

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-06-0042

6 Gibraltar Funding Corp.,  
7 Respondent.

ORDER TO CEASE AND DESIST  
ORDER IMPOSING CIVIL PENALTIES

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") conducted an investigation of  
12 Gibraltar Funding Corp. (hereinafter "Respondent") and determined that Respondent  
13 engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter  
14 cited as the Oregon Mortgage Lender Law); and

15 WHEREAS Respondent, wishes to resolve and settle this matter with the  
16 Director,

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

20 **FINDINGS OF FACT**

21 The Director **FINDS** that:

22 1. At all times relevant herein, Gibraltar Funding Corp. (hereinafter "Respondent" or  
23 "Gibraltar") was a corporation located at 5011 Ocean Boulevard, Suite 305 in Sarasota,  
24 Florida (hereinafter "the Florida location"). As part of the application to obtain an  
25 Oregon residential mortgage license submitted to the Division of Finance and Corporate  
26 Securities (hereinafter "The Division"), Gibraltar reported that Eric Christopherson

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 owned 10% of the company and Zuzana Paduano owned the remaining 90% of the  
2 company. Robert Paduano reported to the California Department of Corporations that  
3 he was the Managing Director of Operations for Gibraltar. Granville Duke Budlong  
4 operated as the Operations Manager for Gibraltar. Jodi Gastel and Jill Gastel were  
5 employees of Respondent.

6 2. On May 10, 2006, Anthony Miller signed a contract to purchase all the assets of  
7 Respondent from Eric Christopherson and Zuzana Paduano. The sale was to be  
8 handled through Superior Escrow and the contract provided for the release of all funds  
9 to the sellers by June 21, 2006. By separate agreement, Miller agreed to continue to  
10 employ the managers and staff at the Florida location on a trial period of three months.  
11 Anthony Miller moved the headquarters of Respondent to 175 Fulton Avenue, Suite 305  
12 in Hempstead, New York 11550 (hereinafter "the New York location") effective June 30,  
13 2006.

14 3. Respondent was licensed to engage in Oregon residential mortgage transactions  
15 from October 11, 2005 through October 12, 2006. The only location ever licensed to  
16 engage in Oregon residential mortgage loans was the Florida location. Respondent's  
17 license to engage in Oregon residential mortgage transactions was cancelled for failure  
18 to renew on October 12, 2006.

19 4. On or about June 30, 2006, Anthony Miller was told that there were irregularities  
20 occurring at the Florida location, including allegations that employees and managers at  
21 the Florida location were creating false W-2s and pay stubs. The Florida location was  
22 also not responding to requests from the New York location to provide information about  
23 the pipeline of loans and deposits from closed loans. In response to this information,  
24 Anthony Miller sent employees from the New York location (hereinafter "New York  
25 employees") to the Florida location to investigate the allegations (hereinafter "the  
26 Investigation").



1 5. As part of the Investigation, the New York employees found email dated June 28,  
2 2006 sent between Andra Griffin, the Office Manager and Paralegal employed by  
3 Respondent at the Florida location, and Robert Paduano. In the e-mail, Andra Griffin  
4 wrote that she does not want to do any more W-2s or pay stubs for Paul Mayer, noting  
5 that since she made them for Robert Paduano, Jill Gastel, Jodi Lee Gastel and  
6 Granville D. "Duke" Budlong have all asked her to do the same thing. In response,  
7 Robert Paduano instructed Andra Griffin to show Eric Christopherson how to make the  
8 documents. When Andra Griffin objected that she could lose her job and her Certified  
9 Paralegal "license," Robert Paduano responded that they can't submit the loan without  
10 the false documents and that she can't get into trouble for "[p]rinting up paystubs [sic] at  
11 the request of your employer..." and "it's who uses the paperwork not who does it" that  
12 gets into trouble.

13 6. As part of the Investigation, the New York employees found a Verification of  
14 Employment completed by Respondent for Jodi Lee Gastel and signed by Amy Miller  
15 dated November 3, 2005 verifying that she is employed by Respondent as a Senior  
16 Processor who made \$49,156 through November 1, 2005 (hereinafter "the Jodie Gastel  
17 November VOE").

18 7. As part of the Investigation, the New York employees found a Verification of  
19 Employment completed by Respondent for Jill Gastel and signed by Amy Miller dated  
20 November 3, 2005 verifying that she is employed by Respondent as an Office Manager  
21 who made \$51,667 through November 1, 2005 (hereinafter "the Jill Gastel November  
22 VOE").

23 8. As part of the Investigation, the New York employees found a residential  
24 mortgage loan application signed by Jill Gastel on October 27, 2005 stating that she  
25 was employed as the Office Manager for Respondent earning \$4,924 per month  
26 (hereinafter "the Jill Gastel application"). Eric Christopherson signed the application as



1 the loan originator for Respondent on October 27, 2005.

2 9. The Jodie Gastel November VOE, the Jill Gastel November VOE and the Jill  
3 Gastel application were submitted by Respondent to WinStar Mortgage Partners, Inc.  
4 dba Partner Loan Services (hereinafter "WinStar"). On November 15, 2005, WinStar  
5 provided a loan of \$352,000 to Jill and Jodi Gastel secured by residential real property.

