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

In the Matter of:

M-15-0073

Kevin Armand Donahue, NMLS No. 316884,
Respondent.

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

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”) conducted an investigation of Kevin Armand Donahue (Donahue) and determined that Donahue engaged in activities constituting 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).

Donahue now wishes to resolve and settle this matter with the Director,

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

FINDINGS OF FACT

The Director finds that:

1. Donahue, NMLS ID 316884, first receive an Oregon mortgage loan originator license in August of 2010. His license was terminated in October of 2011. From November 21, 2011 through December 31, 2012, Donahue was also licensed but he failed to timely renew his license by the end of December in 2012 and his license lapsed. He reapplied and has had an active license from January 22, 2013 to the present.





1 2. Donahue worked as a loan officer for Guild Mortgage Company (Guild) in Lake
2 Oswego, Oregon and was been employed with Guild from February of 2013 until June of
3 2015.

4 3. Armandi Consulting was first registered with the Oregon Secretary of State's office
5 on September 15, 2010 and became inactive on September 16, 2012 for failure to renew.
6 Donahue was the registrant for Armandi Consulting. No other business under Donahue's
7 name has been registered with the Oregon Secretary of State's Office. Armandi Consulting
8 remains inactive since September 16, 2012.

9 4. On or about November of 2013, borrowers SL and KL sought funding for a primary
10 residence located in West Linn, Oregon. The loan originator was Jacob Shaun Leenders of
11 Guild. The loan did not fund through Guild because the application did not meet Guild's
12 requirements.

13 5. At all times relevant herein, Donahue's Oregon mortgage loan originator license
14 was sponsored by Guild Mortgage Company and Donahue was working as a loan officer for
15 Guild.

16 6. Armandi Consulting was first registered with the Oregon Secretary of State's office
17 on September 15, 2010 and became inactive on September 16, 2012 for failure to renew.
18 Donahue was the registrant for Armandi Consulting. No other business under Donahue's
19 name has been registered with the Oregon Secretary of State's Office. Armandi Consulting
20 remains inactive since September 16, 2012. Donahue surmised that the entity could act as a
21 referring source for clients that were in need of private lending and that he could obtain a
22 referral fee for referring clients to brokers.

23 7. SL and KL were referred to Donahue because they were in need of private
24 financing to purchase residential real estate located in Oregon and only had ten days to obtain
25 financing before the scheduled close of escrow. The borrower would be SME Ventures LLC,
26 a company owned by SL.

1 8. In order to assist the borrower, Donahue gathered financial information including,
2 income and asset information, and used that information to compile a funding summary for a
3 residential mortgage loan to be made to SME Ventures LLC. This collection of application
4 information was not done as part of his employment as a loan originator for Guild.

5 9. Donahue further states that he then referred the loan to EME Funding, LLC. EME
6 Funding, LLC provided Donahue with updates as the loan progressed.

7 10. The loan closed on or about the middle of February 2014.

8 11. Although Donahue states that he received a check made out to Armandi
9 Consulting (aka Armandi Capital) for \$11,800 from EME Funding, LLC the check from EME
10 Funding, LLC was made out to Kevin Donahue for \$13,800 as a referral fee.

11 CONCLUSIONS OF LAW

12 The Director concludes that:

13 12. Respondent acted as a “mortgage loan originator” under ORS 86A.200(4)(a) when
14 Respondent for compensation or gain took information for a residential mortgage loan from
15 consumer SL, KL, and SME Ventures.

16 13. Respondent engaged in “residential mortgage transactions,” as that term is defined
17 in ORS 86A.103(2) when Respondent acted as a loan originator in the transaction for SL, KL
18 and SME Ventures as the property was residential property located in Oregon.

19 14. Respondent violated ORS 86A.178 (2) when he engaged in a residential mortgage
20 transaction on behalf of Armandi Capital or EME Funding, LLC while he was also employed
21 by Guild.

22 ORDER

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

24 15. Pursuant to ORS 86A.127(4) the Director, hereby orders Respondent and all
25 entities owned or controlled by Respondent to cease and desist from violating the Oregon
26 Mortgage Lender Laws and Rules.



1 the Oregon Mortgage Lender Laws and Rules and that I will fully comply with the terms and
2 conditions stated herein.

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

4 Dated this 25th day of June 2015.

5
6 /S/ Kevin Arman Donahue
Kevin Armand Donahue

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8
9 **NOTARY ACKNOWLEDGMENT**

10 State of Oregon)
11)ss.
County of Clackamas)

12
13 This instrument was acknowledged before me on June 25, 2015 by Kevin
14 Armand Donahue.

15
16 /S/ Jennifer Ann Matson
17 Notary Public – State of Oregon
18 My Commission Expires: 03/09/18

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