

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:

Andrew W. Casebeer,
NMLS# 91565

Respondent.

M-14-0060
FINAL ORDER TO CEASE AND DESIST,
ORDER REVOKING MORTGAGE LOAN
ORIGINATOR LICENSE, ORDERING
RESTITUTION AND IMPOSING 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 Andrew W. Casebeer (hereinafter "Respondent" or "Casebeer") and determined that Casebeer engaged in an activity that constitutes a violation of ORS 86A.100 through 86A.992, and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the "Oregon Mortgage Lender Law"); and

WHEREAS Casebeer does not admit to the Findings of Fact or Conclusions of Law contained in this order, but wishes to resolve and settle this matter with the Director,

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

FINDINGS OF FACT

The Director FINDS that:

A. Failure to Disclose the Revocation of His Insurance License

1. On October 10, 1992, the Insurance Division of the Department of Insurance and Finance of the State of Oregon, issued the Final Order in case number INS 92-08-022 (hereinafter "Final





1 Order”). It included findings of fact that Casebeer falsely reported to insurance companies that
2 22 insured individuals wished to surrender their insurance policies, Casebeer then
3 misappropriated \$37,962.55 of funds due to be paid to these insureds as a result of the surrender
4 of the policies, he signed the names of the insureds on the checks meant to be paid to the
5 insureds, and deposited the funds to three of his own personal accounts without the knowledge of
6 the insureds.

7 2. The Final Order revoked the Oregon resident individual insurance agent license issued to
8 Casebeer by concluding that Casebeer violated ORS 746.075(7) citing an Ultimate Finding of
9 Fact that:

10 Casebeer engaged in a practice which operated as a fraud or deceit upon an insured under
11 an issued a [sic] life insurance policy, in connection with the inducement or attempted
12 inducement, directly or indirectly, to surrender the policy, in violation of ORS
13 746.075(7).

14 3. On May 12, 2010, Casebeer filed an application for an Oregon mortgage loan originator
15 license through the Nationwide Mortgage Licensing System (hereinafter “NMLS”) with the
16 Oregon Division of Finance and Corporate Securities (hereinafter “Division”).

17 4. As part of that application, and despite the Final Order, Casebeer answered “no” to the
18 following question:

19 (I) Has any State or federal regulatory agency or foreign financial regulatory authority ever:

20 (1) found you to have made a false statement or omission or been dishonest, unfair or
21 unethical?

22 (2) found you to have been involved in a violation of a financial services-related
23 business regulation(s) or statute(s)? [...]

24 (4) entered an order against you in connection with a financial services-related
25 activity?

26 (5) revoked your registration or license? [...]



1 (8) issued a final order against you based on violations of any law or regulations that
2 prohibit fraudulent, manipulative, or deceptive conduct?

3 5. The NMLS Policy Guidebook that governs the use of the NMLS and provides guidance
4 for those submitting applications for licenses defines financial services or financial services-
5 related to include insurance.

6 6. On July 31, 2010, the Division issued a loan originator license to Casebeer based upon
7 the application filed in the NMLS by Casebeer. Casebeer has annually submitted a request to
8 renew the license such that the license currently expires on December 31, 2014.

9 7. In NMLS, Casebeer attested to the accuracy of amendments filed to his Oregon loan
10 originator license application on June 17, 2010, November 16, 2010, February 28, 2010, and
11 April 18, 2011. The attestation provides, in part, “(1) That the information and statements
12 contained herein, including exhibits attached hereto, and other information filed herewith, all of
13 which are made a part of this application, are current, true, accurate and complete and are made
14 under the penalty of perjury, or un-sworn falsification to authorities, or similar provisions as
15 provided by law; (2) To the extent any information previously submitted is not amended and
16 hereby, such information remains accurate and complete; [...]” Despite the Final Order,
17 Casebeer answered no to questions I(1), I(2), I(4), I(5) and I(8) in each of these amendments and
18 attested to the accuracy of these statements.

19 8. In April 2012, the NMLS changed the wording of the disclosure questions and moved
20 them to a new section. The disclosure questions formerly found in section I became:

21 (K) Has any State or federal regulatory agency or foreign financial regulatory authority or
22 self-regulatory organization (SRO) ever:

23 (1) found you to have made a false statement or omission or been dishonest, unfair or
24 unethical?

25 (2) found you to have been involved in a violation of a financial services-related
26 business regulation(s) or statute(s)? [...]



- 1 (4) entered an order against you in connection with a financial services-related
2 activity?
3 (5) revoked your registration or license? [...]
4 (8) issued a final order against you based on violations of any law or regulations that
5 prohibit fraudulent, manipulative, or deceptive conduct?
6 (9) entered an order concerning you in connection with any license or registration?

