and that I will fully comply with the
8 terms and conditions stated herein.

9 I further assure the Director that I am the owner of Valley Central Mortgage and
10 in this capacity have the authority to enter into this Order on behalf of Valley Central
11 Mortgage.

12 I further assure the Director that I will not engage in the activities of a mortgage
13 broker or mortgage lender unless such activities are in full compliance with Chapter 59
14 of the Oregon Revised Statutes.

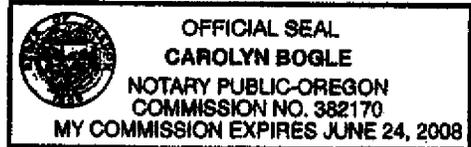
15 I understand that this Consent Order is a public document.

16 Dated this 17 day of May, 2005.

17
18 By: 

19 Elton T. Lafky, Individually and on behalf of Valley Central Mortgage

Carolyn Bogle



(Printed Name of Notary Public)
Notary Public
for the State of: Oregon
My commission expires: 6/24/08

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