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

In the Matter of

GENEVRA ANN SCHUMACHER,

Respondent.

Case No. ML-14-0020

FINAL ORDER TO CEASE AND
DESIST 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”), acting under the authority of ORS 59.005 to 59.451, 59.991 and 59.995 (“Oregon Securities Law”) and former ORS 59.840 to 59.980 (2007)¹ (“Oregon Mortgage Lender Law”), has conducted an investigation of Respondent Genevra Ann Schumacher (“Schumacher”); and

WHEREAS Schumacher does not wish to expend additional time or incur additional costs in connection with litigating this matter, so she wishes to settle this matter with the Director.

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this Order, Schumacher, without admitting or denying the factual allegations herein, hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law.

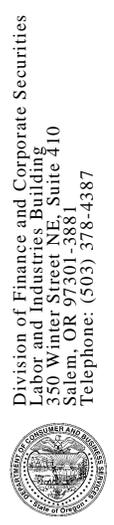
FINDINGS OF FACT

The Director FINDS that:

Parties

- 1. Respondent Genevra Ann Schumacher is a natural person who resides in

¹ Now ORS 86A.095 to 86A.198.





1 Brownsville, Oregon.

2 2. Glenn Matthew Schumacher (“Glenn Schumacher”) is a natural person who is
3 Schumacher’s husband. He also resides in Brownsville, Oregon. (Hereinafter, Geneva
4 Ann Schumacher and Glenn Matthew Schumacher are referred to collectively as “the
5 Schumachers.”)

6 3. The Schumacher Corporation (“Schumacher Corp”) was, according to the
7 records of the Oregon Secretary of State, incorporated as an Oregon business corporation
8 in May 1994 and had offices located at 992 S. Williams Street, Lebanon, Oregon 97355
9 (“the South Williams Street property”). Schumacher was the registered agent and
10 president of the corporation. The secretary of Schumacher Corp was Glenn Schumacher.
11 Schumacher Corp was administratively dissolved by the Secretary of State on July 29,
12 2011.

13 4. Schumacher Corp was continuously licensed by the Director as a mortgage
14 broker from June 1996 to June 2008 when its license was terminated for failure to renew
15 the required corporate surety bond or irrevocable letter of credit required by the Oregon
16 Mortgage Lender Law. Schumacher was the only registered loan originator for
17 Schumacher Corp and the company had no licensed branch locations. While Glenn
18 Schumacher was registered as the secretary of Schumacher Corp, he had no duties and
19 was not paid any salary or other regular compensation.

20 5. G&G Properties was an assumed business name used by the Schumachers for
21 a business located at the South Williams Street property. According to the records of the
22 Oregon Secretary of State, the assumed business name was registered for Linn County
23 only from February 1991 to February 2009, when registry number 234818-80 was not
24 renewed. On April 17, 2009, the Schumachers filed a new assumed business name
25 registration for G&G Properties with business offices located at the same Lebanon,
26 Oregon address. This registration, number 595719-93, was registered for Benton, Lane,



1 Lincoln and Linn counties. The registration expired on April 18, 2011 when it was not
2 renewed.

3 6. Beginning in February 1991, the Schumachers, using the assumed business
4 name G&G Properties, managed residential real properties owned by the Schumachers
5 and others. There is no record of Schumacher, Glenn Schumacher or G&G Properties
6 ever being registered with the Oregon Real Estate Agency to engage in property
7 management.

8 *Summary of Allegations*

9 7. During the relevant period, Schumacher engaged in three separate and distinct
10 activities in violation of the Oregon Mortgage Lender Law and Oregon Securities Law.

11 8. First, in the period of January 2006 to December 2007, Schumacher engaged
12 in unlawful activity associated with skimming or stripping equity from residential
13 properties owned singly or jointly with Glenn Schumacher. Schumacher applied for
14 equity loans from four lenders, and through this scheme, obtained cash from equity that
15 had accumulated in multiple properties. The loan applications contained false
16 information about Schumacher's income. Schumacher did not actually prepare the loan
17 applications; however, she was ultimately responsible for reviewing the contents.

18 9. Second, Schumacher received money from private parties who believed they
19 were making investments in her real estate management business, G&G Properties.
20 These transactions violated the Oregon Securities Law because Schumacher failed to
21 make all the required disclosures associated with the sale of securities and Schumacher
22 was not licensed to sell securities.

