



1 and Final Order:

2 **FINDINGS OF FACT**

3 The Director **FINDS** that:

4 1. At all times material herein, Jordan Financial Inc. dba ABC Mortgage  
5 (hereinafter "ABC"), an Oregon corporation, engaged in residential mortgage  
6 transactions in Oregon or on Oregon real property in expectation of compensation. At  
7 all times material hereto, ABC was licensed as a residential mortgage lender in the  
8 State of Oregon. The Oregon mortgage lender license number for ABC is ML-2056.

9 2. At all times material herein, Hamid Azari was the president and owner of  
10 ABC.

11 3. From April 9, 2002 through May 1, 2003, ABC had notified the Director that  
12 Babak Sehat (hereinafter "Respondent") was employed to act as a loan originator for  
13 ABC.

14 4. At all times material herein, Town & Country Home Loans, Inc. (hereinafter,  
15 "Town & Country"), an Oregon corporation, engaged in residential mortgage  
16 transactions in Oregon or on Oregon real property in expectation of compensation. At  
17 all times hereto, Town & Country was licensed as a residential mortgage lender in the  
18 State of Oregon. The Oregon mortgage lender license number for Town & Country is  
19 ML-2380.

20 5. At all times material herein, Charles Arnell was the president and owner of  
21 Town & Country.

22 6. From April 27, 2003 through the date of this Order, Town & Country had  
23 notified the Director that Babak Sehat (hereinafter "Respondent") was employed to act  
24 as a loan originator for Town & Country.

25 7. Babak Sehat is the son of Shams Bonakdar and the nephew of Asad and  
26 Linda Shirazi.

Division of Finance and Corporate Securities  
Labor and Industries Building  
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1 8. Shams Bonakdar is the sister of Asad Shirazi.

2 9. Asad Shirazi is married to Linda Shirazi.

3 10. On January 16, 2004, Shams Bonakdar sued Amir Fazal for divorce in  
4 Washington County case number C040060DRA (hereinafter "the Divorce  
5 Proceedings").

6 11. As part of the Divorce Proceedings, the Court held a hearing held on April  
7 14, 2004 (hereinafter "the April 14 Hearing"), a hearing on November 1, 2004  
8 (hereinafter "the November 1 Hearing") and the trial on February 11, 2005 (hereinafter  
9 "the Trial").

10 **A. Purchase of the Cardinal Property**

11 12. In January 2003, Shams Bonakdar purchased the Oregon residential real  
12 property located at 415 Cardinal Lane in Depoe Bay, Oregon 97341 (hereinafter "the  
13 Cardinal Property").

14 13. To facilitate the purchase, ABN AMRO Mortgage Group Inc. (hereinafter  
15 "ABN AMRO"), as brokered by ABC with Respondent acting as the loan originator,  
16 provided Shams Bonakdar a first mortgage of \$304,000 secured by the Cardinal  
17 Property (hereinafter "the ABN AMRO loan").

18 **A.1. Statement about Occupancy**

19 14. In connection with the ABN AMRO loan, Respondent submitted a residential  
20 mortgage loan application signed by Respondent and Shams Bonakdar affirming that  
21 Shams Bonakdar would live in the Cardinal Property after the purchase.

22 15. At the April 14 Hearing, Respondent testified that Asad Shirazi had owned  
23 the Cardinal Property for several years prior to the sale to Shams Bonakdar in January  
24 2003. In late 2002, Asad Shirazi experienced financial difficulties resulting in the  
25 impending foreclosure of the Cardinal Property. Respondent worked with Asad Shirazi  
26 to save the house by devising a plan in which Asad Shirazi would sell the house to



1 Shams Bonakdar in name only to avoid the foreclosure. Shams Bonakdar would obtain  
2 a mortgage for the purchase but Asad Shirazi would pay Shams Bonakdar the money  
3 needed to purchase the house and pay the monthly mortgage.

4 16. Respondent further testified that Asad Shirazi had lived the Cardinal Property  
5 before the foreclosure was filed but currently rents the Carindal property to tenants.

6 *A.2. Source of Down Payment*

7 17. In connection with the ABN AMRO loan, Respondent submitted a residential  
8 mortgage loan application signed by Respondent and Shams Bonakdar indicating that  
9 the funds for the down payment would come from Shams Bonakdar's checking or  
10 savings account.

11 18. Linda Shirazi testified at the Trial that she and Asad Shirazi provided the  
12 funds that Shams Bonakdar needed to purchase the Cardinal Property.

13 *A.3. Statement about Present Residence*

14 19. In connection with the ABN AMRO loan, Respondent submitted a residential  
15 mortgage loan application signed by Respondent and Shams Bonakdar indicating that  
16 Shams Bonakdar had been renting 17421 SW Waterleaf Lane in Beaverton, Oregon  
17 97006 (hereinafter "the Waterleaf Property") for four years with monthly rental payments  
18 of \$1,195.

