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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCE AND CORPORATE SECURITIES**
6 **ENFORCEMENT SECTION**

7 **BEFORE THE DIRECTOR OF THE DEPARTMENT**
8 **OF CONSUMER AND BUSINESS SERVICES**

9 **In the Matter of**

M-05-0096

10 **SYNERGY FINANCIAL**
11 **MANAGEMENT CORPORATION,**
12 **dba DirectLender.com, a California**
13 **Corporation,**

ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL
PENALTIES AND CONSENT TO
ENTRY OF ORDER

14 **Respondent.**

15 **WHEREAS** the Director of the Department of Consumer and Business Services
16 has conducted an investigation of certain business activities conducted by Synergy
17 Financial Management Corporation dba DirectLender.com and has determined that
18 Synergy Financial Management Corporation dba DirectLender.com has engaged in
19 Oregon residential mortgage brokering activities from an unlicensed branch office in
20 violation of provisions of the Oregon Mortgage Lender Law, ORS 59.840 to 59.980; and

21 **WHEREAS** Synergy Financial Management Corporation dba DirectLender.com
22 wishes to resolve and settle this matter with the Director;

23 **NOW THEREFORE**, as evidenced by the authorized signature subscribed on
24 this Order, Synergy Financial Management Corporation dba DirectLender.com hereby
25 **CONSENTS** to entry of this Order to Cease and Desist upon the Director's Findings of
26 **Fact and Conclusions of Law** as stated hereinafter.

FINDINGS OF FACT

The Director **FINDS** that:

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





1 1. Synergy Financial Management Corporation, dba DirectLender.com
2 ("DirectLender" or "respondent"), is a California corporation formed on March 12, 2001.
3 The respondent's principal location is 8700 Warner Avenue, Suite 100, Fountain Valley,
4 California 92708. On April 18, 2003, the Corporations Division of the Oregon Secretary
5 of State's Office authorized DirectLender to transact business in Oregon. Aaron Cuha is
6 chief operating officer and corporation president and Deborah Cuha is secretary.

7 2. On or about June 19, 2003, the Director licensed DirectLender to engage
8 in Oregon residential mortgage transactions, assigning license number ML-2857 to the
9 business. DirectLender filed the Fountain Valley address as its principal office location
10 with William L. Pipes as the principal. DirectLender also listed a branch office at 360 SE
11 Morlan Street, Gresham, Oregon 97080.

12 3. NovaStar Home Mortgage, Inc. ("NovaStar") is a Delaware corporation
13 formed on May 21, 1998. NovaStar's principal offices are located at 8140 Ward
14 Parkway, Kansas City, Missouri 64114. On October 22, 1999, NovaStar was licensed
15 by the Director as an Oregon mortgage broker and mortgage banker and was assigned
16 Oregon license ML-2000. NovaStar also registered with the Director a branch office
17 located at 230 SE Park Drive, Suite 109, Vancouver, Washington 98684 ("Vancouver
18 branch office").

19 On July 28, 2004, the Oregon Division of Finance and Corporate Securities ("DFCS")
20 received a letter dated July 24, 2004 from Kenyi Doyle, a Senior Licensing Technician in
21 NovaStar's Licensing Department and Risk Management Section in Kansas City. The
22 letter provided, inter alia: "RE: Surrendering Branch License ML-2000 #75 On behalf of
23 NovaStar * * *, I respectfully notify the State of Oregon of a request to surrender the
24 license for: NovaStar Home Mortgage, Inc., 203 Se [sic] Park Plaza Drive, Ste 190,
25 Vancouver, WA 98684 Branch Manager: Marie Anderson. This is to include all Loan
26 Originator's [sic] connected with this branch."



1 4. On July 29, 2004, DFCS received a fax from Debi Britt at DirectLender,
2 fax number 714-375-6450. The cover letter provided inter alia: "Here are some more
3 loan originators for the state of Oregon." Attached with the fax were notices of
4 appointment of fourteen loan originators. Each of the loan originators were to work at a
5 DirectLender branch office in Vancouver, Washington formerly used by NovaStar. The
6 manager of DirectLender's Vancouver branch office was Marie Anderson.

7 5. DirectLender did not file an application with the Director to open a branch
8 office in Vancouver, Washington.

9 6. From July to December 2004, DirectLender engaged in Oregon residential
10 mortgage transactions by soliciting and accepting seven residential mortgage loan
11 applications. Those transactions include the following borrowers and addresses:

- 12 a. Kenneth M. Shough, 640 NE 80th Avenue, Portland, OR 97213;
- 13 b. Jonathan L. Allen and Tania A. Allen, 17672 SE Paradise Dr., Milwaukie,
14 OR 97267;
- 15 c. Laura J. Richey, 2019 NE Morgan St., Portland, OR 97211;
- 16 d. Rochelle Leveque, 15611 NW Windmill Dr., Banks, OR 97106;
- 17 e. Christine L. Lutjen, 5560 SW Murray Blvd., Beaverton, OR 97005;
- 18 f. Michael L. Christiansen, Sr. and Patrecia A. Christensen, 13827 SE
19 Ramona St., Portland, OR 97236; and
- 20 g. Nancy E. Soeterik (an Oregon resident), purchasing property at 14605 NE
21 90th St., Vancouver, WA 98628.

22 For each of these residential mortgage transactions, DirectLender performed all of the
23 necessary functions in representing borrowers and obtaining a loan including ordering
24 appraisals of the properties and negotiating the rates of interest for the loans.