23 10. Third, Schumacher engaged in unethical and deceptive acts in transactions
24 related to "For Sale by Owner" with "owner-will-carry" or "seller funded" loan options
25 through G&G Properties. These transactions violated provisions of the Oregon Mortgage
26 Lender Law.



Loan Refinance Transactions

1
2 11. Between December 2006 and December 2007, Schumacher completed
3 approximately 17 refinance transactions with four different lenders. The transactions
4 were all “stated income” type transactions wherein Schumacher’s loan applications
5 misstated her monthly earned income. The income was not required to be verified by the
6 lender and was supposed to be “honestly reported” to represent the borrower’s actual
7 income. Lenders relied primarily on Schumacher’s claims of income from rental
8 properties and cash reserves (liquid assets) which she had asserted during the loan
9 process. These transactions resulted in more than \$2.5 million in loans issued to
10 Schumacher with more than \$760,000 in cash to Schumacher from equity which had
11 accrued in the properties over the years. More than \$548,000 of the refinance proceeds
12 was disbursed to Schumacher between December 2006 and April 2007. Within 12 to 16
13 months from the completion of the refinance transactions, almost all of the loans had
14 defaulted and/or were in the foreclosure process. According to county property records,
15 the estimated “known” loss to lenders to date exceeds \$228,000.

Private Party Loans

16
17 12. Beginning in January 2003, Schumacher obtained funds from private persons
18 under the pretense of soliciting private money loans for the growth of Schumacher’s
19 property management business, G&G Properties. These loans were actually securities
20 because the totality of the transaction constituted an investment contract under the
21 Oregon Securities Law.

22 13. Investors consisted of friends of the Schumachers as well as business
23 investors. Some investors were promised that, in exchange for their funds, they would
24 receive a monthly interest payment for the term of the loan. Most investors received
25 security in the form of interest in real properties of the Schumachers. The investors
26 understood that their investments were passive; they relied on the actions of Schumacher



1 to realize a return on their investments and to pay interest payments on their loans.
2 Schumacher made these transactions with at least four Oregon residents.

3 *Installment Land Sales Contracts*

4 14. In a number of instances, Schumacher used land sale contracts to sell a
5 property to various buyers.

6 15. All of the properties that Schumacher sold had existing senior conventional
7 loans. In all of these sales, the buyer was advised of Schumacher's senior loan, but the
8 lender was not advised of Schumacher's alleged sale. In some cases, Schumacher's
9 senior loan was not paid off through the sale to the new buyer and in most cases, the
10 lender foreclosed on the property when Schumacher failed to continue making the
11 payments on the senior loan. Such foreclosures arose in conjunction with the
12 Schumacher's bankruptcy filing.

13 16. Between at least June 2006 and April 2009, Schumachers advertised FSBO
14 ("For Sale by Owner") properties. The ads referenced G&G Properties and were
15 typically placed in holders located in the front yards of the properties being sold or taped
16 to a window on the house.

17 17. The individuals responding to the ads were also persons whose credit or
18 financial histories prevented them from obtaining a loan through traditional commercial
19 lenders. As such, if the buyers wanted to purchase a home, the seller-funded or owner-
20 will-carry type transactions were required.

21 18. Buyers provided cash down payments to Schumacher ranging from \$2,500 to
22 \$18,000 and then made monthly loan payments to Schumacher. The buyers were not
23 given title to the property.

24 19. Eventually, Schumacher defaulted on the all the senior loans on these
25 properties. The lenders foreclosed on the properties and Schumacher, acting on the
26 advice of her then-attorney, did not inform the buyers of what had occurred. Most of the



1 buyers lost their property through foreclosure and all the money provided to Schumacher
2 as loan payments was lost.

3 *Schumacher obtained possession and title to three properties*
4 *through fraudulent and deceptive means.*

5 *Shelly and Joe Ciullo*

6 20. At all times relevant to this matter, Joe and Shelly Ciullo (referred hereinafter
7 collectively as “the Ciullos”) were Oregon residents. In February 1997, the Ciullos
8 purchased a property located at 422 Russell Street in Lebanon, Oregon (“the Russell
9 Street house”). In 2005, the Ciullos had an opportunity to purchase a house near family
10 in Sweet Home, Oregon. Not being able to make two loan payments on two properties,
11 the Ciullos decided to sell the Russell Street house. Shelly Ciullo called the phone
12 number in a local newspaper advertisement and spoke with Schumacher. Schumacher
13 was Shelly Ciullo’s primary contact throughout the negotiations regarding the Russell
14 Street house.

