DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
FINANCE SECTION
BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of: **Fidel Garcia,** **Respondent.**	**M-04-0028-A** **ORDER TO CEASE AND DESIST** **ORDER ASSESSING CIVIL PENALTIES** **And** **CONSENT TO ENTRY OF ORDER**

The Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") acting by the authority of the Oregon Mortgage Lender Law, Chapter 59 of the Oregon Revised Statutes (hereinafter cited as "the Oregon Mortgage Lender Law"), hereby issues the following Findings of Fact, Conclusions of Law, Order and Notice of Right to a Public Hearing:

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director **FINDS** that:

1. At all time relevant herein, Loan Correspondents, Inc. dba Capital Funding Group (hereinafter "LCI") was licensed by the Director with license number ML-2122 to engage in Oregon residential mortgage lending.

2. LCI reported to the Director that Fidel Garcia operated as a loan originator for the company with a hire date of November 2, 2001.

3. LCI reported that it terminated Fidel Garcia as a loan originator for the company as of August 23, 2002.

4. LCI reported that Fidel Garcia originated two loans for the company that funded.

5. The first LCI loan was for Guadalupe Rosas and Lorena Flores on the real property located at 245 Anton Court in Eugene, Oregon. The loan was approved on

February 25, 2002 and the rate locked on February 28, 2002. The loan funded on March 8, 2002.

6. The second LCI loan was for Fidel Guerra and Maria Pulgarin on the real property located at 1019 North 4th Street in Springfield, Oregon. The loan was approved on June 14, 2002 and the rate locked on June 3, 2002. The loan funded on July 9, 2002.

7. At all times relevant herein, CBSK Financial Group, Inc. dba American Home Loans (hereinafter "CBSK") was licensed by the Director with license number ML-1429 to engage in Oregon residential mortgage lending.

8. CBSK reported to the Director that Fidel Garcia operated as a loan originator for the company with a hire date of July 13, 2001.

9. CBSK reported that it terminated Fidel Garcia as a loan originator for the company as of March 29, 2004.

10. CBSK provided a pipeline for Fidel Garcia that showed that he originated a multitude loans for the company that were withdrawn, cancelled or funded between the December 2001 application for Miguel Tarralloa through January 2004 application for Jose Yanez.

11. The pipeline provided by CBSK shows that Fidel Garcia took applications in the months of January and February 2002 as well as May, June and July 2002 for CBSK which are the same months in which Fidel Garcia would have taken the Guadalupe Rosas and Lorena Flores application and Fidel Guerra and Maria Pulgarin application for LCI.

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CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. Respondent violated ORS 59.967(2) by originating loans for both Loan

Correspondents, Inc. dba Capital Funding Group and CBSK Financial Group Inc. dba American Home Loans at the same time.

ORDER

The Director, pursuant to ORS 59.885(4) hereby **ORDERS** that Fidel Garcia will **CEASE AND DESIST** from violating any provision of Oregon Mortgage Lender Law, OAR 441-850-005 through 441-885-0010 and any rule, order or policy issued by the Division.

The Director, pursuant to ORS 59.996 hereby **ORDERS** Fidel Garcia to pay the State of Oregon a civil penalty of $5,000.00 for violating OAR 59.967(2).

The Director suspends payment of $1,000.00 of the assessed civil penalty for a three-year period. If in the period between the date of the Order to three years from the date of the Order or until the non-suspended portion of the civil penalty has been paid, whichever occurs later, Randy McAtee dba A-1 Mortgage Options violates any provision of the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division, the suspended portion of the assessed civil penalty will become immediately due and payable. If Randy McAtee dba A-1 Mortgage Options does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy issued by the Division in three years from the date of the Order or until the non-suspended portion of the civil penalty has been paid, whichever occurs later, the suspended portion of the civil penalty is waived.

The $4,000 non-suspended portion of the civil penalty may be paid in monthly payments of no less than $300 or the total amount of the civil penalty remaining due to be paid, whichever is less. The first payment is due no later than May 1, 2005. The monthly payments shall continue to be made no later than the first day of each month following May 1, 2005 until the $4,000 non-suspended portion of the civil penalty is paid

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in full. If any one payment is not received by the Director by the fifth day of the month in the month it is due, the entire civil penalty, comprised of any unpaid portion of the non-suspended portion of the civil penalty still unpaid along with the suspended portion of the civil penalty, becomes immediately due and payable.

The date of this order is the day the Director signs the order. The entry of this Order in no way limits further remedies which may be available to the Director under Oregon law.

Dated this 7th day of July, 2005, at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

Floyd Lanter, Administrator
Division of Finance and Corporate Securities

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CONSENT TO ENTRY OF ORDER

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

I further assure the Director that I will not effect mortgage transactions in Oregon unless such activities are in full compliance with Chapter 59 of the Oregon Revised

Statutes.

I understand that this Consent Order is a public document.

Dated this 8 day of June, 2005

By _____
Fidel Garcia

Janelle Bartlett
(Printed Name of Notary Public)
Notary Public
for the State of: Oregon
My commission expires: 6-12-08

OFFICIAL SEAL
JANELLE BARTLETT
NOTARY PUBLIC - OREGON
COMMISSION NO. 381599
MY COMMISSION EXPIRES JUNE 12, 2008

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