7 9. In NMLS, Casebeer attested to the accuracy of amendments filed to his Oregon loan
8 originator license application that contained the revised disclosure questions on April 16, 2012,
9 July 25, 2012, November 30, 2012, twice on March 20, 2014 and October 20, 2014. The
10 attestation language had not changed. Despite the Final Order, Casebeer answered no to
11 questions K(1), K(2), K(4), K(5), K(8) and K(9) in each of these amendments and attested to the
12 accuracy of these statements.

13 B. The RS and KS Transaction

14 10. In approximately August of 2014, Washington consumers RS and KS contacted Casebeer
15 to obtain a mortgage loan to be secured by residential property located in Oregon (hereinafter
16 “the RS Loan”).

17 11. Casebeer represented to RS and KS that they needed to provide a \$50,000 refundable fee
18 to “lock in” the interest rate for the RS Loan. Casebeer represented that the fee would be
19 returned to RS and KS three to four days before closing on the RS Loan.

20 12. On August 29, 2014, RS and KS wired \$50,000 from their account ending in 5697 to a
21 bank account at Bank of American in the name of North West Mortgage Planning ending in
22 2867. On information and belief, the account ending in 2867 was under the control of Casebeer.

23 13. There was no such fee required for the RS Loan, the funds were not deposited to a
24 clients’ trust account operated by Casebeer’s employer and Casebeer did not inform his
25 employer that he had received the \$50,000 from RS and KS at the time he received it.

26 14. The RS Loan closed on September 30, 2014.



1 15. RS began asking about the return of the \$50,000 just prior to close of the RS Loan.
2 Casebeer gave a number of reasons why the funds were not returned, but then stopped returning
3 RS's calls around October 13, 2014. Thereafter, RS was unsuccessful in his attempts to contact
4 Casebeer so he contacted the police and Casebeer's employer.

5 16. On October 15, 2014, Casebeer reported to a supervisor at Pinnacle that he had taken
6 money from five or six clients outside of the company's process by check or by directing the
7 individuals to wire the funds directly to his bank account.

8 17. Pinnacle paid \$50,000 to RS and KS to cover the loss they sustained, but has not been
9 reimbursed from Casebeer.

10 C. The MN Transaction

11 18. In approximately July of 2014, Oregon consumer MN made application with Casebeer to
12 obtain a mortgage loan to be secured by residential property located in Washington (hereinafter
13 "the MN Loan").

14 19. Casebeer told MN to provide him \$25,000 as a refundable deposit that would be used to
15 lock in the rate on the loan. Casebeer represented that the funds would be deposited to a clients
16 trust account and would be refunded at the close of the loan. Casebeer directed MN to obtain a
17 cashier's check payable to Northwest Mortgage Planners to pay the \$25,000 deposit.

18 20. On July 19, 2014, MN obtained a cashier's check in the amount of \$25,000 payable to
19 Northwest Mortgage Planners.

20 21. On July 22, 2014, MN gave the cashier's check to Casebeer who provided MN a receipt
21 for the funds.

22 22. There was no such fee required for the MN Loan, Casebeer did not inform his employer
23 that he had received the \$25,000 from MN at the time he received it and the funds were not
24 deposited to the clients trust account operated by his employer.

25 \\\

26 \\\



1 23. The MN Loan closed on September 4, 2014. Thereafter MN contacted Casebeer to
2 inquire about the return of the \$25,000. Casebeer represented that it could not be returned yet
3 because MN's tax transcripts had not been received.

4 24. MN confirmed with the IRS that the tax transcripts had been provided then contacted
5 Casebeer again.

6 25. On October 14, 2014, Casebeer agreed to meet MN on October 16, 2014 to discuss the
7 return of MN's funds. Casebeer did not show for the arranged meeting nor did he call to cancel.

8 26. Pinnacle paid \$25,000 to MN to cover the loss sustained, but has not been reimbursed
9 from Casebeer.

10 27. Casebeer confirms that the RS and KS loans and MN loan are the only Oregon residential
11 mortgage transactions in which he directed consumers to provide a deposit of funds and the
12 consumers have not been repaid their deposits by either him or Pinnacle.

13 CONCLUSIONS OF LAW

14 The Director CONCLUDES that:

15 1. Casebeer failed to disclose the 1992 Insurance Order on his application for an Oregon
16 mortgage loan originator license and subsequent amendments.

17 2. By failing to disclose the 1992 Insurance Order on his application for an Oregon
18 mortgage loan originator license and subsequent amendments, Casebeer filed a document with
19 the Director that he knew to be false in a material respect in violation of ORS 86A.236(4).

20 3. Casebeer's submission of an application for an Oregon loan originator license with a
21 false statement of fact and submission of amendments to the application that contained false
22 statements constitutes grounds to revoke the license pursuant to ORS 86A.224(1)(c).

