STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of: TIMOTHY LUNCEFORD, an Individual, Respondent.	Case No. M-19-0023 ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY, ORDER PERMANENTLY PROHIBITING OREGON MORTGAGE LENDER LAW ACTIVITY, AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director"), acting in accordance with Oregon Revised Statutes ("ORS") 86A.095 et seq. and Oregon Administrative Rules ("OAR") 441-850-0005 through 441-885-0010 (collectively, "Oregon Mortgage Lender Law"), has conducted an investigation into the activities of Timothy Lunceford ("Respondent") and determined that Respondent engaged in activities constituting violations of the Oregon Mortgage Lender Law.

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the authorized signature subscribed on this Order, Respondent hereby CONSENTS to entry of this Order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter.

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FINDINGS OF FACT

The Director FINDS that:

1. Respondent's Nationwide Mortgage Licensing System ("NMLS") number is 304033. At no time has Respondent held an Oregon mortgage loan originator license. [1]

[1] In 2011, Respondent applied for an Oregon mortgage loan originator license. On August 2, 2011, Respondent withdrew his application.

2. On August 27, 2007, the Division of Financial Regulation ("Division") entered into a consent order pursuant to an investigation of Respondent and Mekkem, Inc. ("Mekkem"), a dissolved Oregon corporation.[2] The Division determined that:

A. Mekkem originated residential mortgage loans without an appropriate license;

B. Respondent, a former officer of Mekkem acting on its behalf, aided and abetted Mekkem's unlicensed origination; and

C. Respondent engaged in unfair or unethical acts relating to the origination and brokerage of the loans.

3. Under the consent order, Respondent was ordered to cease and desist from violating any provision of the Oregon Mortgage Lender Law and any rule, order or policy issued by the Division.

Unlicensed Mortgage Activity – Respondent and Entities

4. In 2013, Respondent served as the sole corporate officer for Greyson Financial, LLC ("GFL"), an Oregon limited liability company.[3]

5. Over time Respondent cultivated a network of persons who loaned money to borrowers seeking non-traditional real estate financing. GFL brokered such loans for compensation.

6. From in or around January 2013 through in or around June 2013, GFL negotiated and made loans secured by deeds of trust on real property upon which four or fewer residential dwelling units were planned or situated ("GFL Loans"), at the following locations:

A. Wood Duck Dr., Bend, OR 97707;

B. SE Harold St., Portland OR 97266;

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[2] See Division case numbers M-04-0013 and M-05-0070-1.
[3] GFL administratively dissolved effective December 26, 2014.

C. SW 3rd St., Ontario, OR 97914;

D. S. Deardorff Rd., Molalla, OR 97038;

E. SE Walnut St., Hillsboro, OR 97123;

F. S. Kamrath Rd., Oregon City, OR 97045;

G. Barger Rd., St. Helens, OR 97051; and

H. S. Tall Timber Ln., Molalla, OR 97038.[4]

7. At no time did GFL hold an Oregon mortgage broker license.

8. On June 11, 2013, Greyson Financial Services, Inc. ("GFS") registered as an Oregon domestic business corporation.[5] Like GFL, GFS utilized Respondent's network of lenders to broker real estate financing loans for compensation. Respondent had management control of GFS through 2014. [6]

9. From in or around July 2013 through in or around September 2013, GFS negotiated and made loans secured by deeds of trust on real property upon which four or fewer residential dwelling units were planned or situated ("GFS Loans"), at the following locations:

A. Eureka Ave., Silverton, OR 97381;

B. SW 10th St., Lincoln City, OR;[7]

C. NE Arata Rd., Wood Village, OR 97060; and

D. NE Hogan Dr., Gresham, OR 97030.

10. Respondent offered or negotiated terms for three of the GFS Loans.

11. At no time did GFS hold an Oregon mortgage broker license.

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[4] Sydney True ("True") was the borrower on six of these loans. True Holdings, LLC ("THL"), a limited liability company owned and operated by True, was the borrower on the remaining loans.

[5] GFS administratively dissolved effective August 10, 2017.

[6] Respondent also identified himself as GFS's president. GFS formalized this designation in a May 28, 2014 filing with the Oregon Secretary of State.

[7] THL was the borrower on this loan.

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Respondent's Relationships with True Mortgage, Inc. and TMI Lending, LLC

12. On January 22, 2014, True Mortgage, Inc. ("TMI") registered as an Oregon corporation. TMI has a principal place of business located at 21900 SW Ribera Lane, West Linn, OR 97068. TMI's NMLS number is 1161891.

13. At all times, True has been TMI's president. True's NMLS number is 1114101.[8]

14. On or around April 1, 2014, GFS sold its assets to TMI. The primary asset was Respondent's network of lenders. In exchange for access to the network, True, on behalf of TMI, agreed to pay Respondent upwards of $15,000 a month for an indefinite period of time.[9] Respondent also agreed to provide TMI with consultant services.