19 20. At the time of the application, Shams Bonakdar had been living at the  
20 Waterleaf Property, which was owned by her then-husband Amir Fazal, but was not  
21 renting the Waterleaf Property.

22 21. At all times relevant herein, Shams Bonakdar did not pay monthly rent of  
23 \$1,195 to Amir Fazal for the Waterleaf Property.

24 *A.4. Statement about Current Income*

25 22. In connection with the ABN AMRO loan, Respondent submitted a residential  
26 mortgage loan application signed by Respondent and Shams Bonakdar indicating that



1 Shams Bonakdar was employed by Salon Pacific earning \$6,500 per month.

2 23. At the April 14 Hearing, Respondent admitted that the information on the  
3 application was not truthful.

4 24. Respondent further testified that Shams Bonakdar earned about \$1,000 per  
5 month but he wasn't exactly sure of the amount.

6 *A.5. Verification of Rent*

7 25. In connection with the ABN AMRO loan, Respondent submitted a Verification  
8 of Rent indicating that Shams Bonakdar had rented the Waterleaf Property from June 1,  
9 2000 through the date of the form for \$1,195 per month and had made no late payments  
10 (hereinafter "Waterleaf VOR"). The form contained a signature for Amir Fazal with a  
11 date of December 2, 2002.

12 26. Amir Fazal asserts that the Waterleaf VOR is not accurate and that he did  
13 not issue or sign the Waterleaf VOR.

14 27. Respondent was aware that Shams Bonakdar was not renting the Waterleaf  
15 Property from Amir Fazal.

16 28. On December 3, 2002, Respondent sent the Waterleaf VOR to Greenpoint  
17 Mortgage.

18 *A.6. 2001 W-2 from Salon Pacific for Shams Bonakdar*

19 29. In connection with the ABN AMRO loan, Respondent submitted a 2001 W-2  
20 purportedly from Salon Pacific indicating that Shams Bonakdar had earned \$72,428.12  
21 (hereinafter "2001 W-2"). The 2001 W-2 indicated that it was the employer's copy.

22 30. The 2001 W-2 was faxed to Respondent from Arrow Imports, the company  
23 owned by Linda and Asad Shirazi.

24 31. Ha Tran, the owner of Salon Pacific, asserts that the 2001 W-2 is not  
25 accurate and was not issued by his company.

26 32. Respondent was aware that the 2001 W-2 was not a valid W-2 issued by



1 Salon Pacific for Shams Bonakdar's income for 2001 from employment with the  
2 company.

3 33. Despite this knowledge, on December 21, 2002, Respondent submitted the  
4 2001 W-2 to Interfirst Wholesale Mortgage Lending, which is a division of ABN AMRO.

5 *A.7. October 2002 Pay Stub from Salon Pacific for Shams Bonakdar*

6 34. In connection with the ABN AMRO loan, Respondent submitted a pay stub  
7 for the period October 10, 2002 and October 23, 2002 purportedly from Salon Pacific  
8 indicating that Shams Bonakdar had earned \$3,750 (hereinafter "October Pay Stub").

9 35. The October Pay Stub was faxed to Respondent from Arrow Imports.

10 36. Ha Tran, the owner of Salon Pacific, asserts that the October Pay Stub is not  
11 accurate and was not issued by his company.

12 37. Respondent was aware that the October Pay Stub was not a valid pay stub  
13 issued by Salon Pacific for Shams Bonakdar's income from employment with the  
14 company from October 10, 2002 through October 23, 2002.

15 38. Despite this knowledge, on December 21, 2002, Respondent submitted the  
16 October Pay Stub to Interfirst Wholesale Mortgage Lending

17 **B. Refinance of the Cardinal Property**

18 39. In December 2003, Shams Bonakdar refinanced the Cardinal Property by  
19 obtaining a new first mortgage of \$304,800 provided by Washington Mutual Bank,  
20 (hereinafter "WMB"), as brokered by Town & Country with Respondent acting as the  
21 loan originator, and secured by the Cardinal Property (hereinafter "the WMB loan").

22 *B.1. Statement about Occupancy*

23 40. In connection with the WMB loan, Respondent submitted a residential  
24 mortgage loan application signed by Respondent and Shams Bonakdar affirming that  
25 Shams Bonakdar would live in the Cardinal Property after the refinance of the loan.

26 41. As noted previously in the Findings of Fact from this Order, Respondent was



1 aware that Shams Bonakdar was not occupying and did not intend to occupy the  
2 Cardinal Property as her primary residence and that the property would continue to be  
3 controlled by Asad and Linda Shirazi.

