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

In the Matter of:

M-15-0004

Stephen Nassar, NMLS No. 93859

**Order to Cease and Desist,
and Consent to Entry of Order**

Respondent.

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”) conducted an investigation of Stephen Nassar (Nassar). The Division determined that violations of Oregon Revised Statutes (“ORS”) 86A.100 *et seq.* and Oregon Administrative Rules (“OAR”) 441-850-0005 through 441-885-0010 (collectively “Oregon Mortgage Lender Laws and Rules”) had been committed in 2008.

NOW THEREFORE, as evidenced by the authorized signature subscribed on this Consent Order, Nassar 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:

1. On or about May of 2003 through 2009, Nassar was employed as a loan originator or officer.

2. From January of 2008 to April of 2009 Nassar was employed by as a senior loan originator with CJ Unlimited LLC dba Cosmopolitan Funding, ML-2005.

3. On or about May 13, 2009, the Division received an unclassified summary report from the Federal Bureau of Investigation (FBI).

4. The report indicated that Nassar had revealed to RO, an owner of CJ’s, that Nassar was aware that a loan application contained a false verification of employment (VOE)





1 document prepared by the applicant. The document was falsified so that the borrower could
2 obtain a loan without losing her earnest money.

3 5. The report revealed that on or about October of 2008, Nassar had brokered a FHA
4 loan for OM for approximately \$255,000 on property located in Gresham, Oregon. The loan
5 required two-year employment verification and OM had only been with her current employer
6 for 18 months. The applicant's income during the 18 months exceeded the income required of
7 her if averaged over the entire two-year period.

8 6. The FBI determined that the VOE for OM's second job was filled out by her
9 roommate and co-worker, PJ.

10 7. It was further determined that PJ was not a residential manager as she claimed and
11 that she did not have authority to sign a VOE for her employer.

12 8. The falsification of the VOE was verified by contacting OM and PJ's employer,
13 Coast Rehabilitation Services.

14 9. It was revealed during the Division's investigation that because of the falsification
15 of the VOE, the lender funded the loan that they would not have otherwise funded.

16 10. Nassar voluntarily agrees to not engage in any activity that requires a loan
17 originator, mortgage banker or mortgage broker license from the Director and the he will not
18 act as a partner, officer, director, experienced person as described in ORS 86A.106(2)
19 [formerly ORS 59.850(2)], or branch manager or occupy a position of similar status or
20 perform similar functions of a partner, officer, director, experienced person or branch
21 manager for a mortgage banker or broker.

22 CONCLUSIONS OF LAW

23 The Director concludes that:

24 11. Respondent acted as a "mortgage loan originator" under ORS 86A.200(4)(a)
25 [formerly ORS 59.840(4)] when Respondent for compensation or gain took an application for
26 a residential mortgage loan or offered to negotiate the terms of a residential mortgage loan.

1 12. Respondent engaged in “residential mortgage transactions,” as that term is defined
2 in ORS 86A.103(2) [formerly ORS 59.845], when Respondent acted as a loan originator in
3 regard to residential property located in Oregon.

4 13. Respondent violated ORS 86A.115(2) [formerly ORS 59.971(1)(a)] when he
5 allowed a false document, OM’s VOE, to be filed with the lender, which constitutes grounds
6 to deny, suspend, condition or revoke a mortgage license.

7
8 **ORDER**

9 NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDER:

10 14. Pursuant to ORS 86A.127(4), [formerly ORS 59.885(4)] the Director, hereby
11 orders Respondent and all entities owned or controlled by Respondent to cease and desist
12 from violating the Oregon Mortgage Lender Laws and Rules.

13 15. Based upon Nassar’s voluntary agreement, the Director orders Respondent
14 Stephen Nassar not to engage in any activity that requires a loan originator, mortgage banker
15 or mortgage broker license from the Director.

16 16. Based upon Nassar’s voluntary agreement, the Director orders Respondent
17 Stephen Nassar not to act as a partner, officer, director, experienced person as described in
18 ORS 86A.106(2) [formerly ORS 59.850(2)], or branch manager or occupy a position of
19 similar status or perform similar functions of a partner, officer, director, experienced person
20 or branch manager for a mortgage banker or broker.

21 17. Respondent shall pay a civil penalty of \$5,000 for one violation of ORS
22 86A.115(2). However, as a result of Nassar’s voluntary agreement, the civil penalty shall be
23 suspended for a period of three (3) years provided that Respondent does not violate any terms
24 or conditions of this Consent Order. If at the end of the three (3) year period Respondent has
25 fully complied the provisions of the Consent Order, the civil penalty will automatically
26 expire.



1 18. Any violation of this Consent Order will be deemed a material breach and the full
2 amount of the civil penalties alleged in the Notice Order will become due and owing
3 immediately.

4 Dated this 18th day of March, 2015.

5
6 PATRICK M. ALLEN, Director
7 Department of Consumer and Business Services

8 /S/ David Tatman
9 David C. Tatman, Administrator
10 Division of Finance and Corporate Securities

11 **CONSENT TO ENTRY OF ORDER**

12 I, Stephen Nassar, state that I have read the foregoing Consent Order and that I know
13 and fully understand the contents hereof; that I have been advised of the right to a hearing and
14 to be represented by an attorney; that I voluntarily and without any force or duress, consent to
15 the entry of this Consent Order, expressly waiving any right to a hearing in this matter; that I
16 understand that the Director reserves the right to take further actions to enforce this Consent
17 Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage
18 Lender Laws and Rules and that I will fully comply with the terms and conditions stated
19 herein.

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

21 Dated this 16th day of March 2015.

22 /S/ Steven Nassar
23 Stephen Nassar



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NOTARY ACKNOWLEDGMENT

State of Oregon)
)ss.
County of Clackamas)

This instrument was acknowledged before me on March 16, 2015 by Stephen Nassar.

/S/ Michelle Ayala
Notary Public – State of Oregon
My Commission Expires: Oct. 8, 2015

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Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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