15 21. Schumacher told Shelly Ciullo that she, Schumacher, would buy the house
16 from her and then rent it out. Schumacher told Shelly Ciullo that “this was something we
17 do all the time” and that “we have many properties.” Schumacher convinced Shelly
18 Ciullo that she had extensive real estate experience.

19 22. Shelly Ciullo and Schumacher discussed the fact the Ciullos had a loan on the
20 Russell Street house from Countrywide Home Loans. Schumacher told Shelly Ciullo
21 “we’ll make the loan payments for you.” Shelly Ciullo told Schumacher that she and her
22 husband were concerned about Schumacher making the payments on time because they
23 did not want to risk damaging their good credit. Schumacher told Shelly Ciullo “We’re
24 never late.” Schumacher told Shelly Ciullo “You won’t have to worry about anything.
25 We’ll handle everything.” Schumacher also told Shelly Ciullo “I’d let my property go
26 before I’d do anything to hurt you.” Shelly Ciullo took this to mean that Schumacher



1 would sell her own home or let it be foreclosed on before she would miss making any
2 payments on the Ciullos loan for the Russell Street house.

3 23. Schumacher had the Ciullos sign several documents as part of the transaction.
4 Schumacher had Shelly Ciullo obtain loan payoff documentation from their lender,
5 Countrywide Home Loans, which reflected an outstanding loan balance of approximately
6 \$108,000. Schumacher had the Ciullos sign an earnest money agreement, which
7 indicated Schumacher was paying them approximately \$108,000 for their house when, in
8 fact, Schumacher paid them nothing for their house. Schumacher never told the Ciullos
9 that they were essentially giving the Russell Street house to her. The Ciullos later learned
10 that they had signed a deed giving title of the Russell Street house to Schumacher. Shelly
11 Ciullo believed that the Ciullos had a “verbal agreement” with Schumacher wherein
12 Schumacher would refinance the loan on the Russell Street house into Schumacher’s
13 name in two years.

14 24. The Ciullos intended to sell the Russell Street house. The Ciullos understood
15 and believed that Schumacher was “buying” the property from them, not operating as a
16 property management company. Shelly Ciullo understood that Schumacher would rent
17 the property to get income for the loan payments, but there was never any discussion or
18 agreement at any time about Schumacher “selling” the property to another party.

19 25. The Ciullos relied upon the experience and information provided by
20 Schumacher as they had previously relied upon their family member; the Ciullos had no
21 reason to doubt what Schumacher was telling them.

22 26. After approximately two years, Schumacher did not refinance the Ciullos loan
23 on the Russell Street house as she had promised. Shelly Ciullo did not want to press the
24 issue with Schumacher because the monthly payments were being made, so the Ciullos
25 did not raise the matter of the refinance agreement with Schumacher.

26 27. In July 2009, Shelly Ciullo learned that Schumacher had declared bankruptcy



1 and that other individuals claimed ownership of the Russell Street house. The purchasers
2 learned of the Ciulllos and their claim to the property through the Schumacher bankruptcy
3 process.

4 28. In August 2009, after not hearing anything from her months, Schumacher
5 approached Shelly Ciullo to ask if the Ciulllos would make a loan payment to the lender
6 on the Russell Street house. Shelly Ciullo refused.

7 29. In November 2009, Shelly Ciullo found a website for Schumacher, who was
8 now operating with another person and company name. The website for Schumacher's
9 new company advertised the Russell Street house as "For Sale" with an "owner will
10 carry" financing offered.

11 30. The lender on the Russell Street house, Bank of America, foreclosed on the
12 loan. The Ciulllos lost their interest in the Russell Street house and whatever equity may
13 have accumulated in the property.

14 *Dena Greiner*

15 31. At all times relevant to this matter, Dena Greiner ("Greiner") was a New York
16 resident. Greiner owned a property located at 127 NE Main Street in Albany, Oregon
17 ("the Main Street house"). She was having difficulty selling the property and a friend,
18 Shelly Ciullo, told her that Schumacher took over loans and that she might be able to help
19 since her house was not selling.