4 *B.2. Explanation Letter for Living in Depoe Bay and Working in Portland*

5 42. In connection with the WMB loan, Respondent submitted to WMB an  
6 explanation letter dated November 19, 2003 signed by Shams Bonakdar explaining that  
7 her main employment is with Arrow Imports, she works part-time for Salon Pacific and  
8 stays at the Waterleaf Property with "her old roommate" when she is in town (hereinafter  
9 "the November 19, 2003 letter").

10 43. At the April 14 Hearing, Respondent admitted that, to his knowledge, Shams  
11 Bonakdar last worked for Arrow Imports sometime prior to 2000.

12 44. At the Trial, Linda Shirazi testified that Shams Bonakdar has not been  
13 employed by Arrow Imports within the last five years.

14 45. As noted previously in the Findings of Fact from this Order, Sehat was aware  
15 that Shams Bonakdar was not occupying and did not intend to occupy the Cardinal  
16 Property as her primary residence and that the property would continue to be controlled  
17 by Asad and Linda Shirazi.

18 *B.3. TIL Disclosures*

19 46. Respondent's file for the WMB loan contained three Truth in Lending  
20 disclosures, or TILs, signed by Shams Bonakdar.

21 47. The first WMB loan TIL corresponded to an application dated December 8,  
22 2003 that indicated that Shams Bonakdar applied for a variable rate loan at 4.75%.

23 48. The first WMB loan TIL indicated that the annual percentage rate, or APR, for  
24 the loan was 4.75% interest.

25 49. The corresponding good faith estimate, or GFE, for the loan listed a variety of  
26 lender and broker fees that would affect the APR that were not included in the



1 calculation of the APR on the first WMB loan TIL.

2 50. The second WMB TIL corresponded to an application dated November 10,  
3 2003 that indicated that Shams Bonakdar applied for a variable rate loan at 5% interest.

4 51. The second WMB TIL indicated that the APR for the loan was 5%.

5 52. The corresponding GFE for the loan listed a variety of lender and broker fees  
6 that would affect the APR that were not included in the calculation of the APR on the  
7 second WMB TIL.

8 53. The third WMB TIL corresponded to another application dated November 10,  
9 2003 that indicated that Shams Bonakdar applied for a variable rate loan at 4.875%  
10 interest.

11 54. The third WMB TIL indicated that the APR for the loan was 4.875%.

12 55. The corresponding GFE for the loan listed a variety of lender and broker fees  
13 that would affect the APR that were not included in the calculation of the APR on the  
14 third WMB TIL.

15 56. None of the three TILs in connection with WMB loan contained disclosures 1)  
16 that the loan has a variable rate feature, 2) about the security for the loan, 3) about the  
17 late charge, 4) about any pre-payment penalties associated with the loan, and 4) about  
18 whether the loan is assumable.

#### 19 *B.4. Rate Lock or Float Disclosures*

20 57. Respondent's file for the WMB loan contained two Rate and Lock Agreement  
21 Disclosures signed by Shams Bonakdar on November 10, 2003.

22 58. Neither disclosure contained 1) the lock expiration date, 2) a disclosure that  
23 the lock may be subject to change if any of the loan factors change, 3) the term of the  
24 loan or 4) the loan fee.

#### 25 **C. Home Equity Line of Credit on the Cardinal Property**

26 59. On January 29, 2004, Shams Bonakdar obtained a \$20,100 home equity line



1 of credit, otherwise known as a HELOC, provided by Wells Fargo Home Equity,  
2 (hereinafter "WFHE"), as brokered by Town & Country with Respondent acting as the  
3 loan originator, and secured by the Cardinal Property (hereinafter "the WFHE loan").

4 *C.1. Statement about Occupancy*

5 60. In connection with the WFHE loan, Respondent submitted a residential  
6 mortgage loan application signed by Respondent and Shams Bonakdar affirming that  
7 Shams Bonakdar would live in the Cardinal Property after obtaining the HELOC.

8 61. In connection with the WFHE loan, Shams Bonakdar signed an agreement  
9 that she would notify the lender if she ceased living in the property or if there was any  
10 change in her ownership of the property.

11 62. As noted previously in the Findings of Fact from this Order, Respondent was  
12 aware that Shams Bonakdar was not occupying and did not intend to occupy the  
13 Cardinal Property as her primary residence and that the property would continue to be  
14 controlled by Asad and Linda Shirazi.

15 63. Furthermore, at the same time as Respondent was arranging the WFHE  
16 loan, Respondent obtained a loan for Shams Bonakdar to purchase the residential  
17 property located at 10865 SW Avocet Court in Beaverton, Oregon 97007 (hereinafter  
18 "the Avocet Property") that was to be her primary residence.

