





1 broker, holding license number ML-2750, first issued on November 20, 2002. Loansource has  
2 licensed branch offices in Oregon and Washington.

3 2. James C. Slaight ("Slaight") is, by information and belief, a Washington resident  
4 with a last-known address of 4041 SE 199<sup>th</sup> Avenue, Camas, Washington 98607. Slaight is the  
5 president, experienced person and control person for Loansource.

6 **Clayborn Collins and the Opening of the MLK Blvd. Branch Office**

7 3. Clayborn R. Collins ("Collins"), also known as Clayborn Collins, is, by  
8 information and belief, an Oregon resident with a last-known residence address of 14880 SE  
9 Oregon Trail Dr., Clackamas, Oregon 97015.

10 4. On March 12, 1997, Collins was convicted in Multnomah County Circuit Court of  
11 two Class C felonies.

12 5. On or about August 20, 2003, Loansource submitted a mortgage lender new  
13 branch application form notifying the Division of Finance and Corporate Securities ("Division"),  
14 on behalf of the Director, that Loansource was opening a new branch office the next day, August  
15 21, 2003, at 4134 N. Vancouver Avenue in Portland.

16 6. On or about October 1, 2003, Loansource submitted a mortgage lender loan  
17 originator information form to the Division indicating that Collins had been hired by Loansource  
18 as a loan originator. On the form, Collins's start date was listed as August 1, 2003. Loansource  
19 identified Collins's birth date as May 2, 1967 and the last four digits of his social security  
20 number as 9226. Collins's home address was listed as 1106 NE Stafford, Portland, Oregon  
21 97211. Loansource notified the Director of the hiring of Collins as a loan originator 61 days  
22 after his date of hire of August 1, 2003.

23 7. On January 1, 2004, Oregon Laws 2003, Chapter 526, Section 3, codified as ORS  
24 59.972, became effective as a new provision of the Mortgage Lender Law. The law requires  
25 every Oregon-licensed mortgage banker or mortgage broker to conduct a criminal records check  
26 of every individual whom the mortgage banker or mortgage broker employs or intends to employ



1 as a loan originator. On January 1, 2004, the Division adopted Oregon Administrative Rule  
2 (“OAR”) 441-880-0050, establishing rules for the implementation and administration of criminal  
3 records checks required under ORS 59.972, and specifying categories of criminal convictions  
4 that prevent a person from being employed as a loan originator under ORS 59.971. The rule  
5 requires licensees to complete criminal background checks for newly hired loan originators  
6 within thirty days of hire, or by April 30, 2004 for loan originators hired on or before January 1,  
7 2004. The rule establishes categories of criminal convictions that disqualify a person from being  
8 employed as a loan originator, including, but not limited to, theft and falsification of records.

9 8. On January 14, 2004, Lee Proctor (“Proctor”), a Division financial examiner,  
10 received an email from Collins using the email address [claybornc@loansource.info](mailto:claybornc@loansource.info). In the  
11 message, Collins wrote that he needed a form to register a “net branch for loansource [sic]  
12 Funding LLC.” He asked Proctor to fax or email the form. The message was signed “Clayborn  
13 Collins, Senior Loan Officer, LoanSource Funding, LLC, W 503-888-1011, F 775-261-2358.”

14 9. On or about January 14, 2004, another mortgage lender new branch application  
15 was submitted by Loansource for a branch office to be opened at 4606 NE Martin Luther King  
16 Jr. Blvd. in Portland (hereinafter referred to as “the MLK Blvd. location” or “the MLK Blvd.  
17 branch office”). Collins was specified on the form as the manager of this new branch office. The  
18 application fee of \$150 was paid by credit card with the name and signature “James C. Slight”  
19 appearing on the bottom of the form.