20 32. In early 2005, Greiner contacted Schumacher and spoke with her about the
21 Main Street house. Schumacher was Greiner's primary contact throughout the
22 negotiations regarding the Main Street house. Greiner never met Schumacher personally
23 during the negotiations as she was out of state at the time.

24 33. Schumacher told Greiner that she would take over the property and she would
25 handle the making the payments for the loan. Schumacher told Greiner that the service
26 she was providing would cost Greiner nothing except that Greiner had to obtain a new



1 refinance which combined existing first and second mortgages into a single mortgage.
2 Greiner obtained a new mortgage in March 2005. The new lender for Greiner’s
3 refinanced loan was First National Bank of Arizona.

4 34. Schumacher had Greiner sign a document which Schumacher presented as a
5 contract which would allow Schumacher to manage the property. Schumacher told
6 Greiner that she would have to do nothing except sign a Bargain & Sale Deed which was
7 completed via AmeriTitle in Lebanon, Oregon. Schumacher did not give a specific
8 reason for the deed except that she represented to Greiner that she “usually paid off or
9 refinanced the loans within two years.” Based on the representations made to her by
10 Schumacher, Greiner thought that Schumacher would obtain a loan to remove Greiner
11 from financial responsibility within this two-year period.

12 35. The Bargain & Sale Deed stated that the “consideration” given to Greiner by
13 Schumacher for the Main Street house was \$67,000. Greiner was uncertain about how,
14 or when or why a value of \$67,000 was reflected on the deed as the sale price or
15 “consideration.” Greiner thought that the value was similar to the amount of the loan
16 Schumacher had brokered for her. In actual fact, Schumacher did not give Greiner
17 anything of value in return for the property and there was no loan wherein Schumacher
18 would make payments to Greiner towards any type of purchase of the property.
19 Schumacher never paid Greiner anything for the property.

20 36. It was not until years later that Greiner learned she had actually signed
21 ownership of the Main Street house to Schumacher by way of a deed. Greiner later
22 admitted: “As crazy as that sounds, I didn’t realize that I was signing the deed over to
23 her.”

24 37. Schumacher brokered the refinance transaction and, according to Greiner, “set
25 everything up.” Schumacher sent documents for signature to Greiner in Washington
26 State and Greiner returned the documents either to Schumacher or the Lebanon office of



1 AmeriTitle. Schumacher directed Greiner to have the lender send the payment coupons
2 to Schumacher.

3 38. Later, Greiner learned that Schumacher had actually brokered the loan
4 through her company, The Schumacher Corp. Schumacher obtained commissions and
5 other fees through the refinance transaction which Schumacher had never disclosed to
6 Greiner.

7 39. Once Greiner completed the contract transaction in April 2005, she had no
8 further contact with Schumacher. Schumacher did not advise Greiner of renters in the
9 house or of any prospective buyers of the property. Schumacher transferred the mailing
10 address for the loan statements and bills to one of Schumachers addresses thus preventing
11 Greiner from receiving any information from the lender about the status of the loan.

12 40. When the transaction was made with Schumacher, Greiner's home loan on the
13 Main Street house was current. Schumacher made the monthly loan payments via
14 telephone directly to the lender. Greiner never gave Schumacher permission to sell or
15 otherwise encumber the Main Street house and Schumacher never informed Greiner that
16 she had sold the property.

17 41. Greiner said she first learned of problems with the loans related to the Main
18 Street house when she began getting alerts from the lender about deficient payments.
19 Greiner attempted to contact Schumacher to inquire about the situation regarding the
20 loans, but Schumacher never returned Greiner's phone calls. Greiner learned that her
21 loan on the Main Street house had gone into default in the summer of 2009, which was
22 also when she learned from Shelly Ciullo that the Schumachers had filed for bankruptcy.

23 42. Greiner learned through Shelly Ciullo that Schumacher had "sold" the
24 property.

25 43. Schumacher allowed the loans on the Main Street house to go into default and
26 the property was sold at auction. Due to the actions of Schumacher, Greiner's previously



1 good credit and financial history were seriously damaged. Greiner lost the house and
2 whatever equity she had accumulated.