19 *C.2. The Appraisal*

20 64. In connection with the WFHE loan, Respondent submitted to the lender an  
21 appraisal dated September 7, 2003 of the Cardinal Property completed by Ata  
22 Mohagheh that indicated that the property was tenant-occupied.

23 65. WFHE issued a Commitment Letter on October 9, 2003 approving the loan  
24 subject to conditions, including that the appraisal must indicate that the property is  
25 owner-occupied.

26 66. On October 29, 2003, Respondent's processor, Amber Benson, sent a



1 facsimile to Ata Mohagheh including the condition issued by Wells Fargo Home Equity  
2 that the appraisal indicate that the property is owner-occupied.

3 67. In response to the facsimile, Ata Mohagheh issued an appraisal addendum  
4 containing a note to the underwriter that states "Due to a typographical error the subject  
5 shows to be tenant occupied. This is incorrect and the property is owner occupied."

6 68. Respondent submitted the appraisal addendum to WFHE to satisfy the  
7 condition set by the lender despite his knowledge that the Cardinal Property was not  
8 owner occupied.

9 *C.3. TIL Disclosures*

10 69. Respondent's file for the WFHE loan contained one TIL signed by Shams  
11 Bonakdar, which corresponded to an application for a 30-year variable rate loan starting  
12 at 5.875% interest.

13 70. The first WFHE loan TIL, however, contained a payment stream for a fixed  
14 rate loan.

15 71. The second WFHE loan TIL corresponded to an application dated November  
16 10, 2003 that indicated that Shams Bonakdar applied for a variable rate loan at 5%  
17 interest.

18 72. The second WFHE loan TIL indicated that the APR for the loan was 5%.

19 73. The corresponding GFE for the loan listed a variety of lender and broker fees  
20 that would affect the APR that were not included in the calculation of the APR on the  
21 second WFHE loan TIL.

22 74. The third WFHE loan TIL corresponded to another application dated  
23 November 10, 2003 that indicated that Shams Bonakdar applied for a variable rate loan  
24 at 4.875% interest.

25 75. The third WFHE loan TIL indicated that the APR for the loan was 4.875%.

26 76. The corresponding GFE for the loan listed a variety of lender and broker fees



1 that would affect the APR that were not included in the calculation of the APR on the  
2 third WFHE loan TIL.

3 77. Neither the second nor third WFHE loan TILs contained disclosures 1) that  
4 the loan has a variable rate feature, 2) about the security for the loan, 3) about the late  
5 charge, 4) about any pre-payment penalties associated with the loan, and 5) about  
6 whether the loan is assumable.

7 ***B.4. Rate Lock or Float Disclosures***

8 78. Respondent's file for the WFHE loan contained two Rate and Lock  
9 Agreement Disclosures signed by Shams Bonakdar on November 10, 2003.

10 79. Neither disclosure contained 1) the lock expiration date, 2) a disclosure that  
11 the lock may be subject to change if any of the loan factors change, 3) the term of the  
12 loan or 4) the loan fee.

13 **D. Purchase of the Avocet Property**

14 80. On January 29, 2004, Shams Bonakdar purchased the Avocet Property for  
15 \$440,000 from US Bank.

16 81. To facilitate the purchase, Countrywide Home Loans, Inc. (hereinafter  
17 "Countrywide"), as brokered by Town & Country with Respondent acting as the loan  
18 originator, provided Shams Bonakdar a first mortgage of \$352,000 secured by the  
19 Avocet Property (hereinafter "the Countrywide first loan") and a second mortgage of  
20 \$42,428 also secured by the Avocet Property (hereinafter "the Countrywide second  
21 loan").

22 ***D.1. Statement about Current Employment***

23 82. In connection with the Countrywide first and second loans, Respondent  
24 submitted residential mortgage loan applications signed by Respondent and Shams  
25 Bonakdar indicating that Shams Bonakdar was employed by Arrow Imports earning  
26 \$8,000 per month.



1 83. As noted previously in the Findings of Fact from this Order, Respondent was  
2 aware that Shams Bonakdar was not employed by Arrow Imports.

3 84. In connection with the Countrywide first and second loans, Countrywide  
4 performed a verbal verification of employment in which Countrywide called Arrow  
5 Imports to verify that Shams Bonakdar was employed with the company.

6 85. Although the Countrywide first and second loans were stated income loans in  
7 which Countrywide did not require verification of the amount of income that Shams  
8 Bonakdar made from her employment, Countrywide did require verification that Shams  
9 Bonakdar was employed by Arrow Imports and relied upon that information in making  
10 the Countrywide first and second mortgage loans.

11 *D.2. Statement about Source of Funds*

12 86. In connection with the Countrywide first and second loan, Respondent  
13 submitted residential mortgage loan applications signed by Respondent and Shams  
14 Bonakdar indicating that the down payment for Shams Bonakdar's purchase of the  
15 Avocet Property would come from her checking or savings account.

