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

In the Matter of: **Pauline Barbur Gentry,** **Respondent.**	**M-05-0069** **FINAL ORDER TO CEASE AND DESIST BY DEFAULT**

On August 15, 2005, the Director of the Department of Consumer and Business Services for the State of Oregon (hereafter the "Director"), acting by and pursuant to the authority of Oregon Securities Law, Chapter 59 of the Oregon Revised Statutes, and other applicable authority, issued Administrative Order No. M-05-0069 to Cease And Desist And Assessing Civil Penalties And Notice Of Right To Hearing (hereafter "the Order") against Respondent Pauline Barbur Gentry.

On August 16, 2005, Respondent Pauline Barbur Gentry was duly served with a true copy of the Order and Notice by United States Mail, postage prepaid, and addressed to Respondent Pauline Barbur Gentry at the following last known residential address: 8878 SE Highgate Drive in Portland, Oregon 97239. The mailing was returned, marked "Moved, Left No address, Unable to Forward, Return to Sender."

On September 22, 2005, Respondent Pauline Barbur Gentry was duly served with a true copy of the Order and Notice by United States Mail, postage prepaid, and addressed to Respondent Pauline Barbur Gentry at the following last known address: The Tan Machine, 6325 SW Capitol Highway, Portland, Oregon 97239-2189. The mailing was signed for by Lynn Garcia on September 23, 2005.

Respondent Pauline Barbur Gentry has not made a written request for a

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contested case hearing in this matter and the time to do so has expired.

NOW THEREFORE, after consideration of the Investigation Report and accompanying exhibits submitted in this matter by Kirsten Anderson, Enforcement Officer, the Director hereby issues the following Findings of Fact, Conclusions of Law, and Final Order:

FINDINGS OF FACT

The Director **FINDS** that:

1. Pauline Barbur Gentry (hereinafter, "Respondent"), born December 29, 1940, acted as a loan originator for several mortgage brokers or bankers licensed by the Director, including but not limited to Morgan Financial, Inc.

2. On November 18, 2003, Respondent entered a guilty plea and was convicted of one count of HUD Fraud under 18 USC § 1010, a Class E felony punishable by up to 2 years of imprisonment.

3. In connection with the entry of her plea, Respondent admitted that she referred Duane Holden to Ryan Bonneau to obtain a loan on property located at 1139 SE 85th Avenue, Portland, Oregon.

4. Respondent further admitted that she knew that Ryan Bonneau would do whatever it took to get the loan funded and any other loan approved.

5. Respondent admitted that she knew that when she turned over a loan application to Ryan Bonneau, he would manufacture documents, provide false bank information, and inflate the overall assets of the applicant to make them appear qualified to the lender's underwriter.

6. Respondent admitted that Ryan Bonneau had Duane Holden sign a false gift letter.

7. Respondent admitted that she knew that the loan obtained for Duane Holden

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would be submitted to the Department of Housing and Urban Development for funding.

8. Respondent admitted that she received and negotiated a check in the amount of $19,000 from the loan proceeds of the loan obtained for Duane Holden.

CONCLUSIONS OF LAW

The Director **CONCLUDES** that:

1. Respondent aided and abetted a mortgage broker or banker's violation of ORS 59.930(3), engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person, when she referred Duane Holden to Ryan Bonneau to obtain a loan knowing that he would manufacture documents to obtain the loan and accepted $19,000 in loan proceeds from the origination of the loan knowing that it had been obtained with fraudulent information.

2. Respondent aided and abetted a mortgage broker or banker's violation of ORS 59.865(2), dishonest, fraudulent or illegal practices or conduct in any business or profession or unfair or unethical practices or conduct in connection with the mortgage business, when she referred Duane Holden to Ryan Bonneau to obtain a loan knowing that he would manufacture documents to obtain the loan and accepted $19,000 in loan proceeds from the origination of the loan knowing that it had been obtained with fraudulent information.

3. OAR 441-880-0050(4)(a) provides that "crimes punishable by death or imprisonment in excess of one year under the law under which the person was convicted," is among the categories of criminal convictions that will prevent a person from acting as a loan originator.

4. Because on November 18, 2003, Respondent pled guilty to and convictions were entered for one count of HUD Fraud under 18 USC § 1010, which is a crime punishable by up to 2 years of imprisonment, ORS 59.971(2) prohibits Respondent from

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acting as a loan originator as defined in ORS 59.840 or 59.970.

5. Because on November 18, 2003, Respondent pled guilty to and convictions were entered for one count of HUD Fraud under 18 USC § 1010, a Class E felony, ORS 59.865(4) permits the Director to deny a mortgage license to Respondent.

6. Because on November 18, 2003, Respondent pled guilty to and convictions were entered for one count of HUD Fraud under 18 USC § 1010, a Class E felony, ORS 59.865(4) in conjunction with ORS 59.870 permits the Director to deny a mortgage license to any company that applies for a license in which Respondent is a partner, officer or director, occupies a similar status or performs similar functions, or directly or indirectly controls the mortgage banker or mortgage broker.

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

The Director, pursuant to ORS 59.885(4), hereby **ORDERS** that Respondent will **CEASE AND DESIST** from violating any provision of Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 and any rule, order, or policy issued by the Division.

The Director hereby **ORDERS** that Pauline Gentry is permanently restrained, enjoined, and prohibited from, directly or indirectly:

1. Acting as a loan originator, as that term is defined in ORS 59.840(4) and ORS 59.970, by operation of ORS 59.971(2);

2. Owning or operating as a mortgage banker or mortgage broker, as those terms are defined in ORS 59.840(5) and (7) respectively; or

3. Acting as a partner, officer, director, or experienced person as described in ORS 59.850(2), or occupying similar status or performing similar functions of a partner, officer, director, or experienced person for a mortgage banker or mortgage broker, or

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indirectly controlling a mortgage banker or mortgage broker.

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

IT IS SO ORDERED.

Dated this 26 day of October, 2005, at Salem, Oregon.

CORY STREISINGER, Director
Department of Consumer and Business Services

David Tatman, Acting Administrator
Division of Finance and Corporate Securities

NOTICE: You are entitled to judicial review of this Order. Judicial review may be obtained by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from the service of this Order. Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court of Appeals.

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