

1
2 STATE OF OREGON
3 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
4 DIVISION OF FINANCIAL REGULATION

5 In the Matter of:

6 Pontifx, LLC and Gregory D. Williams,

7 Respondents.

M-19-0046

FINAL ORDER TO CEASE AND DESIST
AND ORDER ASSESSING CIVIL
PENALTIES ENTERED BY DEFAULT

8 On June 19, 2019, the Director of the Department of Consumer and Business Services for
9 the State of Oregon (hereafter the “Director”), acting pursuant to the Oregon statutes regulating
10 mortgage lending, ORS 86A.100 et seq., issued Administrative Order No. M-19-0046: Order to
11 Cease and Desist, Proposed Order Assessing Civil Penalties and Notice of Right to a Hearing
12 (hereinafter “the Order”) against Pontifx, LLC (hereinafter “Pontifx”) and Gregory D. Williams
13 (hereinafter “Williams”) (collectively “Respondents”).

14 On June 19, 2019, the Director mailed a true copy of the Order by regular, first-class mail
15 and by certified mail, postage prepaid addressed to Williams at 1025 NW Couch Street, Apt.
16 716, Portland, Oregon 97209. Upon information and belief, Williams receives mail at the
17 aforementioned address. The Order sent by certified mail was returned as “UNCLAIMED
18 UNABLE TO FORWARD,” and the Order sent by regular mail was not returned.

19 On July 15, 2019, the Director mailed a true copy of the Order by regular, first-class mail,
20 postage prepaid addressed to Respondents at 1314 NW Irving Street, Suite #508, Portland,
21 Oregon 97209. This is the address registered with the Oregon Secretary of State for Pontifx.
22 The Order sent by certified mail was returned “ATTEMPTED – NOT KNOWN UNABLE TO
23 FORWARD,” and the Order sent by regular mail was returned “NOT DELIVERABLE AS
24 ADDRESSED UNABLE TO FORWARD.”

25 On August 8, 2019, the Director personally served a true copy of the Order on the Oregon

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 Secretary of State in accordance with the requirements of ORS 63.121(3)(b).

2 The Order informed Respondents that if a hearing was not conducted because
3 Respondents did not timely request a hearing or otherwise defaulted, then the Division’s file
4 would automatically become part of the contested case record to prove a *prima facie* case.
5 Respondents have not made a written request for a contested hearing, and the time to do so has
6 expired.

7 After considering the relevant portions of the Division’s file in this matter, the Director
8 finds that the record proves a *prima facie* case.

9 Now, therefore, the Director makes the following Findings of Fact and Conclusions of
10 Law and issues the following Orders.

11 FINDINGS OF FACT

12 The Director FINDS that:

13 Tanex Financial Group

14 1. In April 2010, the Division received a complaint from a borrower (“G.S.”) reporting that
15 Williams and his company, Tanex Financial Group (“Tanex”), collected upfront fees to broker a
16 mortgage loan, did not provide the loan, and then stopped communicating with G.S.

17 2. In early 2010, Williams and Tanex agreed to broker a loan for G.S. that was secured by
18 residential property located on Orchard Track Road in Monroe, Oregon (“Orchard Track loan”).

19 3. At all times material, G.S. was an Oregon resident.

20 4. Tanex has never been registered with the Secretary of State to do business in Oregon.

21 5. Neither Williams nor Tanex has ever been licensed in Oregon as a mortgage
22 banker/broker, and Williams has never been licensed as a loan originator.

23 6. Upon receiving this complaint, the Division contacted Williams and requested a copy of
24 the Orchard Track loan file.

25 7. Williams indicated to the Division that he would send the file, but despite several

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1 requests, he failed to do so.

2 Pontifx, LLC

3 8. During the course of an examination of a licensed mortgage broker (“AMG”), it came to
4 the Division’s attention that Williams and his company, Pontifx, LLC, had engaged in residential
5 mortgage broker activity back in 2014.

6 9. At all times material, Pontifx’s principal place of business was located at 312 NW 10th
7 Avenue #200, Portland, Oregon 97209.

8 10. Pontifx was registered with the Oregon Secretary of State from January 2013 through
9 March 2017. Individual “CC” was listed as the only member.

10 11. Williams was listed as the organizer and registered agent.

11 12. On November 18, 2013, Pontifx’s Articles of Incorporation were amended to remove
12 CC as a member and add Williams as the managing member. Williams continued as the
13 managing member until the entity’s dissolution in 2017.

14 13. Williams was the only member of Pontifx from November 18, 2013 through its
15 dissolution.

16 14. Sometime before October 2014, Williams, on behalf of Pontifx, introduced commercial
17 developer (“BCHDC, LLC”) to lender AMG with the intent that the two parties would effect
18 future mortgage lending transactions together in Oregon.

19 15. Following this introduction, AMG agreed to act as the lender on a mortgage loan
20 for BCHDC, LLC sometime around October 2014.

21 16. This loan was secured by residential property located on Wygant Street in Portland
22 (“Wygant Street loan).

23 17. In preparation for closing, Williams submitted a broker demand to the title company, and
24 Pontifx received a \$12,300 broker fee for the transaction when the loan closed in November.