3 *Dean Creswell*

4 44. At all times relevant to this matter, Dean Creswell (“Creswell”) was an
5 Oregon resident and a U.S. military veteran who was injured while on active duty.
6 Creswell’s accident severely affected his memory and motor skills. After the accident,
7 Creswell was confined to a wheelchair and his mother, Carol Creswell, was his primary
8 caregiver. (Hereinafter Dean Creswell and Carol Creswell are referred to collectively as
9 “the Creswells”.)

10 45. In 2003, Creswell purchased a house located at 2610 12th Street in Lebanon,
11 Oregon (“the 12th Street house”). In 2007, the initial loan was refinanced with
12 CitiFinancial. The amount of the CitiFinancial loan was approximately \$182,000. At the
13 time, Creswell’s sources of income were Veterans Administration benefits and Social
14 Security income.

15 46. Creswell felt that CitiFinancial took advantage of his disability and talked him
16 into a loan that he could not afford. Creswell attempted to make the loan payments but
17 soon fell behind. A friend of the Creswells provided them information about Schumacher
18 as a person who “could help them with their situation.” Schumacher was the Creswells’
19 sole contact throughout the negotiations regarding the 12th Street house.

20 47. In the early part of 2008, the Creswells met with Schumacher who told the
21 Creswells that she would “take over their house and sell it for them” and that “they would
22 not have to make any more loan payments to their lender” and that she “would handle
23 everything.”

24 48. Schumacher told the Creswells that the transaction was a short sale because
25 Dean Creswell’s loan on the 12th Street house was over \$182,000, but Schumacher told
26 them she was buying the property for \$134,000. Schumacher gave the Creswells no



1 explanation about how the \$48,000 difference would be made up. The Creswells
2 believed that Schumacher would handle it.

3 49. Schumacher gave Creswell no documentation of any kind regarding the
4 transaction. Schumacher met with Creswell from time to time and had him sign
5 documents, but he did not receive copies of any of the documents he signed. Schumacher
6 told Creswell that the documents he was signing were for CitiFinancial. In one instance
7 when Schumacher had Creswell sign a document, she told the Creswells that the form
8 would prevent CitiFinancial from contacting them in the future. The Creswells “just
9 trusted Schumacher” with regard to the property.

10 50. The Creswells never received any funds from Schumacher related to the
11 alleged sale or purchase of the 12th Street house. In June 2008, the Creswells moved into
12 a property on Carroll Street in Lebanon and rented from the Schumachers until July 2009.

13 51. In September 2008, a deed, which was recorded at the Linn County, Oregon
14 Assessors Office on the 12th Street house, documented the property as sold in January
15 2008 to Shawn Phillips (“Phillips”). Creswell did not know Phillips, had never met him
16 and did not approve selling the property to him. While the signature on the deed is
17 Creswell’s, he does not recall where or when he signed the form.

18 52. During an interview with a Division investigator, Creswell was shown a copy
19 of a Notice Of Default (“NOD”), which had been filed in Linn County by CitiFinancial.
20 The NOD asserted CitiFinancial was owed over \$10,000, including over \$8,600 in
21 missed loan payments. The Creswells said they never saw the NOD nor were they ever
22 advised by Schumacher that the CitiFinancial loan was in default or that they were in
23 danger of losing the 12th Street house.

24 53. In September 2008, the Creswells were advised of a sale of the 12th Street
25 house to Darrell Saxton (“Saxton”). The Creswells had never heard of Saxton. They said
26 they did not receive any funds from Schumacher in the fall of 2008 and had no idea about



1 the status of the 12th Street house. Creswell's credit rating was damaged because
2 Schumacher defaulted on the CitiFinancial loan.

3 54. In April 2009, when she filed for bankruptcy protection, Schumacher did not
4 notify the Creswells; they learned of the bankruptcy filing from another source. The
5 Creswells tried to contact Schumacher to inquire about the CitiFinancial loan and the
6 12th Street house, but she never contacted them. The Creswells' last contact with the
7 Schumachers was in July 2009. Creswell lost the 12th Street house in the bankruptcy
8 proceeding and was unable to reacquire it. When Schumacher converted the property,
9 Creswell lost the approximately \$48,000 in equity on the property.

10 *Securities Law Violations*

11 55. The securities that Schumacher sold in G&G Properties were not registered
12 with the Director pursuant to ORS 59.055.

13 56. Schumacher was not licensed to sell securities in Oregon pursuant to ORS
14 59.165.

