

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

CR 040145

4 In the Matter of:

M-05-0021-4

5 Eddy Oswaldo Morales,
6 Respondent.

ORDER TO CEASE AND DESIST
And
CONSENT TO ENTRY OF ORDER

9 WHEREAS the Director of the Department of Consumer and Business Services
10 for the State of Oregon (hereinafter "the Director") conducted an investigation of Eddy
11 Oswaldo Morales and determined that Eddy Oswaldo Morales engaged in activities
12 constituting violations of ORS 59.840 through 59.965 (hereinafter cited as the Oregon
13 Mortgage Lender Law); and

14 WHEREAS Eddy Oswaldo Morales, wishes to resolve and settle this matter with
15 the Director,

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

19 **FINDINGS OF FACT**

20 The Director **FINDS** that:

21 1. Eddy Oswaldo Morales, born October 3, 1973, acted as a loan originator for
22 several mortgage brokers or bankers licensed by the Director, including but not limited
23 to City Lending Group LLC and Morgan Financial Inc.

24 2. On or about June 15, 2004, a Yamhill County Grand Jury indicted Eddy Oswaldo
25 Morales on one count of Racketeering under ORS 166.720, a class A felony, seven
26 counts of Fraud and Deceit with Respect to Mortgage Banker or Broker Business under

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 ORS 59.930, a class C felony, two counts of Issuing a False Financial Statement under
2 ORS 165.102, a class A misdemeanor, three counts of Theft in the First Degree under
3 ORS 164.055, a class C felony, and one count of Aggravated Theft under ORS
4 164.057, a class B felony.

5 3. Eddy Oswaldo Morales agreed to enter a plea of guilty to count of Issuing a
6 False Financial Statement under ORS 165.102, a class A misdemeanor, and three
7 counts of Fraud and Deceit with Respect to Mortgage Banker or Broker Business under
8 ORS 59.930, a class C felony.

9 CONCLUSIONS OF LAW

10 The Director **CONCLUDES** that:

11 1. OAR 441-880-0050(4)(a) provides that a felony, described as "crimes
12 punishable by death or imprisonment in excess of one year under the law under which
13 the person was convicted," is among the categories of criminal convictions that will
14 prevent a person from acting as a loan originator.

15 2. Because Eddy Oswaldo Morales pled guilty to and a conviction was entered for
16 three counts of Fraud and Deceit with Respect to Mortgage Banker or Broker Business
17 under ORS 59.930, a class C felony, ORS 59.971(2) prohibits Eddy Oswaldo Morales
18 from acting as a loan originator as defined in ORS 59.840 or 59.970.

19 3. OAR 441-880-0050(4)(b) provides that a crime involving false statement or
20 dishonesty, including the falsification of records, perjury or other similar criminal
21 offenses indicating dishonesty is one of the categories of criminal convictions that will
22 prevent a person from acting as a loan originator .

23 4. Issuing a False Financial Statement under ORS 165.102, a class A
24 misdemeanor, is a crime involving a false statement.

25 5. Because Eddy Oswaldo Morales pled guilty to and a conviction was entered for
26 Issuing a False Financial Statement under ORS 165.102, a class A misdemeanor, ORS

1 59.971(2) prohibits Eddy Oswaldo Morales from acting as a loan originator as defined in
2 ORS 59.840 or 59.970.

6 **ORDER**

7 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Eddy Oswaldo
8 Morales will **CEASE AND DESIST** from violating any provision of Oregon Mortgage
9 Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order or policy
10 issued by the Division.

11
12 The Director hereby **ORDERS** that Eddy Oswaldo Morales is permanently
13 restrained, enjoined, and prohibited from, directly or indirectly:

- 14
15 1. Acting as a loan originator, as that term is defined in ORS 59.840(4);
- 16
17 2. Owning or operating as a mortgage banker or mortgage broker, as those
18 terms are defined in ORS 59.840(5) and (7) respectively;
- 19
20 3. Acting as a partner, officer, director, or experienced person as described in
21 ORS 59.850(2), or occupying similar status or performing similar functions of a partner,
22 officer director or experienced person for a mortgage banker or mortgage broker;
- 23
24 4. Owning, acting as, or acting in a managerial capacity in a company
25 required to have a consumer finance license under ORS 725.045; or
- 26
27 5. Acting as an agent or facilitator, as those terms are used in ORS 725.610,
28 for the purpose of making a payday or title loan, as those terms are defined in
29 725.600(3) and (4) respectively.

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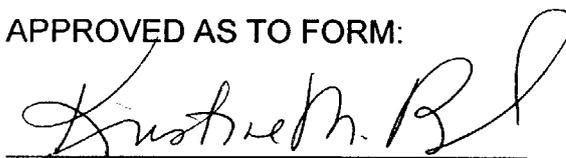
1 The date of this order is the day the Director or Director's nominee signs the
2 order. The entry of this Order in no way limits further remedies which may be available
3 to the Director under Oregon law.

4
5 Dated this 2nd day of February, 2006.

6
7 CORY STREISINGER, Director
8 Department of Consumer and Business Services

9 
10 David Tatman, Acting Administrator
11 Division of Finance and Corporate Securities

12 APPROVED AS TO FORM:

13 
14 Attorney for Eddy Oswaldo Morales

Dated: 2/1/2006

15
16 **CONSENT TO ENTRY OF ORDER**

17 I, Eddy Oswaldo Morales, state that I have read the foregoing Order and that I
18 know and fully understand the contents herein; that I have been advised of the right to a
19 hearing and of the right to be represented by counsel in this matter; that I voluntarily and
20 without any force or duress consent to the entry of this Order, expressly waiving any
21 right to a hearing in this matter; that I understand that the Director reserves the right to
22 take further actions to enforce this Order or to take appropriate action upon discovery of
23 other violations of the Oregon Mortgage Lender Law; and that I will fully comply with the
24 terms and conditions stated herein.

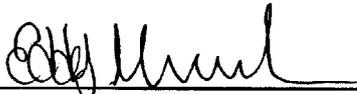
25 I further assure the Director that I will not act as a loan originator, as that term is
26 defined in ORS 59.840(4) and ORS 59.970; own or operate as a mortgage banker or
mortgage broker, as those terms are defined in ORS 59.840(5) and (7) respectively; act



1 as a partner, officer, director, or experienced person as described in ORS 59.850(2), or
2 occupy similar status or perform similar functions of a partner, officer director or
3 experienced person for a mortgage banker or mortgage broker; own, act as, or act in a
4 managerial capacity in a company required to have a consumer finance license under
5 ORS 725.045; or act as an agent or facilitator, as those terms are used in ORS
6 725.610, for the purpose of making a payday or title loan, as those terms are defined in
7 725.600(3) and (4) respectively.

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

9 Dated this 1st day of February, 2006.

10
11 By 
12 Eddy Oswaldo Morales

13 Sworn to and signed before me this ___ day of _____, 2006.

14
15 _____
16 Judge or Notary Public for the State of Oregon

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