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**STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES**

In the Matter of:

M-09-0055-2

The Oregon Mortgage Broker License of
**TAYLOR, BEAN & WHITAKER
MORTGAGE CORP.**, a Florida
corporation,

**FINAL ORDER OF MORTGAGE
BANKER/BROKER LICENSE
REVOCATION AND CONSENT
TO ENTRY OF ORDER**

Licensee.

WHEREAS, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”), acting pursuant to ORS 86A.095 to 86A.198, formerly ORS 59.840 to 59.980, (hereinafter the “Oregon Mortgage Lender Law”), conducted an investigation of Taylor, Bean & Whitaker Mortgage Corp. (hereinafter the “Licensee”), and finding that there was a serious threat to public safety and that the public was likely to be substantially harmed thereby, issued on December 30, 2009, a PROPOSED ORDER OF MORTGAGE BROKER LICENSE REVOCATION AND NOTICE OF RIGHT TO A HEARING to the Licensee; and

WHEREAS the Licensee on January 6, 2010 filed with the Director a timely request for an administrative hearing; and

WHEREAS the Licensee neither admits nor denies the Findings of Fact or Conclusions of Law contained herein, but wishes to resolve and settle this matter with the Director by entering into this Consent to Entry of Order, which is evidenced by the authorized signatures subscribed below;

NOW THEREFORE, as evidenced by the signatures subscribed on this Order, Licensee hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street, NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 of Law as stated hereinafter.

2 **FINDINGS OF FACT**

3 1. On August 4, 2009, the Department of Housing and Urban Development (“HUD”)
4 issued a news release (“News Release”) that the Federal Housing Administration (“FHA”) had
5 suspended the Licensee from originating and underwriting loans insured by the FHA.

6 2. The News Release further provided that the Government National Mortgage
7 Association (“Ginnie Mae”) defaulted and terminated the Licensee as an issuer of its Mortgage-
8 Backed Securities program and ended the Licensee’s ability to continue servicing Ginnie Mae
9 securities.

10 3. According to the News Release, the FHA and Ginnie Mae took their respective
11 actions because the Licensee “failed to submit a required annual financial report and
12 misrepresented that there were no unresolved issues with its independent auditor” despite
13 “certain irregular transactions that raised concerns of fraud.” Also according to the News
14 Release, the FHA also based its action on the fact that the Licensee failed to disclose that it was
15 subject of two examinations involving its business practices in the prior year.

16 4. In a letter dated August 4, 2009, the Federal Home Loan Mortgage Corporation
17 (“Freddie Mac”) informed the Licensee that it was immediately terminating the Licensee’s
18 eligibility “to sell mortgage loans and to service mortgage loans for” Freddie Mac.

19 5. On August 5, 2009, the Licensee issued a press release stating that due to the
20 suspension and termination by the FHA, Ginnie Mae, and Freddie Mac, they would immediately
21 be ceasing the origination of mortgage loans and had become unable to close or fund any
22 mortgage loans.

23 6. On or about August 5, 2009, a hold was placed on the Licensee’s accounts at Colonial
24 Bank, including those used by the Licensee in its mortgage servicing operations.

25 7. On August 6, 2009, during a telephone conference call with other State regulators, the
26 Licensee’s general counsel stated that as of August 5, 2009, the Licensee had ceased all





1 origination, processing, and underwriting operations, the Licensee had terminated all non-
2 essential employees, and the Licensee would not be funding any more loans including loans that
3 had been closed but not funded.

4 8. Pursuant to an order of the Alabama State Banking Department, dated August 14,
5 2009, Colonial Bank was closed and the Federal Deposit Insurance Corporation (“FDIC”) was
6 appointed as its receiver. As a result, the FDIC-Receiver succeeded to all rights, titles, powers,
7 and privileges of Colonial Bank and of any stockholder, member, accountholder, depositor,
8 officer, or director of Colonial Bank with respect to the institution and the assets of the
9 institution pursuant to 12 U.S.C. § 1821(d)(2)(A)(i).

10 9. On August 14, 2009, the Licensee sent an Oregon consumer a refund check for
11 overpayment to the consumer’s escrow account with the Licensee. The consumer deposited the
12 refund check to his saving account, but the check was returned for insufficient funds as a result
13 of the hold placed on the Licensee’s bank accounts at Colonial Bank.

14 10. On August 18 2009, an Oregon consumer, with a loan serviced by the Licensee, was
15 informed that his current loan was not an FHA loan, even though the consumer paid the Licensee
16 the FHA upfront mortgage insurance and had been paying the monthly FHA mortgage insurance
17 premium to the Licensee.

18 11. On August 24, 2009, the Licensee filed a Voluntary Petition for Chapter 11
19 bankruptcy protection in the United States Bankruptcy Court for the Middle District of Florida,
20 Case No. 09-07047 JAF.

21 12. As of August 27, 2009, the Licensee provided States with a report listing 174 loans in
22 process, including five net funded loans, with approximately \$35 million in principal that either
23 concerned real property located in the State of Oregon or listed borrowers with Oregon
24 addresses. These loans are in all stages of the lending process, from applications received to
25 commitments issued.

26 13. Other states, including Arizona, Florida, New Jersey, Pennsylvania and Washington,



1 have entered adverse administrative orders against the Licensee based on the facts alleged above
2 as well as alleged violations of those states' laws involving deceptive acts or misrepresentation
3 regarding the Licensee's ability to fund closed mortgage loans and disburse monies as agreed.