6 10. The New York Location reported that the income information contained in the  
7 Jodi Gastel November VOE, the Jill Gastel November VOE, and the Jill Gastel  
8 application was false.

9 11. As part of the Investigation, the New York employees found a Verification of  
10 Employment completed by Respondent and signed by "Duke Budlong" for Jodi Lee  
11 Gastel dated March 16, 2006 verifying that she is employed by Respondent as a Senior  
12 Processor who made \$59,000 in 2005 and \$12,917 through March 15, 2006  
13 (hereinafter "the Jodie Gastel March VOE").

14 12. As part of the Investigation, the New York employees found a Verification of  
15 Employment signed by "Duke Budlong" for Jill Gastel dated March 16, 2006 verifying  
16 that she is employed by Respondent as an Office Manager who made \$5,417 per  
17 month (hereinafter "the Jill Gastel March VOE").

18 13. The New York Location reported that the income information contained in the  
19 Jodi Gastel March VOE and the Jill Gastel March VOE was false.

20 14. The Jodie Gastel March VOE and the Jill Gastel March VOE were submitted to  
21 Flagstar Bank, FSB (hereinafter "Flagstar"). On April 14, 2006, Flagstar provided a loan  
22 of \$370,500 to Jill and Jodi Gastel secured by residential real property.

23 15. As part of the Investigation, the New York employees found a Verification of  
24 Employment completed for Paul Mayer dated June 7, 2006 verifying that he is  
25 employed by Respondent as the General Manager who made \$11,900 per month  
26 (hereinafter "the Mayer VOE").



1 16. As part of the Investigation, the New York employees found a 2005 W-2 for Paul  
2 Mayer with earnings of \$139,599.00 from Respondent (hereinafter "the Mayer 2005 W-  
3 2").

4 17. As part of the Investigation, the New York employees found a 2004 W-2 for Paul  
5 Mayer with earnings of \$101,324.00 from Respondent (hereinafter "the Mayer 2004 W-  
6 2").

7 18. As part of the Investigation, the New York employees found a pay stub for Paul  
8 Mayer dated May 31, 2006 from Respondent for monthly earnings of \$11,900.00  
9 (hereinafter "the Mayer pay stub").

10 19. The New York Location reported that Paul Mayer was not employed by  
11 Gibraltar.

12 20. As part of the investigation, the New York employees found an estimated HUD-1  
13 indicating that the Florida location was attempting to obtain a residential mortgage loan  
14 for Paul Mayer.

15 21. As part of the Investigation, the New York employees found a pay stub for Jodi  
16 Gastel dated May 31, 2006 from Respondent showing bi-monthly earnings of \$2,785.29  
17 (hereinafter "the Jodi Gastel pay stub").

18 22. As part of the Investigation, the New York employees found a pay stub for Jill  
19 Gastel dated May 15, 2006 from Respondent showing bi-monthly earnings of \$2,926.92  
20 (hereinafter "the first Jill Gastel pay stub").

21 23. As part of the Investigation, the New York employees found a pay stub for Jill  
22 Gastel dated May 31, 2006 from Respondent showing bi-monthly earnings of \$2,926.92  
23 (hereinafter "the second Jill Gastel pay stub").

24 24. The New York Location reported that the income information contained in the  
25 Jodi Gastel pay stub, the first Jill Gastel pay stub and the second Jill Gastel pay stub  
26 was false.

1 25. As part of the Investigation, the New York employees found a pay stub for  
2 Granville D. Budlong dated May 31, 2006 from Respondent for bi-monthly earnings of  
3 \$7,000.00 (hereinafter "the Budlong pay stub").

4 26. The New York location reported that Granville D. Budlong only made \$4,000.00  
5 per month.

6 27. Upon completing the Investigation, Miller immediately directed that the Florida  
7 office be shut down and the employees there were terminated. Miller voluntarily  
8 reported his findings to the Director and cooperated fully with the Director's investigation  
9 into the matter.

#### 10 **CONCLUSIONS OF LAW**

11 The Director **CONCLUDES** that:

12 1. Jodie Gastel, Andra Griffin, Robert Paduano and Gibraltar violated ORS  
13 59.930(3) when Andra Griffin knowingly created false or deceptive documents at Jodie  
14 Gastel's request to assist her to obtain a residential mortgage loan.

15 2. Andra Griffin, Jill Gastel, Robert Paduano and Gibraltar violated ORS 59.930(3)  
16 when Andra Griffin knowingly created false or deceptive documents at Jill Gastel's  
17 request to assist her to obtain a residential mortgage loan.

18 3. Gibraltar violated ORS 59.930(2) when it knowingly completed the Jodie Gastel  
19 November VOE with false income information to assist Jodie Gastel to obtain a  
20 residential mortgage loan.

21 4. Gibraltar violated ORS 59.930(2) when it knowingly completed the Jill Gastel  
22 November VOE with false income information known to assist Jill Gastel to obtain a  
23 residential mortgage loan.