16 87. The information provided on the application implies that the down payment is  
17 coming from Shams Bonakdar's own funds, not gifted funds that have been placed into  
18 her account for the purpose of paying the down payment.

19 88. At the April 14 Hearing, Respondent testified that the down payment of  
20 \$51,000 used by Shams Bonakdar had come from him and Asad Shirazi.

21 89. Countrywide considers the source of the down payment to be a material  
22 issue.

23 *D.3. Statement about Relocating*

24 90. In connection with the Countrywide first and second, Respondent submitted  
25 a letter dated January 23, 2004 from Shams Bonakdar to Countrywide explaining that  
26 she was moving to Portland from the Cardinal Property to be closer to her job at Arrow



1 Imports (hereinafter "the January 23, 2004 letter").

2 91. As noted previously in the Findings of Fact from this Order, Respondent was  
3 aware that Shams Bonakdar was not employed by Arrow Imports.

4 92. As noted previously in the Findings of Fact from this Order, Respondent was  
5 aware that Shams Bonakdar was not living at the Cardinal Property.

6 *D.4. TIL Disclosures*

7 93. Respondent's file for the Countrywide first and second loans contained one  
8 TIL for each of the first and second loans.

9 94. The Countrywide loan TILs, however, did not contain disclosures 1) about  
10 the security for the loan, 2) about any late charge, 3) about any pre-payment penalties  
11 associated with the loan, and 4) about whether the loan is assumable.

12 *D.5. Rate Lock or Float Disclosures*

13 95. Respondent's file for the Countrywide loans contained two Rate and Lock  
14 Agreement Disclosures signed by Shams Bonakdar on November 10, 2003.

15 96. Neither disclosure contained 1) the lock expiration date, 2) a disclosure that  
16 the lock may be subject to change if any of the loan factors change, or 3) the term of the  
17 loan.

18 **CONCLUSIONS OF LAW**

19 The Director **CONCLUDES** that:

20 1. Respondent violated ORS 59.971(1) by engaging in a fraudulent act when,  
21 while acting as a loan originator on the ABN AMRO loan, he submitted to ABN AMRO a  
22 residential mortgage loan application for Shams Bonakdar affirming that Shams  
23 Bonakdar would live in the Cardinal Property when Respondent knew that the statement  
24 was false or misleading.

25 2. Respondent violated ORS 59.971(1) by engaging in a fraudulent act when,  
26 while acting as a loan originator on the ABN AMRO loan, he submitted to ABN AMRO a



1 residential mortgage loan application for Shams Bonakdar indicating that the down  
2 payment for the property would come from Shams Bonakdar's checking or savings  
3 account when Respondent knew that the statement was false or misleading.

4 3. Respondent violated ORS 59.971(1) by engaging in a fraudulent act when,  
5 while acting as a loan originator on the ABN AMRO loan, he submitted to ABN AMRO a  
6 residential loan application for Shams Bonakdar indicating that she had been renting the  
7 Waterleaf Property for 4 years with a monthly rental payment of \$1,195 when  
8 Respondent knew that the statement was false or misleading.

9 4. Respondent violated ORS 59.971(1) by engaging in a fraudulent act when,  
10 while acting as a loan originator on the ABN AMRO loan, he submitted to ABN AMRO a  
11 residential loan application for Shams Bonakdar indicating that she was employed by  
12 Salon Pacific earning \$6,500 per month when Respondent knew that the statement was  
13 false or misleading.

14 5. Respondent violated ORS 59.971(1) by engaging in a fraudulent act when,  
15 while acting as a loan originator on the ABN AMRO loan, he submitted to Greenpoint  
16 Mortgage the Waterleaf VOR when Respondent knew that the information contained in  
17 the Waterleaf VOR was false or misleading.

18 6. Respondent violated ORS 59.971(1) by engaging in a fraudulent act when,  
19 while acting as a loan originator on the ABN AMRO loan, he submitted to ABN AMRO  
20 the 2001 W-2 when Respondent knew that the information contained in the 2001 W-2  
21 was false or misleading.

22 7. Respondent violated ORS 59.971(1) by engaging in a fraudulent act when,  
23 while acting as a loan originator on the ABN AMRO loan, he submitted to ABN AMRO  
24 the October Pay Stub when Respondent knew that the information contained in the  
25 October Pay Stub was false or misleading.

26 8. Respondent violated ORS 59.971(1) by engaging in a fraudulent act when,



1 while acting as a loan originator on the WMB loan, he submitted to WMB a residential  
2 loan application for Shams Bonakdar indicating that she would live in the Cardinal  
3 Property after the refinance of the loan when Respondent knew the statement was false  
4 or misleading.