25 7. DirectLender did not notify the Director of its Vancouver, Washington
26 branch office location within thirty days of the opening the office.

1 **CONCLUSIONS OF LAW**

2 The Director **CONCLUDES** that:

3 8. DirectLender violated ORS 59.845 (1) by engaging in seven residential
4 mortgage transactions from an unlicensed branch office location in Vancouver,
5 Washington.

6 9. DirectLender violated ORS 59.856 (15) by failing to supervise diligently
7 and control the mortgage-related activities of Marie Anderson and the other staff at the
8 Vancouver, Washington field office.

9 10. DirectLender violated ORS 59.950 (2) and OAR 441-860-0030 by failing to
10 notify the Director of its Vancouver, Washington branch office location not later than
11 thirty days prior to the opening the office.

12 **ORDER**

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

14 11. Pursuant to the authority of ORS 59.885 (4), the Director hereby **ORDERS**
15 DirectLender to **CEASE AND DESIST** from violating any provision of the Oregon
16 Mortgage Lender Law, ORS 59.840 to 59.980; OAR 441-850-0005 through 441-885-
17 0010, or any rule, order, or policy issued by the Division.

18 12. Pursuant to the authority of ORS 59.996, the Director hereby **ASSESSES**
19 the following **CIVIL PENALTIES:**

20 a. DirectLender is assessed a civil in the amount of \$10,000 (ten thousand
21 dollars) for a continuing violation of ORS 59.845 (1) by engaging in seven residential
22 mortgage transactions from an unlicensed branch office location in Vancouver,
23 Washington;

24 b. DirectLender is assessed a civil penalty in the amount of \$10,000 (ten
25 thousand dollars) for a continuing violation of ORS 59.865 (15) by failing to supervise
26 diligently and control the mortgage-related activities of Marie Anderson and other

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1 persons at the Vancouver, Washington field office; and

2 c. DirectLender is assessed a civil penalty of \$5,000 (five thousand dollars)
3 for violation of ORS 59.950 (2) and OAR 441-860-0030 by failing to notify the Director of
4 its Vancouver, Washington branch office location not later than thirty days prior to the
5 opening of the office.

6 d. The total civil penalty assessed against DirectLender is \$25,000 (twenty-
7 five thousand dollars).


8 13. The Director suspends payment of \$20,000 (twenty thousand dollars) of
9 the assessed civil penalty for a three-year period. If, in the three-year period following
10 the date of the Order, Synergy Financial Management Corporation dba
11 DirectLender.com violates any provision of the Oregon Mortgage Lender Law, ORS
12 59.840 to 59.980; OAR 441-850-0005 through 441-885-0010 or any rule, order, or
13 policy issued by the Division, the suspended portion of the assessed civil penalty will
14 become immediately due and payable. If Synergy Financial Management Corporation
15 dba DirectLender.com does not commit any violations of the aforementioned law and
16 rules within three years from the date of the Order, the suspended portion of the civil
17 penalty is waived.

18 14. The date of this order is the day the Director signs the order.


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

21 Dated this 22nd day of February 2006 at Salem, Oregon.

22 CORY STREISINGER, Director
Department of Consumer and Business Services

23 
24 David C. Tatman, Acting Administrator
25 Division of Finance and Corporate Securities
26

1 APPROVED AS TO FORM:

2 
3 Eric B. Zimbelman
4 PEEL BRIMLEY LLP
5 Attorney for Respondent

Dated: 2/16/2006


6 **CORPORATE CONSENT TO ENTRY OF ORDER**
7 (for Synergy Financial Management Corp. dba DirectLender.com)

8 I, Aaron Cuha, state that I am an officer of Synergy Financial Management Corp.
9 dba DirectLender.com ("DirectLender") and I am authorized to act on its behalf; that I
10 have read the foregoing Order and that I know and fully understand the contents
11 hereof; that I and this entity have been advised of the right to a hearing and of the right
12 to be represented by counsel in this matter; that DirectLender, voluntarily and without
13 any force or duress, consents to the entry of this Order expressly waiving any right to a
14 hearing in this matter; that DirectLender makes no admission of liability with respect to
15 the Findings of Fact in the foregoing Order; that DirectLender executes this Consent as
16 a settlement of the matters referred to in the foregoing Order; that DirectLender
17 understands that the Director reserves the right to take further actions to enforce this
18 Order or to take appropriate action upon discovery of other violations of the Oregon
19 Mortgage Lender Law by me or those whom I supervise; and that I will fully comply with
20 the terms and conditions stated herein.

21 DirectLender understands that this Consent Order is a public document.

22 Dated this 7 day of February, 2006.

23 SYNERGY FINANCIAL MANAGEMENT CORP.

24 
25 _____
26 Aaron Cuha

Office held: _____

27 **CORPORATE ACKNOWLEDGMENT**

28 There appeared before me this 7 day of February, 2006, Aaron
29 Cuha, who was first duly sworn on oath, and stated that he was and is an officer of

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1200 First and Industries Building
330 Winter Street NE, Suite 410
Salem, OR 97301-3881
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1 Synergy Financial Management Corp. dba DirectLender.com ("DirectLender"), that he
2 is authorized and empowered to sign this Consent to Entry of Order on behalf of
3 DirectLender and to bind DirectLender to the terms hereof.

4 Tiffany Sheehan
Notary Public

5 Notary Public for the State of: Calif.

6 My commission expires: 09-20-06

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