24 5. Jill Gastel, Eric Christopherson and Gibraltar violated ORS 59.930(2) when Jill  
25 Gastel and Eric Christopher knowingly signed the Jill Gastel application containing false  
26 information about Jill Gastel's income.





1 6. Granville Budlong and Gibraltar violated ORS 59.930(2) when he knowingly  
2 signed the Jodie Gastel March VOE with false income information to assist Jodie Gastel  
3 to obtain a residential mortgage loan.

4 7. Granville Budlong and Gibraltar violated ORS 59.930(2) when he knowingly  
5 signed the Jill Gastel March VOE with false information to assist Jill Gastel to obtain a  
6 residential mortgage loan.

7 8. Robert Paduano, Eric Christopherson, Andra Griffin and Gibraltar violated ORS  
8 59.930(3) when Andra Griffin knowingly created false documents at Robert Paduano's  
9 request and with Eric Christopherson's knowledge to assist Paul Mayer to obtain a  
10 residential mortgage loan.

11 9. Gibraltar violated ORS 59.930(2) when it knowingly completed the Mayer VOE  
12 containing false income and employment information to assist Paul Mayer to obtain a  
13 residential mortgage loan.

14 10. Gibraltar violated ORS 59.930(3) when it knowingly created the Mayer 2004 W-2  
15 containing false information to assist Paul Mayer to obtain a residential mortgage loan.

16 11. Gibraltar violated ORS 59.930(3) when it knowingly created the Mayer 2005 W-2  
17 containing false information to assist Paul Mayer to obtain a residential mortgage loan.

18 12. Gibraltar violated ORS 59.930(3) when it knowingly created the Mayer pay stub  
19 containing false information to assist Paul Mayer to obtain a residential mortgage loan.

20 13. By violating ORS 59.930(2), Gibraltar has engaged in fraudulent or illegal  
21 practices in connection with the mortgage business, which constitutes grounds to  
22 revoke, deny, suspend or condition any license issued to Gibraltar.

23 14. Gibraltar violated ORS 59.930(3) when it knowingly created the Jodie Gastel pay  
24 stub containing false information.

25 15. Gibraltar violated ORS 59.930(3) when it knowingly created the first Jill Gastel  
26 pay stub containing false information.

1 16. Gibraltar violated ORS 59.930(3) when it knowingly created the second Jill  
2 Gastel pay stub containing false information.

3 17. Gibraltar violated ORS 59.930(3) when it knowingly created the Granville pay  
4 stub containing false information.

5 18. By violating ORS 59.930(3), Gibraltar has engaged in dishonest, fraudulent or  
6 illegal practices in any business or unfair or unethical practices in connection with the  
7 mortgage business, which constitutes grounds to revoke, deny, suspend or condition  
8 any license issued to Gibraltar.

9 19. By repeatedly violating ORS 59.930(2) and 59.930(3), Gibraltar has repeatedly  
10 violated provisions of the Oregon Mortgage Lender Law, which constitutes grounds to  
11 revoke, deny suspend or condition any license issued to Gibraltar.

12 **ORDER**

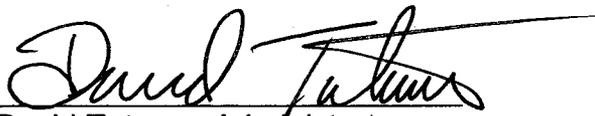
13 **NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:**

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

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

21 Dated this 10<sup>th</sup> day of July, 2007, at Salem, Oregon.

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

24   
25 David Tatman, Administrator  
26 Division of Finance and Corporate Securities

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



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**CONSENT TO ENTRY OF ORDER**

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I, ANTHONY MILLER, state that I am an officer of Respondent, and I am authorized to act on its behalf; that I have read the foregoing Order and that I know and fully understand the contents hereof; that I and this entity have been advised of the right to a hearing and of the right to be represented by counsel in this matter; that Respondent voluntarily and without any force or duress, consents to the entry of this Order, expressly waiving any right to a hearing in this matter; that Respondent understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law; and that Respondent will fully comply with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent, nor its officers, directors, employees or agents will effect mortgage transactions in Oregon unless such activities are in full compliance with Chapter 59 of the Oregon Revised Statutes.

Respondent understands that this Consent Order is a public document.

Dated this 8<sup>th</sup> day of June, 2007.

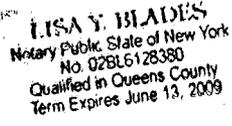
By Rev. Anthony Miller  
(Signature of officer)  
PRESIDENT  
(Office Held)

**CORPORATE ACKNOWLEDGMENT**

There appeared before me this 8<sup>th</sup> day of June, 2007,  
Anthony Miller, who was first duly sworn on oath, and stated that  
(s)he was and is President of Respondent and that (s)he is authorized and

1 empowered to sign this Consent to Entry of Order on behalf of Respondent, and to bind  
2 Respondent to the terms hereof.

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5 Notary Public  
6 for the State of: New York  
7 My commission expires: June 13, 2009

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