

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
MORTGAGE LENDING SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

In the Matter of:

Thomas F. Gilleese, NMLS# 268292

Respondent.

M-13-0614

FINAL ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PENALTIES,
AND
CONSENT TO ENTRY OF ORDER

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter “the Director”) conducted an investigation of Thomas F. Gilleese (hereinafter “Gilleese”) and determined that Gilleese violated certain provisions of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter cited as the “Oregon Mortgage Lender Law”); and

WHEREAS Gilleese wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Gilleese hereby CONSENTS to entry of this order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

I. FINDINGS OF FACT

The Director FINDS that:

1. Gilleese received an Oregon mortgage loan originator license from the Oregon Division of Finance and Corporate Securities (hereinafter “Division”) on July 31, 2010, NMLS# 268292, and his license expired on January 1, 2014.

2. Gilleese worked as a loan originator for Mann Mortgage, LLC (hereinafter “Mann





1 Mortgage”) from the time he became licensed through November 26, 2013.

2 3. At all times material to this order, Mann Mortgage has been an Oregon licensed mortgage
3 broker.

4 4. Before starting with Mann Mortgage, Gilleese originated commercial loans and later
5 resumed commercial lending, outside of his affiliation with Mann Mortgage, in 2013.

6 5. Gilleese failed to disclose his commercial lending activity in NMLS under the application
7 heading “Other Business” when he attested that the information included in his renewal
8 application was complete and accurate on February 9, 2013.

9 6. Gilleese originated a loan secured by Oregon residential property that closed on March
10 29, 2013.

11 7. Another broker that was not licensed in Oregon referred the loan to Gilleese since the
12 loan required an Oregon licensed loan originator.

13 8. The loan was a refinance of investment property for two borrowers.

14 9. The loan documents list Mann Mortgage as the mortgage broker for this transaction, but
15 Gilleese did not originate the loan through the company’s database, so Mann Mortgage had no
16 knowledge of the loan.

17 10. The final loan application for one of the borrowers lists the subject property as a primary
18 residence even though the borrower indicated that he did not intend to occupy the property as a
19 primary residence in the Declarations section, while the other borrower’s final application
20 correctly lists the subject property as investment.

21 11. The final loan documents show that Mann Mortgage was to receive broker fees and
22 broker processing fees totaling \$11,195.

23 12. After closing, the broker fees were disbursed to Mann Mortgage.

24 13. Since Mann Mortgage did not have record of brokering this transaction, the company
25 sent the broker fees back on two occasions.



1 14. After the loan closed, one of the borrowers reported that the broker that referred the
2 transaction to Gilleese told them that, because Mann Mortgage would not accept the broker fees,
3 the money would be returned to the borrowers. He instructed the borrowers to deposit the funds
4 and then wire them to Gilleese in ten days.

5 15. The title company sent the broker fees to the borrowers, and as instructed, they later sent
6 the fees directly to Gilleese.

7 16. Gilleese failed to notify Mann Mortgage that he received the broker fees for the
8 transaction.

9 17. Gilleese responded that he did not notify Mann Mortgage of the transaction because he
10 previously was under the mistaken understanding that the loan was commercial since the
11 transaction had a commercial purpose.

12 II. CONCLUSIONS OF LAW

13 The Director CONCLUDES that:

14 1. By listing the subject property as a primary residence on one borrower's final application
15 when the property was actually investment and by failing to notify Mann Mortgage that he
16 originated a residential mortgage loan in the company's name and accepted the broker fees owed
17 to Mann Mortgage directly from the borrowers, Gilleese performed acts as a mortgage loan
18 originator in a negligent or incompetent manner in violation of ORS 86A.236(1).

19 2. By failing to disclose his commercial lending activity in NMLS, Gilleese made
20 a false statement or material omission on his loan originator license renewal application in
21 violation of ORS 86A.224(1)(c).

22 III. ORDER

23 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

24 The Director, pursuant to ORS 86A.224(3)(a), hereby orders Gilleese to cease and desist
25 from violating the Oregon Mortgage Lender Law.



1 Gilleese agrees not to reapply for an Oregon mortgage loan originator license with the
2 Division or engage in activity requiring an Oregon mortgage loan originator license.

3 The Director, pursuant to ORS 86A.224(3)(a), may assess civil penalties of up to \$5,000
4 per violation of the Oregon Mortgage Lender Law. The Director, pursuant to ORS 86A.224,
5 hereby ORDERS Gilleese to pay a civil penalty of \$10,000 for the violation of ORS 86A.236(1)
6 (negligence) and ORS 86A.224(1)(c) (loan originator application omission).

- 7 a. Gilleese shall pay the non-suspended portion of the civil penalty, \$5,000, within 25
8 months from the date the order is signed by the Division Administrator. The
9 amount of the monthly payments may vary from month to month, but in no event
10 shall the amount paid be less than \$1,200 for each six month period from the date
11 the order is signed by the Administrator going forward, and in no event shall the
12 monthly payment be less than \$25.
- 13 b. The signed consent order and first payment are due before the close of business on
14 Thursday, July 23.
- 15 c. The Director suspends payment of \$5,000 of the civil penalty for a period of three
16 years, so long as Gilleese complies with the terms of this order and does not
17 violate any provision of the Oregon Mortgage Lender Law.
- 18 d. If Gilleese complies with the terms of this order and does not violate any
19 provision of the Oregon Mortgage Lender Law for a period of three years, the
20 suspended portion of the civil penalty is waived.

21 The entry of this Order in no way limits further remedies which may be available to the
22 Director under Oregon law.

23 ///

24 ///

25 ///

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 Dated this 30th day of July, 2015.

2 PATRICK M. ALLEN, Director
3 Department of Consumer and Business Services

4
5 /s/ David Tatman
6 David C. Tatman, Administrator
7 Division of Finance and Corporate Securities

8 CONSENT TO ENTRY OF ORDER

9 I, Thomas F. Gilleese, state that I have read the foregoing order, and I know and fully understand
10 the contents hereof. I have been advised of the right to a hearing and of the right to be
11 represented by counsel in this matter, and I desire to resolve and settle this matter with the
12 Director. I voluntarily, without any force or duress, consent to the entry of this order, expressly
13 waiving any right to a hearing in this matter. I understand that the Director reserves the right to
14 take further actions to enforce this order or to take appropriate action upon discovery of other
15 violations of the Oregon Mortgage Lender Law, and I will fully comply with the terms and
16 conditions stated herein.

17 I understand that this consent order is a public document.

18 Dated this 23rd day of July, 2015.

19 By /s/ Thomas F. Gilleese
20 Thomas F. Gilleese

21 Notary Public for the State of: Oregon

22 Signed or attested before me on: July 23, 2015

23 My commission expires: 1-9-18

24 /s/ Katie Matson

25 Signature of Notary Public