

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

5 **In the Matter of:**

M-06-0029-1

6 **Thomas Moorman,**

**ORDER TO CEASE AND DESIST
ORDER BARRING FROM INDUSTRY
ORDER IMPOSING CIVIL PENALTIES**

7 **Respondent.**

8 **And**
9 **CONSENT TO ENTRY OF ORDER**

10 **WHEREAS** the Director of the Department of Consumer and Business Services
11 for the State of Oregon (hereinafter "the Director") through the Division of Finance and
12 Corporate Securities (hereinafter "the Division") conducted an investigation of Thomas
13 Moorman (hereinafter "Respondent") and determined that Respondent engaged in
14 activities constituting violations of ORS 59.840 through 59.965 (hereinafter cited as the
15 Oregon Mortgage Lender Law); and

16 **WHEREAS** Respondent does not admit nor deny the Findings of Fact and
17 Conclusions of Law contained herein, he wishes to resolve and settle this matter with
18 the Director,

19 **NOW THEREFORE**, as evidenced by the authorized signature subscribed on
20 this order, Respondent hereby **CONSENTS** to entry of this order upon the Director's
21 Findings of Fact and Conclusions of Law but does not admit the Findings of Fact and
22 Conclusions of Law contained herein:

23 **FINDINGS OF FACT**

24 The Director **FINDS** that:

25 1. Valley Central Mortgage LLC is an Oregon limited liability corporation formed on
26 September 29, 2004. At all times relevant herein, Elton Lafky owned 90% of Valley

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1 Central Mortgage LLC. At all times relevant herein, Karen L. Dilday owned 10% of
2 Valley Central Mortgage LLC and acted as the company's experienced person. At all
3 times relevant herein, Valley Central Mortgage LLC operated from 349 Union Street NE
4 in Salem, Oregon 97301.

5 2. Mid Valley Mortgage LLC was an Oregon limited liability corporation formed on
6 June 21, 2001. At all times relevant herein, Thomas Moorman owned two-thirds of Mid
7 Valley Mortgage LLC. Karen L. Dilday owned one-third of Mid Valley Mortgage LLC.
8 Mid Valley Mortgage LLC operates from 349 Union Street in Salem, Oregon 97301. At
9 all times relevant herein, Mid Valley Mortgage LLC did not have a license to engage in
10 Oregon residential mortgage transactions.

11 3. Elton Lafky applied for a license to engage in Oregon residential mortgage
12 lending on January 7, 2005. During the licensing process, the application was amended
13 to list Valley Central Mortgage LLC as the applicant.

14 4. On March 23, 2005, during the license application process, Valley Central
15 Mortgage LLC requested the Division issue a letter confirming that it will not take action
16 against Valley Central Mortgage LLC for employing Thomas Moorman as a loan
17 originator based upon Thomas Moorman's criminal history.

18 5. The Division conducted a review of Thomas Moorman's criminal background that
19 revealed that he had been convicted of:

- 20 a. Burglary II and Forgery I, both class C felonies, on February 22, 1994,
- 21 b. Unauthorized Use of a Vehicle, a class C felony, on June 2, 1994 and again
22 on December 14, 1994,
- 23 c. Criminal Mischief I, a class C felony, on May 13, 1997,
- 24 e. Driving While Suspended, a class C felony, on July 14, 1998, and
- 25 f. Driving While Revoked, a class C felony, on July 9, 1999.

26 6. Based upon the review of Thomas Moorman's criminal record, the Division



1 declined to issue the letter requested by Valley Central Mortgage LLC.

2 7. On May 17, 2005, Valley Central Mortgage LLC entered into Consent Order M-
3 05-0035 (hereinafter "the 2005 Order") with the Division. The 2005 Order allowed
4 Valley Central Mortgage LLC to be issued a conditional license to engage in Oregon
5 residential mortgage lending that prohibited Valley Central Mortgage LLC from
6 employing Thomas Moorman "to act as or fulfill the duties of a loan originator ...
7 regardless of the technical title given him." That Consent Order is attached as Exhibit
8 A and is hereby incorporated by reference.

9 8. On January 4, 2006, the Division conducted an examination of the books and
10 records of Valley Central Mortgage LLC (hereinafter "2006 examination"). The 2006
11 examination included a review of personnel records, financial records and 67 borrower
12 loan files.

13 9. A Division investigator contacted many of the borrowers who obtained loans
14 from Valley Central Mortgage LLC. In some of the Oregon residential loans originated
15 by Valley Central Mortgage LLC, the borrowers reported to the Division investigator that
16 Thomas Moorman, either alone or in concert with Karen L. Dilday, acted as the loan
17 originator on the borrower's loan.