15 CONCLUSIONS OF LAW

16 The Director CONCLUDES that:

17 57. In using land sale contracts to sell properties to buyers without disclosing facts
18 about the transaction or the property, including that the properties had senior loans on
19 them, Schumacher engaged in dishonest, fraudulent or illegal practices or conduct in
20 violation of ORS 86A.115(2). Each instance is a separate violation of the statute.

21 58. In failing to disclose her income accurately in the loan application submitted
22 to lenders, Schumacher engaged in dishonest, fraudulent or illegal practices or conduct in
23 violation of ORS 86A.115(2). Each instance is a separate violation of the statute.

24 59. In obtaining title to properties belonging to the Ciulllos, Greiner, and Creswell
25 with false promises of refinancing the properties for those rightful owners, Schumacher
26 engaged in dishonest, fraudulent or illegal practices or conduct in violation of ORS



1 86A.115(2). Each instance is a separate violation of the statute.

2 60. The interests offered and sold by Schumacher that were secured or
3 purportedly secured by interests in real property are real estate paper and therefore
4 securities as defined by ORS 59.015(19)(a).

5 61. The interests offered and sold by Schumacher are promissory notes and are
6 therefore securities as defined by ORS 59.019(1)(a).

7 62. The interests offered and sold by Schumacher are investment contracts and are
8 therefore securities as defined by ORS 59.019(1)(a).

9 63. Schumacher sold securities in Schumacher Corp and G&G Properties that
10 were not registered with the Director pursuant to ORS 59.055. Each instance of offering
11 or selling an unregistered security is a separate violation of the statute.

12 64. Schumacher sold securities in Schumacher Corp and G&G Properties without
13 being licensed to sell securities in Oregon pursuant to ORS 59.165.

14 65. Schumacher, in connection with the sale of securities related to investments in
15 Schumacher Corp and G&G Properties, made a series of untrue statements of material
16 fact, or omitted to state material facts necessary in order to make the statements made, in
17 light of the circumstances under which they were made, not misleading in violation of
18 ORS 59.135(2). Each misrepresentation or omission is a separate violation of the statute.

19 ORDERS

20 The Director issues the following ORDERS:

21 *Order to Cease and Desist*

22 66. In accordance with ORS 86A.127(4) and 59.245(4), the Director hereby
23 ORDERS Schumacher to CEASE AND DESIST from:

24 A. Engaging in any activity that is a violation of any provision of the Oregon
25 Mortgage Lender Law;

26 B. Offering or selling unregistered securities in the State of Oregon in violation



1 of the Oregon Securities Law;

2 C. Transacting business in Oregon as a securities salesperson without a license
3 in violation of the Oregon Securities Law; and

4 D. Violating any provision of the Oregon Securities Law, ORS chapter 59, or
5 Oregon Administrative Rules chapter 441.

6 *Order Denying Use of Exemptions to the Securities Registration Requirements*

7 67. The Director, in accordance with the authority of ORS 59.045(1)(a), DENIES
8 Schumacher and any affiliated and/or successor business or corporation, the use of the
9 exemptions to the securities registration requirements allowed by ORS 59.025 and ORS
10 59.035.

11 *Order Assessing Civil Penalties*

12 In accordance with ORS 59.995 and ORS 86A.992, the Director assesses
13 Schumacher CIVIL PENALTIES in the amount of \$100,000 (one hundred thousand
14 dollars) as follows:

15 68. \$20,000 (twenty thousand dollars) for using land sale contracts to sell
16 properties to buyers without disclosing facts about the transaction or the property,
17 including that the properties had senior loans on them, Schumacher engaged in dishonest,
18 fraudulent or illegal practices or conduct in violation of ORS 86A.115(2). Each instance
19 is a separate violation of the statute.

20 69. \$20,000 (twenty thousand dollars) for failing to disclose income accurately in
21 the loan application submitted to lenders, Schumacher engaged in dishonest, fraudulent
22 or illegal practices or conduct in violation of ORS 86A.115(2). Each instance is a
23 separate violation of the statute.

24 70. \$20,000 (twenty thousand dollars) for obtaining title to properties belonging
25 to others with false promises of refinancing the properties for those rightful owners,
26 Schumacher engaged in dishonest, fraudulent or illegal practices or conduct in violation



1 of ORS 86A.115(2). Each instance is a separate violation of the statute.