5 9. Respondent violated ORS 59.971(1) by engaging in a fraudulent act when,  
6 while acting as a loan originator on the WMB loan, he submitted to WMB the November  
7 19, 2003 letter when Respondent knew the statement was false or misleading.

8 10. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
9 included an APR as required by 12 CFR § 226.18(e) calculated pursuant to the  
10 guidelines of 12 CFR § 226.22 in connection with the WMB loan.

11 11. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
12 contained disclosures that the loan contained a variable rate feature as required by 12  
13 CFR § 226.18(f) in connection with the WMB loan.

14 12. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
15 contained a disclosure about the prepayment penalties of the loan as required by 12  
16 CFR § 226.18(k) for the WMB loan.

17 13. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
18 contained a disclosure about the security for the loan as required by 12 CFR §  
19 226.18(m) for the WMB loan.

20 14. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
21 contained a disclosure about whether the loan is assumable as required by 12 CFR §  
22 226.18(q) for the WMB loan.

23 15. Respondent violated ORS 59.955 by failing to provide Shams Bonakdar  
24 with a TIL disclosure that complies with the requirements of TILA at 12 CFR §  
25 226.18(e), (f), (k), (m) and (q) in connection with the WMB loan.

26 16. Respondent violated OAR 441-865-0060(1)(c)(D) by failing to maintain a



1 borrower acknowledged rate lock disclosure that contained the lock expiration date in  
2 Shams Bonakdar's loan file for the WMB loan.

3 17. Respondent violated OAR 441-865-0060(1)(c)(E) by failing to maintain a  
4 borrower acknowledged rate lock disclosure that contained a disclosure that the lock  
5 may be subject to change if any of the loan factors change in Shams Bonakdar's loan  
6 file for the WMB loan.

7 18. Respondent violated OAR 441-865-0060(1)(c)(H) by failing to maintain a  
8 borrower acknowledged rate lock disclosure that contained the term of the loan in  
9 Shams Bonakdar's loan file for the WMB loan.

10 19. Respondent violated OAR 441-865-0060(1)(c)(I) by failing to maintain a  
11 borrower acknowledged rate lock disclosure that contained the loan fee in Shams  
12 Bonakdar's loan file for the WMB loan.

13 20. Respondent violated ORS 59.971(1) by engaging in a fraudulent act  
14 when, while acting as a loan originator on the WFHE loan, he submitted to WFHE a  
15 residential loan application for Shams Bonakdar affirming that she would live in the  
16 Cardinal Property after obtaining the loan when Respondent knew the statement was  
17 false or misleading.

18 21. Respondent violated ORS 59.971(1) by engaging in a fraudulent act  
19 when, while acting as a loan originator on the WFHE loan, he submitted to WFHE an  
20 appraisal addendum that contained a statement that the Cardinal Property is owner-  
21 occupied when Respondent knew that the statement was false or misleading.

22 22. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
23 included an APR as required by 12 CFR § 226.18(e) calculated pursuant to the  
24 guidelines of 12 CFR § 226.22 in connection with the WFHE loan.

25 23. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
26 contained disclosures that the loan contained a variable rate feature as required by 12



1 CFR § 226.18(f) in connection with the WFHE loan.

2 24. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
3 contained a disclosure about the prepayment penalties of the loan as required by 12  
4 CFR § 226.18(k) for the WFHE loan.

5 25. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
6 contained a disclosure about the late payment charges associated with the loan as  
7 required by 12 CFR § 226.18(l) for the WFHE loan.

8 26. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
9 contained a disclosure about the security for the loan as required by 12 CFR §  
10 226.18(m) for the WFHE loan.

11 27. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
12 contained a disclosure about whether the loan is assumable as required by 12 CFR §  
13 226.18(q) for the WFHE loan.

14 28. Respondent violated ORS 59.955 by failing to provide Shams Bonakdar  
15 with a TIL disclosure that complies with the requirements of TILA at 12 CFR §  
16 226.18(e), (f), (k), (l), (m) and (q) in connection with the WFHE loan.

17 29. Respondent violated OAR 441-865-0060(1)(c)(D) by failing to maintain a  
18 borrower acknowledged rate lock disclosure that contained the lock expiration date in  
19 Shams Bonakdar's loan file for the WFHE loan.

20 30. Respondent violated OAR 441-865-0060(1)(c)(E) by failing to maintain a  
21 borrower acknowledged rate lock disclosure that contained a disclosure that the lock  
22 may be subject to change if any of the loan factors change in Shams Bonakdar's loan  
23 file for the WFHE loan.

24 31. Respondent violated OAR 441-865-0060(1)(c)(H) by failing to maintain a  
25 borrower acknowledged rate lock disclosure that contained the term of the loan in  
26 Shams Bonakdar's loan file for the WFHE loan.