23 4. By telling RS and KS that they were required to pay a \$50,000 refundable fee to lock-in
24 the interest rate on the RS Loan when no such fee was required and accepting the \$50,000,
25 Casebeer obtained property by fraud or misrepresentation in violation of ORS 86A.236(6).

26 \\\



1 5. By telling MN that MN was required to pay a \$25,000 refundable fee to lock-in the
2 interest rate on the MN Loan when no such fee was required and accepting the \$25,000,
3 Casebeer obtained property by fraud or misrepresentation in violation of ORS 86A.236(6).

4 6. Each of Casebeer's violations of ORS 86A.236(6) constitute grounds to revoke his
5 Oregon mortgage loan originator license pursuant to ORS 86A.224(1)(a).

6 7. By telling RS and KS that they were required to pay a \$50,000 refundable fee to lock-in
7 the interest rate on the RS Loan when no such fee was required, Casebeer made a false statement
8 concerning the financing terms and conditions for a residential mortgage loan in violation of
9 ORS 86A.236(13).

10 8. By telling MN that MN was required to pay a \$25,000 refundable fee to lock-in the
11 interest rate on the MN Loan when no such fee was required, Casebeer made a false statement
12 concerning the financing terms and conditions for a residential mortgage loan in violation of
13 ORS 86A.236(13).

14 9. Each of Casebeer's violations of ORS 86A.236(13) constitutes grounds to revoke his
15 Oregon mortgage loan originator license pursuant to ORS 86A.224(1)(a).

16 ORDER

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

18 The Director, pursuant to ORS 86A.127, hereby orders Casebeer to Cease and Desist
19 from violating the Oregon Mortgage Lender Law.

20 The Director, pursuant to ORS 86A.212 hereby revokes Casebeer's Oregon mortgage
21 loan originator license.

22 The Director, pursuant to ORS 86A.224(2)(c), may order a mortgage loan originator to
23 pay restitution to a consumer or another person that the Director finds suffered harm from the
24 person's violation of a provision of the ORS 86A.200 to 86A.239. Pursuant to these provisions
25 and, in reliance on Casebeer's representation that the RS and KS loan and MN loan were the
26 only Oregon transactions, the Director hereby orders Casebeer to pay restitution to Pinnacle of



1 \$75,000, representing the \$50,000 Pinnacle reimbursed to RS and KS and the \$25,000 Pinnacle
2 reimbursed to MN. Casebeer is directed to make restitution payments directly to Pinnacle and all
3 restitution must be paid by within five (5) years of the date of entry of this order. Casebeer is
4 ordered to provide an accounting to the Director of all restitution payments made within the year
5 no later than December 31st each year until restitution is paid in full.

6 The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$5,000 per
7 violation of the Oregon Mortgage Lender Law. Pursuant to these provisions, the Director hereby
8 orders Casebeer to pay a civil penalty of \$25,000 based upon \$5,000 for the violation of ORS
9 86A.236(4), \$5,000 for each of the two violations of ORS 86A.236(6) and \$5,000 for each of the
10 two violations of ORS 86A.236(13). The Director suspends payment of the civil penalty for a
11 period of five (5) years from the date of entry of this order provided that Casebeer does not
12 violate any terms or conditions of this Consent Order. If Casebeer should violate any term or
13 condition of this Consent Order within the period of five (5) years from the date of entry of this
14 order, the civil penalty will become immediately due and owing. If at the end of the five (5) year
15 period the restitution has been paid in full and Casebeer has fully complied with the provisions
16 of the Consent Order, the civil penalty will automatically expire.

17 The entry of this Order in no way limits further remedies which may be available to the
18 Director under Oregon law, including for the violations noted in the Conclusions of Law section
19 above.

20 Dated this 6th day of January, 2015.

21 PATRICK M. ALLEN, Director
22 Department of Consumer and Business Services

23
24 /s/ David Tatman
25 David C. 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) 378-4387



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

ENTITY CONSENT TO ENTRY OF ORDER

I, Andrew Casebeer, state that I have read the foregoing order and that I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Without admitting the Findings of Fact or Conclusions of Law contained herein, I voluntarily and without any force or duress consent to the entry of this order expressly waiving any right to a hearing in this matter. I understand 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. I will fully comply with the terms and conditions stated herein.

I further assure the Director I will not effect mortgage transactions in Oregon unless such activities are in full compliance with the Oregon Mortgage Lender Law. I understand that this Consent Order is a public document.

Dated this 30th day of December, 2014.

By /s/ Andrew W. Casebeer
Andrew W. Casebeer

ACKNOWLEDGMENT

There appeared before me this 30th day of December, 2014, Andrew Casebeer, who was first duly sworn on oath, who signed this Consent to Entry of Order in my presence.

 /s/ Sara E. Denman

Notary Public for the State of: Washington
My commission expires: 4/1/2015