18 10. Thomas Moorman asserts that the consumers were confused and that he did
19 not violate the 2005 Order. Thomas Moorman is no longer working in the mortgage
20 industry and sold Christopher Fisher his two-third ownership in Mid Valley Mortgage
21 LLC on March 7, 2006.

22 CONCLUSIONS OF LAW

23 The Director **CONCLUDES** that:

24 1. Respondent acted as a loan originator for a mortgage broker in violation of ORS
25 59.971(2) because Respondent had disqualifying convictions as defined under OAR
26 441-880-0050(4)(a).

1 **ORDER**

2 The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Respondent will
3 **CEASE AND DESIST** from violating Chapter 59 of the Oregon Revised Statutes, OAR
4 441-850-0005 through 441-885-0010 and any rule, order or policy issued by the
5 Division.

6 The Director hereby **ORDERS** that Thomas Moorman is permanently restrained,
7 enjoined, and prohibited from, directly or indirectly:

- 8 1. Acting as a loan originator, as that term is defined in ORS 59.840(4);
- 9 2. Owning or operating as a mortgage banker or mortgage broker, as those
10 terms are defined in ORS 59.840(5) and (7) respectively; and
- 11 3. Acting as a partner, officer, director, or experienced person as described in
12 ORS 59.850(2), or occupying similar status or performing similar functions of a partner,
13 officer director or experienced person for a mortgage banker or mortgage broker.

14 The Director hereby **ORDERS** that Thomas Moorman shall not occupy space for
15 any business purpose at the offices of company holding an Oregon residential mortgage
16 lender license.

17 The Director, pursuant to ORS 59.996 hereby **ORDERS** Respondent to pay the
18 State of Oregon a civil penalty of \$85,000. The civil penalty is based upon \$5,000 for
19 each of the fifteen violations of ORS 59.971(2) and \$5,000 for each of the two violations
20 of ORS 59.971(1)(a).

21 The Director suspends payment of \$85,000 of the assessed civil penalty for a
22 five-year period. If in the period between the date of the Order to five years from the
23 date of the Order, Respondent violates any provision of Chapter 59 of the Oregon
24 Revised Statutes, which encompasses both the Oregon Securities Act and the Oregon
25 Mortgage Lender Law, or OAR 441-850-0005 through 441-885-0010 or any rule, order,
26 or policy issued by the Director, the suspended portion of the assessed civil penalty will



1 become immediately due and payable. If Respondent does not violate any provision of
2 Chapter 59 of the Oregon Revised Statutes, which encompasses both the Oregon
3 Securities Act and the Oregon Mortgage Lender Law, or OAR 441-850-0005 through
4 441-885-0010 or any rule, order, or policy issued by the Director in the period between
5 the date of the Order to five years from the date of the Order, the civil penalty is waived.

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

9 Dated this 9th day of May, 2007, at Salem, Oregon.

10 CORY STREISINGER, Director
11 Department of Consumer and Business Services

12 
13 David Tatman, Administrator
14 Division of Finance and Corporate Securities

15
16 **CONSENT TO ENTRY OF ORDER**

17 I, Thomas Moorman, state that have read the foregoing Order and that I know
18 and fully understand the contents hereof; 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, but that I do not admit the Findings of Fact and
22 Conclusions of Law contained herein; that I understand that the Director reserves the
23 right to take further actions to enforce this Order or to take appropriate action upon
24 discovery of a violation of any provision of Chapter 59 of the Oregon Revised Statutes,
25 which encompasses both the Oregon Securities Act and the Oregon Mortgage Lender
26 Law, or OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued

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1 by the Director; and that I will fully comply with the terms and conditions stated herein.

2 I further assure the Director that neither I nor any employees or agents of mine
3 will effect transactions in Oregon unless such activities are in full compliance with
4 Chapter 59 of the Oregon Revised Statutes and authorized by the Director.

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

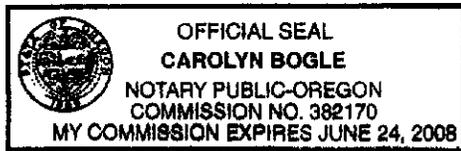
6 Dated this 9 day of May, 2007.

7
8 By [Signature]
Thomas Moorman

9
10 **ACKNOWLEDGMENT**

11 Sworn to under oath before me this 9th day of May by Thomas
12 Moorman.

13 [Signature]
14 Notary Public
15 For the State of Oregon
16 My commission expires: 6/24/08



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