1           32.    Respondent violated OAR 441-865-0060(1)(c)(I) by failing to maintain a  
2 borrower acknowledged rate lock disclosure that contained the loan fee in Shams  
3 Bonakdar's loan file for the WFHE loan.

4           33.    Respondent violated ORS 59.971(1) by engaging in a fraudulent act  
5 when, while acting as a loan originator on the Countrywide first and second loans, he  
6 submitted to Countrywide residential mortgage loan applications for Shams Bonakdar  
7 indicating that she was employed by Arrow Imports earning \$8,000 per month when  
8 Respondent knew that the statement was false or misleading.

9           34.    Respondent violated ORS 59.971(1) by engaging in a fraudulent act  
10 when, while acting as a loan originator on the Countrywide first and second loans, he  
11 submitted to Countrywide residential mortgage loan applications for Shams Bonakdar  
12 indicating that the down payment for the purchase of the Avocet Property would come  
13 from her checking or savings account when Respondent knew that the statement was  
14 false or misleading.

15           35.    Respondent violated ORS 59.971(1) by engaging in a fraudulent act  
16 when, while acting as a loan originator on the Countrywide first and second loans, he  
17 submitted to Countrywide the January 23, 2004 letter when Respondent knew that the  
18 statement was false or misleading.

19           36.    Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
20 included a disclosure that the loan has a variable rate feature as required by 12 CFR §  
21 226.18(f) in connection with the Countrywide first loan.

22           37.    Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
23 included a disclosure about any prepayment penalties as required 12 CFR § 226.18(k)  
24 in connection with the Countrywide first loan.

25           38.    Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
26 included a disclosure regarding any late fee as required by 12 CFR § 226.18(l) in



1 connection with the Countrywide first loan.

2 39. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
3 included a disclosure regarding the security for the loan as required by 12 CFR §  
4 226.18(m) in connection with the Countrywide first loan.

5 40. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
6 included a disclosure about whether the loan is assumable as required by 12 CFR §  
7 226.18(q) in connection with the Countrywide first loan.

8 41. Respondent violated ORS 59.955 by failing to provide Shams Bonakdar  
9 with a TIL disclosure that complies with the requirements of TILA in 12 CFR § 226.18(f),  
10 (k), (l), (m), and (q) in connection with the Countrywide first loan.

11 42. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
12 included a disclosure that the loan has a variable rate feature as required by 12 CFR §  
13 226.18(f) in connection with the Countrywide second loan.

14 43. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
15 included a disclosure about any prepayment penalties as required 12 CFR § 226.18(k)  
16 in connection with the Countrywide second loan.

17 44. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
18 included a disclosure regarding any late fee as required by 12 CFR § 226.18(l) in  
19 connection with the Countrywide second loan.

20 45. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
21 included a disclosure regarding the security for the loan as required by 12 CFR §  
22 226.18(m) in connection with the Countrywide second loan.

23 46. Respondent failed to provide Shams Bonakdar with a TIL disclosure that  
24 included a disclosure about whether the loan is assumable as required by 12 CFR §  
25 226.18(q) in connection with the Countrywide second loan.

26 47. Respondent violated ORS 59.955 by failing to provide Shams Bonakdar



1 with a TIL disclosure that complies with the requirements of TILA in 12 CFR § 226.18(f),  
2 (k), (l), (m), and (q) in connection with the Countrywide second loan.

3 48. Respondent violated OAR 441-865-0060(1)(c)(D) by failing to maintain a  
4 borrower acknowledged rate lock disclosure that contained the lock expiration date in  
5 Sham Bonakdar's loan file for the Countrywide first loan.

6 49. Respondent violated OAR 441-865-0060(1)(c)(E) by failing to maintain a  
7 borrower acknowledged rate lock disclosure that contained a disclosure that the lock  
8 may be subject to change if any of the loan factors change in Sham Bonakdar's loan file  
9 for the Countrywide first loan.

10 50. Respondent violated OAR 441-865-0060(1)(c)(H) by failing to maintain a  
11 borrower acknowledged rate lock disclosure that contained the term of the loan in Sham  
12 Bonakdar's loan file for the Countrywide first loan.

13 51. Respondent violated OAR 441-865-0060(1)(c)(I) by failing to maintain a  
14 borrower acknowledged rate lock disclosure that contained the loan fee in Sham  
15 Bonakdar's loan file for the Countrywide first loan.

16 52. Respondent violated OAR 441-865-0060(1)(c)(D) by failing to maintain a  
17 borrower acknowledged rate lock disclosure that contained the lock expiration date in  
18 Sham Bonakdar's loan file for the Countrywide second loan.