20 10. On January 17, 2004, Slight sent Proctor an email message asking that the  
21 Division “disregard my fax request to obtain a branch license at [the MLK Blvd. location].  
22 Clayborn Collins has chosen to pursue a different brokerage relationship.” Proctor responded  
23 asking Slight if Collins continued to be a loan originator for Loansource. Slight replied that  
24 Collins was no longer a loan originator for Loansource. Slight also provided a list of  
25 individuals who were all terminated as Loansource employees effective January 16, 2004. One  
26 of the individuals listed was Collins.



1 11. On January 20, 2004, the Division's former chief of licensing and registration  
2 issued a memorandum informing all current or prospective mortgage banker or mortgage broker  
3 licensees of the new requirements for criminal background checks under ORS 59.972 and OAR  
4 441-880-0050.

5 12. On July 27, 2004, Slaight wrote a letter addressed to the Division that Loansource  
6 would be opening a new branch office at the MLK Blvd. location. This was the same address as  
7 the withdrawn branch application submitted on January 14, 2004. Slaight advised that the  
8 branch manager, again, was to be Collins. No mortgage lender new branch application form or  
9 loan originator information form for Collins was filed with the letter.

10 13. On August 19, 2004, the Division received a mortgage lender new branch  
11 application form from Loansource for the MLK Blvd. location. The application included a form  
12 "Section 5 – Affiliated-person information for branch manager or regional supervisor," and a  
13 form "Section 6 – Loan originator information for loan originators operating at this location."  
14 On the Section 5 form, Collins listed his birth date as March 2, 1966; he listed his social security  
15 as ending with the four digits 2096. Question 1 on the Section 5 form provides: "In the 10 years  
16 preceding the date of this application, have you been convicted of a misdemeanor of which an  
17 essential element was fraud, or a felony?" The box marked "No" was checked. The Section 5  
18 form is dated August 11, 2004, and is signed "Clayborn Collins" with the title Branch Manager.  
19 On the Section 6 form submitted with the August 11, 2004 new branch application, Collins lists  
20 his birth date as March 2, 1966 and his social security number as ending with the four digits  
21 2096. In response to the question: "Has a criminal-records check been conducted?", the box  
22 marked "Yes" was checked. The Section 6 form contains a certification section providing: "The  
23 following section must be signed by duly [sic] authorized key officer, member, partner, or owner  
24 of the mortgage banker or mortgage broker. \* \* \* I certify that the information provided on this  
25 page is current, accurate, and complete." This section was signed: "James C. Slaight."

26 14. On August 25, 2004, Proctor mailed Slaight a letter with a Notice of Incomplete



1 Licensing. In this Notice, Proctor requested that Slaight clarify the identity of Collins and  
2 explain the discrepancy of Collins' birth dates and social security numbers contained in the  
3 August 2003 and August 2004 loan originator applications. Slaight did not reply.

4 15. On October 25, 2004, Proctor mailed Slaight another letter noting that Loansource  
5 had not replied to his earlier request for clarification. Proctor notified Loansource that the  
6 Division was withdrawing Loansource's pending branch application for the MLK Blvd. location.

7 16. Loansource employed Collins as a loan originator from July 27, 2004, or earlier,  
8 to October 25, 2004, or later, when Collins had been convicted of two crimes that disqualified  
9 him from acting as a loan originator.

10 17. Loansource failed to conduct a criminal records check of Collins, or failed to  
11 maintain a record of Collins's criminal records check for five years from the date of inception or  
12 creation.

13 **Ronald Lee Rasberry Jr.**

14 18. Ronald Lee Rasberry, Jr. ("Rasberry"), is, by information and belief, an Oregon  
15 resident with a last-known residence address of 13633 Barclay Hills Dr., Oregon City, Oregon  
16 97045.

17 19. On July 9, 1996, Rasberry was convicted in Jackson County Circuit Court of  
18 felony possession of a controlled substance, a class C felony punishable by imprisonment in  
19 excess of one year.

20 20. On or about March 26, 2004, Loansource hired Rasberry as a loan originator. At  
21 the time he was hired by Loansource, Rasberry was a convicted felon and therefore barred from  
22 acting as a loan originator.