4 14. Based on the above-described conditions and facts, and the determination that the
5 Licensee was in such financial condition that the public was likely to be substantially injured
6 thereby, the Director issued and served upon the Licensee on September 9, 2009, an Order of
7 Emergency Suspension of Mortgage Broker License, Order to Cease and Desist and Notice of
8 Right to a Public Hearing (#M-09-0055-1). The Director, having received no timely request for
9 administrative hearing in that matter, issued on December 24, 2009 a Final Order of Suspension
10 of Mortgage Broker License and Order to Cease and Desist Entered by Default. The Order
11 became effective September 9, 2009.

12 15. Based upon the above findings, the Director issued and served upon the Licensee on
13 December 30, 2009 a Proposed Order of Mortgage Broker License Revocation and Notice of
14 Right to a Public Hearing (#M-09-0055-2). On January 6, 2010, the Director received the
15 Licensee's timely request for administrative hearing.

16 CONCLUSIONS OF LAW

17 16. The Licensee is insolvent, either in the sense that liabilities of the Licensee exceed its
18 assets or that the Licensee cannot meet its obligations as those obligations mature, or is in such
19 financial condition that the Licensee cannot continue in business with safety to its customers as
20 shown by the dishonored refund check sent to an Oregon consumer on or about August 14, 2009.

21 17. By collecting monthly FHA mortgage insurance premiums without obtaining the
22 FHA mortgage insurance for Oregon consumers, the Licensee engaged in the mortgage business
23 in violation of ORS 86A.115(2), formerly ORS 59.865(2).

24 18. By issuing a refund check to an Oregon consumer which was returned for insufficient
25 funds as a result of the hold placed on the Licensee's bank accounts, the Licensee engaged in the
26 mortgage business in violation of ORS 86A.115(2), formerly ORS 59.865(2).



1 19. By failing to obtain FHA mortgage insurance for one Oregon consumer while
2 collecting the premium for such coverage, and by issuing to an Oregon consumer a refund check
3 which was returned for insufficient funds as a result of the hold placed on the Licensee's bank
4 accounts, the Licensee violated ORS 86A.115(14), formerly ORS 59.865(14).

5 20. The Licensee is subject to an order of the Director suspending its license as a
6 mortgage broker.

7 **AUTHORITY TO REVOKE MORTGAGE BROKER LICENSE**

8 21. Pursuant to ORS 86A.115, formerly ORS 59.865, if it appears to the Director that a
9 licensee is insolvent or is subject to a prior order suspending the licensee, the Director may
10 revoke the mortgage broker license of the person.

11 **ORDER**

12 22. NOW THEREFORE, based on the above Findings of Fact and Conclusions of Law,
13 the Director ORDERS that the Licensee's authority to conduct the business of a residential
14 mortgage broker in Oregon, including its authorization to operate branch offices, is REVOKED.

15 23. Nothing in this Order shall be construed to prevent the Licensee from the orderly
16 winding down of its business operations in the State of Oregon including the selling or assigning
17 of residential mortgage loans to another entity, servicing closed loans or engaging in other lawful
18 activity not otherwise prohibited by this Order. The Licensee's remaining Oregon operations
19 shall be terminated no later than October 1, 2010.

20 24. The Licensee's association with the remaining five net-funded loans shall cease as
21 soon as practicable.

22 25. The Licensee shall advise the Director, in writing, of the location where the
23 Licensee's records shall be kept, upon the execution of the Consent Order.

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IT IS SO ORDERED.

Dated this 29th day of, July, 2010 in Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Administrator
Division of Finance and Corporate Securities

CORPORATE CONSENT TO ENTRY OF ORDER

I, Neil Luria, state that I am an officer of Taylor, Bean & Whitaker Mortgage Corp., and that 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 Taylor, Bean & Whitaker Mortgage Corp., has been advised of the right to a hearing and of the right to be represented by counsel in this matter and desires to resolve and settle this matter with the Director without admitting or denying the findings or conclusions set for herein; that Taylor, Bean & Whitaker Mortgage Corp., 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 Taylor, Bean & Whitaker Mortgage Corp., understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discover of other violations of the Oregon Mortgage Lender Law; and that Licensee will fully comply with the terms and conditions stated herein.

Taylor, Bean & Whitaker Mortgage Corp. further assures the Director that the Licensee will not effect mortgage transactions in Oregon unless such activities are in full compliance with the Oregon Mortgage Lender Law.

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Licensee understands that this Consent Order is a public document.

Dated this 27th day of July, 2010.

/s/ Neil Luria
Neil Luria, Chief Restructuring Officer
for Taylor, Bean & Whitaker Mortgage Corp.

APPROVED AS TO FORM

/s/ Ashley L. Taylor Date: July 14, 2010
Ashley L. Taylor, Jr.
Jesse K. Martin
Troutman Sanders LLP

CORPORATE ACKNOWLEDGMENT

State of Florida

County of Marion

There appeared before me this 27th day of, July, 2010,
Neil Luria who was first duly sworn on oath, and stated that he was and is an officer of Taylor,
Bean & Whitaker Mortgage Corp. ("Licensee"), and that he is authorized and empowered to sign
this Consent to Entry of Order on behalf of the Licensee, and to bind the Licensee to the terms
hereof.

/s/ Virginia A Argo
Signature of Notary Public

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