15. As part of its acquisition of GFS's assets, TMI acquired the services of Michele Coffey ("Coffey"),[10] whom GFS had employed to perform accounting and loan services, and Laura Butner ("Butner"), [11] whom GFS had employed to perform administrative work.

16. On March 2, 2018, Chameleon Capital Group, Inc. ("Chameleon") registered as an Oregon domestic business corporation. Coffey and Butner are Chameleon's sole officers.

17. On May 24, 2018, TMI Lending, LLC ("TMIL") registered as an Oregon limited liability company. TMIL's members are Chameleon, Coffey and Butner. TMIL's NMLS number is 1756896.

18. In or around July 2018, TMI sold its assets to Chameleon. Chameleon is the parent company of TMIL.

19. TMIL currently employs Respondent as a loan processor.

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[8] See related Division case number M-18-0063 against TMI and True.
[9] The actual payment amounts varied.
[10] Coffey's NMLS number is 1290081.
[11] Butner's NMLS number is 1184197.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

20. The GFL Loans were:

A. Mortgage loans under ORS 86A.100(6); and

B. Residential mortgage transactions under ORS 86A.100(8).

21. By negotiating and making the GFL Loans for compensation, GFL acted as a mortgage broker under ORS 86A.100(5)(a)(C).

22. By engaging in residential mortgage transactions as a mortgage broker without a mortgage broker license, GFL violated ORS 86A.103.

23. As GFL's sole officer and the facilitator of the GFL loans through his network of lenders, Respondent aided and abetted GFL's violation of ORS 86A.103 and is subject to civil penalties under ORS 86A.992(1).

24. The GFS Loans were:

A. Mortgage loans under ORS 86A.100(6); and

B. Residential mortgage transactions under ORS 86A.100(8).

25. By negotiating and making the GFS Loans for compensation, GFS acted as a mortgage broker under ORS 86A.100(5)(a)(C).

26. By engaging in residential mortgage transactions as a mortgage broker without a mortgage broker license, GFS violated ORS 86A.103.

27. By facilitating the GFS loans through his network of lenders, Respondent aided and abetted GFS's violation of ORS 86A.103 and is subject to civil penalties under ORS 86A.992(1).

28. By offering or negotiating terms for three of the GFS loans, Respondent acted as a mortgage loan originator under ORS 86A.200(4)(a)(B).

29. By engaging in business as a mortgage loan originator without a mortgage loan originator's license, Respondent violated ORS 86A.203(1)(a).

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30. Because Respondent engaged in business as a mortgage loan originator without a mortgage loan originator's license, the Director may permanently prohibit Respondent from conducting business as a mortgage loan originator, under ORS 86A.224(1)(d).

31. Because the Director has reason to believe that Respondent has engaged in the foregoing violations of the Oregon Mortgage Lender Law, the Director may issue an order to Respondent to cease and desist from violations of the Oregon Mortgage Lender Law, under ORS 86A.127(4).

ORDERS

Now therefore, the Director issues the following Orders:

32. As authorized by ORS 86A.127(4), the Director ORDERS Respondent to CEASE AND DESIST from violating the Oregon Mortgage Lender Law.

33. As authorized by ORS 86A.224(1)(d), the Director ORDERS that Respondent be PERMANENTLY PROHIBITED from conducting business as a mortgage loan originator.

34. Respondent hereby AGREES never to seek licensure under the Oregon Mortgage Lender Law.

35. As authorized by ORS 86A.992(1), the Director hereby ORDERS that Respondent be subject to CIVIL PENALTIES totaling $15,000 as follows:

A. $5,000 for aiding and abetting GFL's violation of ORS 86A.103, under ORS 86A.992(1);

B. $5,000 for aiding and abetting GFS's violation of ORS 86A.103, under ORS 86A.992(1); and

C. $5,000 for violating ORS 86A.203(1)(a).

36. The CIVIL PENALTY assessed herein ($15,000) is due and payable as follows:

A. $2,000 at the time this Order is returned to the Division;

B. $2,000 by September 16, 2019;

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C. $2,000 by October 15, 2019; and

D. $9,000 by November 15, 2019.

37. This Order is binding upon Respondent's successors and assigns.

38. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit other remedies that are available to the Director under Oregon law.

SO ORDERED this 21st day of August, 2019.

CAMERON C. SMITH, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Timothy Lunceford, state that I have read the foregoing Order and that I know and fully understand the contents hereof. I have been advised of my right to a hearing and of my right to be represented by counsel in this matter. I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law by me. I will fully comply with the terms and conditions stated herein.

I further assure the Director that neither I nor my officers, directors, employees, or agents will 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.

/s/ Timothy Lunceford
Timothy Lunceford

State of Oregon

County of Linn

Signed or attested before me on this 14th day of August, 2019 by Timothy Lunceford.

/s/ Stephanie Diane Susi
Notary Public

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