23 21. Loansource failed to conduct a criminal records check of Rasberry, or failed to  
24 maintain a record of Rasberry's criminal records check for the required period of time.

25 22. Loansource terminated Rasberry on August 9, 2004 and notified the Director by  
26 filing the required termination form.



1 **Lie Hung Tan**

2 23. Lie Hung Tan ("Tan"), is, by information and belief, an Oregon resident with a  
3 last-known residence address of 3801 Cherry Lane, Medford, Oregon 97504.

4 24. On or about August 11, 2005, Tan was hired by Slaight as a loan originator for  
5 Loansource. Loansource notified the Director of the hiring of Tan as a loan originator on  
6 February 28, 2006, approximately 201 days after hiring Tan.

7 25. On or about March 2, 2006, Loansource conducted or caused to be conducted a  
8 criminal records check of Tan. Loansource provided a copy of that criminal records check to the  
9 Director on or about March 6, 2006, approximately 206 days after hiring Tan as a loan  
10 originator.

11 26. Tan worked for Loansource from her home on Cherry Lane in Medford, Oregon,  
12 originating at least seven residential loans for Loansource during the period August 11, 2005 to  
13 March 6, 2006 when she was terminated. Loansource did not register Tan's residence as a  
14 branch office location with the Director.

15 **CONCLUSIONS OF LAW**

16 The Director **CONCLUDES** that:

17 27. Loansource violated ORS 59.969(1) by failing to notify the Director of the hiring  
18 of Collins as a loan originator within thirty days of his date of hire, August 1, 2003.

19 28. Loansource violated ORS 59.971(2) by employing Collins, a disqualified person,  
20 as a loan originator on or after January 1, 2004.

21 29. Loansource violated ORS 59.972(1) by failing to conduct a criminal records  
22 check of an individual, Collins, whom Loansource employed or intended to employ as a loan  
23 originator, within thirty days of his hire.

24 30. In the alternative to the allegation in Paragraph 29 above, Loansource violated  
25 ORS 59.860 by failing to maintain a record of Collins's criminal records check for five years  
26 from the date of inception or creation.



1           31.    Loansource violated ORS 59.971(2) by employing Raspberry as a loan originator  
2 on or after January 1, 2004 when he had been convicted of a disqualifying crime or category of  
3 crime as specified by the Director by rule.

4           32.    Loansource violated ORS 59.972(1) by failing to conduct a criminal records  
5 check of Raspberry within thirty days of his date of hire; or, in the alternative, Loansource  
6 violated OAR 441-880-0050(7) by failing to maintain the criminal records check of Raspberry for  
7 the required period.

8           33.    Loansource violated ORS 59.969(1) by failing to notify the Director of the hiring  
9 of Tan as a loan originator within thirty days of her hire date.

10          34.    Loansource violated ORS 59.950(2) by failing to provide notice to the Director of  
11 its intent to commence branch operations at Tan's Cherry Lane address in Medford.

12          35.    Slaight violated ORS 59.865(5) by erroneously certifying the accuracy of the  
13 information contained in Collins's loan originator information form, submitted as part of the  
14 August 2004 MLK Blvd. branch office application.

15          36.    Slaight violated ORS 59.930(4) by making, filing, or causing to be made or filed,  
16 with or to the Director, the August 2004 application for the MLK Blvd. branch office that  
17 contained false information about Collins's birth date and social security number.

#### ORDER

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

18  
19           37.    Pursuant to the authority of ORS 59.885(4), the Director hereby **ORDERS**  
20 Loansource Funding, LLC ("Loansource") and James C. Slaight ("Slaight"), and any successor  
21 business entity owned, operated or under the control of Slaight, to **CEASE AND DESIST** from  
22 violating any provision of the Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-  
23 885-0010, and any rule, order, or policy issued by the Division.  
24

25           Pursuant to the authority of ORS 59.996, the Director hereby **ASSESSSES** the following  
26 **CIVIL PENALTIES:**