25 18. Pontifx has never been licensed with the Division as a mortgage broker/banker.



1 19. In 2015, the Division contacted Williams by letter to request a copy of the Wygant Street
2 loan file and a list of all Oregon transactions he and Pontifx had originated.

3 20. Williams indicated to the Division that he would send the file and the information.

4 21. Since the Division did not receive the Wygant Street loan file and the information
5 requested, the Division’s Compliance Specialist called the phone number Williams provided as
6 his contact number, and the number was disconnected.

7 22. The Compliance Specialist also sent an email to the contact address Williams had
8 provided, and it bounced back as undeliverable. She then sent another letter to the address she
9 sent the prior request.

10 23. The Division never received a response from Williams.

11 24. On several occasions, Williams’ actions or inactions prohibited the Division from
12 completing its investigations and from obtaining an adequate remedy from Pontifx.

13 SAFE Act, 12 CFR § 1008.103

14 25. In 2008, Congress enacted the “Secure and Fair Enforcement for Mortgage Licensing
15 Act” (“SAFE Act”), 12 USCA §§ 5101 through 5116, in 2008. The purpose of the SAFE Act is
16 to increase uniformity, reduce regulatory burden, enhance consumer protection and reduce fraud
17 in the mortgage lending industry.

18 26. The SAFE Act requires that states license individuals as mortgage loan originators, and
19 the Oregon Mortgage Lender Law was amended accordingly.

20 27. Federal agencies adopted regulations implementing the SAFE Act, including 12 CFR §
21 1008.103.

22 CONCLUSIONS OF LAW

23 The Director CONCLUDES that:

24 1. Under ORS 86A.103(1), it is “unlawful for any person to engage in residential mortgage
25 transactions in this state as a mortgage banker or mortgage broker unless the person is licensed



1 under ORS 86A.095 to 86A.198.”

2 2. Under ORS 86A.103(2),

3 For purposes of this section, a person “engages in residential mortgage
4 transactions in this state” when any act constituting the business of a
5 mortgage banker or mortgage broker and involving a residential mortgage
6 transaction originates from this state or is directed to and received in this
7 state or when the real estate that is the subject of the activities of the
8 mortgage banker or mortgage broker is located in this state.

9 3. Under ORS 86A.100(5)(a), “[m]ortgage broker” is a person that: “[f]or compensation,
10 or in the expectation of compensation, either directly or indirectly makes, negotiates or offers to
11 make or negotiate a mortgage loan.”

12 4. Under 12 CFR 1008.103(2)(i)(C), (ii), an individual "offers or negotiates terms of a
13 residential mortgage loan for compensation or gain" if the individual:

14 Recommends, refers, or steers a borrower or prospective borrower to a
15 particular lender or set of residential mortgage loan terms, in accordance
16 with a duty to or incentive from any person other than the borrower or
17 prospective borrower; and Receives or expects to receive payment of money
18 or anything of value in connection with the activities described in paragraph
19 (c)(2)(i) of this section or as a result of any residential mortgage loan terms
20 entered into as a result of such activities.

21 5. By introducing borrower BCHDC to lender AMG to effect Oregon mortgage lending
22 activity and by receiving a \$12,300 fee for this referral, Williams and Pontifx recommended,
23 referred or steered a prospective borrower to a particular lender for a residential mortgage loan
24 and received a payment of money in connection with this activity. As such, Williams and
25 Pontifx offered or negotiated terms of a residential mortgage loan with BCHDC and AMG for
compensation or gain under 12 CFR 1008.103(2)(i)(C), (ii).

6. Sometime before October 2014, Williams and Pontifx engaged in residential mortgage
transactions as a mortgage broker in this state by offering or negotiating terms of an Oregon
residential mortgage transaction with BCHDC and AMG for compensation without a license in
violation of ORS 86A.103(1)(a).

7. The identity of Williams and Pontifx are so inextricably linked that they are inseparable

1 from each other, so that the Pontifx is the alter ego of Williams. Accordingly, equity requires
2 that these respondents be held jointly and severally liable in order to prevent further injustice.

3 ORDER

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

5 8. The Director, pursuant to ORS 86A.127(4), hereby orders Williams and Pontifx to cease
6 and desist from violating the Oregon Mortgage Lender Law.

7 9. The Director, pursuant to ORS 86A.992, may assess civil penalties of up to \$5,000 per
8 violation of the Oregon Mortgage Lender Law. The Director, pursuant to ORS 86A.992, hereby
9 ORDERS Pontifx and Williams, jointly and severally, to pay a civil penalty of \$5,000.

10 10. This is a “Final Order” under ORS 183.310(6)(b). Subject to that provision, the entry of
11 this Order does not limit further remedies which may be available to the Director under Oregon
12 law.

13 SO ORDERED this 4th day of September, 2019.

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

16 /s/ Dorothy Bean
17 Dorothy Bean, Chief of Enforcement
18 Division of Financial Regulation

19 NOTICE OF RIGHT TO JUDICIAL APPEAL

20 You may be entitled to judicial review of this Order under ORS 183.482. You may
21 request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60
22 days from the date this Order is served.

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