

1 Oregon address was returned marked as "Not Deliverable As Addressed, Unable To Forward";
2 the certified Arizona mailing was returned marked as "Unclaimed".

3 **NOW THEREFORE** the Director, having determined that the time for these
4 Respondents to request a hearing has passed, hereby issues the following Findings of Fact,
5 Conclusions of Law, and Final Order:

6 **FINDINGS OF FACT**

7 The Director **FINDS** that:

8 1. Lighthouse Lending and Investments, Inc. dba Lighthouse Lending (hereinafter,
9 "Lighthouse Lending") as a mortgage broker with a principal place of business located at 9301
10 SW Tagert St. #32; Tualatin OR 97062. At all times material hereto, Lighthouse Lending was
11 licensed as a mortgage broker in the State of Oregon. Notice has been given to Lighthouse
12 Lending that their license will be terminated on April 28, 2005 based on notice that their bond
13 has been cancelled. The mortgage broker license number for Lighthouse Lending is ML-962.

14 2. At all times material hereto, Rodney L. Smith (hereinafter, "Smith") was the
15 president, owner, control person, and experienced person of Lighthouse Lending.

16 3. Marcy Garber (hereinafter, "Garber") was a loan originator licensed in Oregon to
17 work for Lighthouse Lending from February 4, 2002 to July 8, 2004.

18 4. Beginning in 2003, Garber operated a branch office of Lighthouse Lending located
19 at 413 Second Ave. SW in Albany, Oregon (hereinafter, "the Albany office").

20 5. At all times material to this order, the Albany office was not licensed in Oregon as
21 a branch office of Lighthouse Lending.

22 6. At times during 2003 and 2004, Garber advertised residential loans, including FHA
23 loans, in Oregon, from the Albany office.

24 7. On November 18, 2003, at the Albany office, Garber represented to two
25 investigators employed by the Division of Finance and Corporate Securities working undercover
26 as potential borrowers, that she could help them obtain an FHA loan and other mortgage loans.

Division of Finance and Corporate Securities
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 8 . Beginning In 2003, Garber originated residential mortgage loans from the Albany
2 office to one or more borrowers when she was not qualified to do so because the Albany office
3 was not licensed in Oregon.

4 9 . Beginning in 2003, Garber advertised and conducted mortgage lending business as
5 “America One Mortgage” at the Albany office.

6 10 . At all times material to this order, “America One Mortgage” was not an assumed
7 business name licensed with the Oregon Division of Finance and Corporate Securities.

8 11 . On January 27, 2004, Smith admitted that he was aware of complaints and inquiries
9 from borrowers, realtors, and attorneys regarding Garber’s mortgage-related activities.

10 12 . On January 27, 2004, Smith admitted that the Albany office was one of his offices.

11 13 . On January 27, 2004, Smith admitted to the Director that he did not keep track of
12 the mortgage loans Garber originated.

13 14 . On January 27, 2004, Smith admitted to the Director that he did not ask anyone
14 other than Garber about the mortgage-related activities of the Albany office.

15 15 . On January 27, 2004, Smith admitted to the Director that he did not independently
16 verify information Garber provided to Smith about her mortgage-related activities, and Smith
17 stated, “I just trust her.”

18 16 . On January 27, 2004, Smith admitted that signage on the Albany office window
19 advertised FHA loans although that office was not licensed and was not approved to provide or
20 originate FHA loans.

21 17 . A Default Judgment was entered on July 29, 2004 by Judge Steve Kosach against
22 Lighthouse Lending and Investments, Inc. dba Lighthouse Lending, Rodney Smith, Marcy
23 Garber and Does 1-5. The judgment was entered in Washoe County, Nevada, under case
24 Number CV04-01206, and awarded the plaintiff \$173,400.14 as a principal sum with a
25 contractual rate of interest at 7.625% interest accruing until the judgment is paid in full.
26 Respondents did not notify the Director of this judgment as required by OAR 441-860-0070.

1 **CONCLUSIONS OF LAW**

2 The Director **CONCLUDES** that:

3 1. Rodney L. Smith, Lighthouse Lending and Investments, Inc. dba Lighthouse
4 Lending, failed to diligently supervise or control the mortgage-related activities of Marcy
5 Garber, in violation of ORS 59.885(4).

6 2. Rodney L. Smith, Lighthouse Lending and Investments, Inc. dba Lighthouse
7 Lending, failed to diligently supervise the Albany office for compliance with the Oregon
8 Mortgage Lender Law, in violation of OAR 441-860-0040.

9 3. Rodney L. Smith, Lighthouse Lending and Investments, Inc. dba Lighthouse
10 Lending, operated an unlicensed branch in violations of ORS 59.845 and OAR 441-860-0030.

11 4. Rodney L. Smith, Lighthouse Lending and Investments, Inc. dba Lighthouse
12 Lending, made materially false statements to the Director in violations of ORS 59.930.

13 5. Rodney L. Smith, Lighthouse Lending and Investments, Inc. dba Lighthouse
14 Lending, used or caused to be published advertisements that were false, misleading or deceptive,
15 in violation of ORS 59.945.

16 6. Rodney L. Smith, Lighthouse Lending and Investments, Inc. dba Lighthouse
17 Lending, failed to notify the Director within 30 days of the occurrence of at least one material
18 litigation, in violation of OAR 441-860-0070.

19 **ORDER**

20 **NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:**

- 21 1. The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Rodney L. Smith,
- 22 Lighthouse Lending and Investments, Inc. dba Lighthouse Lending will **CEASE**
- 23 **AND DESIST** from:
- 24 a. Failing to supervise the mortgage-related activities of at least one affiliated loan
- 25 originator, in violation of ORS 59.865(15);
- 26 b. Failing to supervise a branch office for compliance with the Oregon Mortgage Lender
- Law, in violation of OAR 441-860-0040; and

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- 1 c. Engaging in activity through unlicensed locations in violation of ORS 59.845 and
- 2 OAR 441-860-0030; and
- 3 d. Publishing advertisements that are false, misleading or deceptive in violation of ORS
- 4 59.945; and
- 5 e. Violating any provision of Oregon Mortgage Lender Law, OAR 441-850-0005
- 6 through 441-885-0010 and any rule or order issued by the Director.

7 2. Pursuant to the authority of ORS 59.996(1), the DIRECTOR

8 hereby **ASSESES** a **CIVIL PENALTY** in the amount of \$10,000.00 (ten thousand

9 dollars) against Respondents Rodney L. Smith, Lighthouse Lending and Investments, Inc. dba

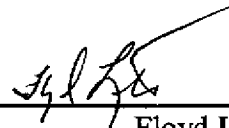
10 Lighthouse Lending, jointly and severally, for violating ORS 59.840 *et seq.*, including but not

11 limited to the specific statutes and rules set out above.

12 **IT IS SO ORDERED.**

13 Dated this 14th day of July, 2005, NUNC PRO TUNC July 14, 2005 at Salem, Oregon.

14 CORY STREISINGER, Director
15 Department of Consumer and Business Services

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17 _____
18 Floyd Lanter, Administrator
19 Division of Finance and Corporate Securities
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