2 71. \$10,000 (ten thousand dollars) for selling securities in Schumacher Corp and
3 G&G Properties that were not registered with the Director pursuant to ORS 59.055. Each
4 instance of offering or selling an unregistered security is a separate violation of the
5 statute.

6 72. \$10,000 (ten thousand dollars) for selling securities in Schumacher Corp and
7 G&G Properties without being licensed to sell securities in Oregon pursuant to ORS
8 59.165.

9 73. \$20,000 (twenty thousand dollars) in connection with the sale of securities
10 related to investments in Schumacher Corp and G&G Properties, making a series of
11 untrue statements of material fact, or omitting to state material facts necessary in order to
12 make the statements made, in light of the circumstances under which they were made, not
13 misleading in violation of ORS 59.135(2). Each misrepresentation or omission is a
14 separate violation of the statute.

15 *Suspension of Collection of Civil Penalty*

16 The Director agrees to SUSPEND the collection of a specified portion of the
17 assessed \$100,000 CIVIL PENALTIES as follows:

18 74. The Director agrees to SUSPEND the collection of \$92,000 of the assessed
19 \$100,000 CIVIL PENALTIES so long as Schumacher complies with all terms and
20 conditions of this Order, commits no new violations of the Oregon Securities Law,
21 Oregon Mortgage Lender Law or the Oregon Administrative Rules thereunder, and pays
22 the remaining \$8,000 of the CIVIL PENALTY to the Director in two installments: the
23 first installment of \$4,000 is due on signing this Order; the second installment of \$4,000
24 is due by June 15, 2016. If Schumacher complies with all of the terms and conditions set
25 out in this Order, pays the portions of the CIVIL PENALTY by the noted due dates and
26 commits no new violations during the ten-year period from the effective date of this

1 Order, the Director WAIVES the collection of the suspended CIVIL PENALTY assessed
2 herein.

3 *Industry Ban*

4 75. Pursuant to this Order, Genevra Ann Schumacher agrees that she will not
5 apply to the Director to be licensed or registered in, as or under any profession, trade,
6 program, or field of endeavor regulated under the authority of the Director until further
7 order of the Director. Schumacher specifically agrees that she will not apply to be
8 licensed or registered with the Director as a “mortgage broker,” “mortgage banker” or
9 “loan originator” as defined by the Oregon Mortgage Lender Law, or as an “investment
10 adviser representative” or as a “salesperson” as defined in the Oregon Securities Law.
11 Schumacher further agrees she shall not own, control, act as a partner, officer, director,
12 branch manager, or experienced person for a mortgage banker or mortgage broker as
13 described in ORS 86A.106(2); or perform functions similar to a partner, officer, director,
14 branch manager, or experienced person for a mortgage banker or mortgage broker or for
15 any company licensed as a mortgage broker or mortgage banker by the Director until
16 further order of the Director.

17 **AUTHORITY TO SEEK OTHER REMEDIES UNDER OREGON LAW**

18 76. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
19 provision, the entry of this Order does not limit other remedies that are available to the
20 Director under Oregon Law.

21 77. The effective date of this Order is day the Director or Director’s delegee signs

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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 the Order.

2 SO ORDERED this 31st day of December, 2015 in
3 Salem, Oregon.

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

6 /s/ John Paul Jones, Deputy Administrator for
7 David C. Tatman, Administrator
8 Division of Finance and Corporate Securities

8 Approved as to form:

9

Dated: _____, 2015.

10 _____
11 Darian A. Stanford
12 Attorney for Respondent

13 *[The remainder of this page intentionally left blank.]*
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CONSENT OF GENEVRA ANN SCHUMACHER TO ENTRY OF ORDER

By signing this Consent to Entry of Order, the undersigned attests that: I am a resident of the state of Oregon; I have read the foregoing Order and I know and fully understand its contents; I have been represented by counsel in this matter; I have been advised of my right to a hearing; I expressly waive any right to a hearing; I voluntarily consent to the entry of this Order without any force or duress and without admitting or denying the factual allegations and conclusions of law herein, and I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Genevra A. Schumacher
Genevra Ann Schumacher

State of Oregon

County of Linn

Signed or attested before me on this 31st day of December,
2015 by Genevra Ann Schumacher.

/s/ Leslie Sharon Wing
Notary Public

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