19 53. Respondent violated OAR 441-865-0060(1)(c)(E) by failing to maintain a  
20 borrower acknowledged rate lock disclosure that contained a disclosure that the lock  
21 may be subject to change if any of the loan factors change in Sham Bonakdar's loan file  
22 for the Countrywide second loan.

23 54. Respondent violated OAR 441-865-0060(1)(c)(H) by failing to maintain a  
24 borrower acknowledged rate lock disclosure that contained the term of the loan in Sham  
25 Bonakdar's loan file for the Countrywide second loan.

26 55. Respondent violated OAR 441-865-0060(1)(c)(I) by failing to maintain a

1 borrower acknowledged rate lock disclosure that contained the loan fee in Sham  
2 Bonakdar's loan file for the Countrywide second loan.

3 56. Respondent violated ORS 59.971(2) by repeatedly violating ORS 59.955  
4 by failing to provide required TIL disclosures in connection with the WMB loan, the  
5 WFHE loan, the Countrywide first loan and the Countrywide second loan.

6 57. Respondent violated ORS 59.971(2) by repeatedly violating OAR 441-  
7 865-0060(1)(c) regarding Rate and Lock Agreement Disclosures in connection with the  
8 WMB loan, WFHE loan, the Countrywide first loan and the Countrywide second loan.

9 **ORDER**

10 **NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:**

11 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Respondent will  
12 **CEASE AND DESIST** from violating any provision of Oregon Mortgage Lender Law,  
13 OAR 441-850-0005 through 441-885-0010 and any rule, order or policy issued by the  
14 Division.

15 The Director, pursuant to ORS 59.996 hereby **ORDERS** Respondent to pay the  
16 State of Oregon a civil penalty of \$80,000. The civil penalty is based upon: (1) \$5,000  
17 for a violation of ORS 59.971(1) for submitting a loan application with a false or  
18 misleading statement about occupancy in connection with the ABN AMRO loan, (2)  
19 \$5,000 for a violation of ORS 59.971(1) for submitting a loan application with a false or  
20 misleading statement about the source of the down payment in connection with the ABN  
21 AMRO loan, (3) \$5,000 for a violation of ORS 59.971(1) for submitting a loan application  
22 with a false or misleading statement about present residence in connection with the  
23 ABN AMRO loan, (4) \$5,000 for a violation of ORS 59.971(1) for submitting a loan  
24 application with a false or misleading statement about current income in connection with  
25 the ABN AMRO loan, (5) \$5,000 for a violation of ORS 59.971(1) for submitting a false  
26 or misleading VOR to Greenpoint in connection with the purchase of the Cardinal

Division of Finance and Corporate Securities  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
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1 Property, (6) \$5,000 for a violation of ORS 59.971(1) for submitting the false 2001 W-2  
2 in connection with the ABN AMRO loan, (7) \$5,000 for a violation of ORS 59.971(1) for  
3 submitting the false October 2002 pay stub in connection with the ABN AMRO loan, (8)  
4 \$5,000 for a violation of ORS 59.971(1) for submitting a loan application with a false or  
5 misleading statement about occupancy in connection with the WMB loan, (9) \$5,000 for  
6 a violation of ORS 59.971(1) for submitting the November 19, 2003 letter in connection  
7 with the WMB loan, (10) \$5,000 for a violation of ORS 59.971(1) for submitting a loan  
8 application with a false or misleading statement about occupancy in connection with the  
9 WFHE loan, (11) \$5,000 for a violation of ORS 59.971(1) for submitting the false or  
10 misleading appraisal addendum in connection with the WFHE loan, (12) \$5,000 for a  
11 violation of ORS 59.971(1) for submitting a loan application with a false or misleading  
12 statement about current employment in connection with the Countrywide first and  
13 second loans, (13) \$5,000 for a violation of ORS 59.971(1) for submitting a loan  
14 application with a false or misleading statement about the source of funds in connection  
15 with the Countrywide first and second loans, (14) \$5,000 for a violation of ORS  
16 59.971(1) for submitting the January 23, 2004 letter in connection with the Countrywide  
17 first and second loans, (15) \$5,000 for a violation of ORS 59.971(2) for repeatedly  
18 violating ORS 59.955 regarding the provision of TIL disclosures and (16) \$5,000 for a  
19 violation of ORS 59.971(2) for repeatedly violating OAR 441-865-0060(1)(c) regarding  
20 the provision of a rate lock agreement.

21 IT IS SO ORDERED.

22 Dated this 1<sup>st</sup> day of May, 2007, Nunc Pro Tunc August 24, 2006

23 CORY STREISINGER, Director  
24 Department of Consumer and Business Services

25

26 David Tatman, Administrator  
Division of Finance and Corporate Securities

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**NOTICE: You are entitled to judicial review of this Order. Judicial review may be obtained by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from the service of this Order. Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court of Appeals.**

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