1           38.     Respondent Loansource Funding, LLC (“Loansource”) is **ASSESSED** a **CIVIL**  
2 **PENALTY** in the amount of \$35,000 (thirty five thousand dollars) as detailed below:

3           A.     \$5,000 (five thousand dollars) for violation of ORS 59.969(1) (failing to notify  
4 the Director of the hiring of Collins as a loan originator within thirty days of his hire date of  
5 August 1, 2003);

6           B.     \$5,000 (five thousand dollars) for violation of ORS 59.971(2) (employing Collins,  
7 a disqualified person, as a loan originator on or after January 1, 2004);

8           C.     \$5,000 (five thousand dollars) for violation of ORS 59.972(1) (failing to conduct  
9 a criminal records check of Collins within thirty days of the date of his hire as a loan originator),  
10 or, in the alternative, for violation of ORS 59.860 (failure to maintain a record of a criminal  
11 background check of Collins, who was hired as a loan originator, for five years from the date of  
12 inception or creation);

13          D.     \$5,000 (five thousand dollars) for violation of ORS 59.971(2) (employing  
14 Rasberry, a disqualified person, as a loan originator on or after January 1, 2004);

15          E.     \$5,000 (five thousand dollars) for violation of ORS 59.972(1) (failing to conduct  
16 a criminal records check of Rasberry within thirty days of the date of his hire as a loan  
17 originator), or, in the alternative, for violation of ORS 59.860 (failure to maintain for five years  
18 from the date of inception or creation a record of a criminal background check of Collins, who  
19 was hired as a loan originator);

20          F.     \$5,000 (five thousand dollars) for violation ORS 59.969(1) (failing to notify the  
21 Director of the hiring of Tan as a loan originator within thirty days of her hire date); and

22          G.     \$5,000 (five thousand dollars) for violation of ORS 59.950(2) (failing to provide  
23 notice to the Director of Loansource’s intent to commence branch operations at Tan’s Cherry  
24 Lane address in Medford).

25           39.     The Director **SUSPENDS** payment of \$10,000 (ten thousand dollars) of the  
26 assessed civil penalty against Respondent Loansource Funding LLC for a five-year period. If, in





1 the period between the date of the Order to five years from the date of the Order, Respondent  
2 Loansource violates any provision of the Oregon Mortgage Lender Law, OAR 441-850-0005  
3 through 441-885-0010 or any rule, order, or policy issued by the Director or fails to obtain at  
4 least a satisfactory rating on all examinations performed by the Director, the suspended portion  
5 of the assessed civil penalty will become immediately due and payable. If Respondent  
6 Loansource does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005 through  
7 441-885-0010 or any rule, order, or policy issued by the Director and obtains at least a  
8 satisfactory rating on all examinations performed by the Director for five years from the date of  
9 the Order, the suspended portion of the civil penalty assessed against Respondent Loansource is  
10 waived.

11 40. Payment of the \$25,000 (twenty-five thousand dollar) civil penalty shall be made  
12 to the Director by check or money order in five monthly payments of not less than \$5,000 (five  
13 thousand dollars) each beginning January 2007. Payments are due on the tenth day of each  
14 month. Checks or money orders should be made out to the "Department of Consumer and  
15 Business Services," and mailed to DCBS, Fiscal Services Section, PO Box 14610, Salem, OR  
16 97309-0445. The case number shall be printed on each check sent to the Director.

17 41. Respondent James C. Slaight is **ASSESSED** a **CIVIL PENALTY** in the amount  
18 of \$10,000 (ten thousand dollars) as detailed below:

19 A. \$5,000 (five thousand dollars) for violation of ORS 59.865(5) (erroneously  
20 certifying the accuracy of information in a loan originator information form submitted with a  
21 branch office license application); and

22 B. \$5,000 (five thousand dollars) for violation of ORS 59.930(4) (making or filing,  
23 or causing to be made or filed, with or to the Director, a branch office license application  
24 containing false information).

25 42. The Director **SUSPENDS** payment of the civil penalty assessed against  
26 Respondent James C. Slaight for a five-year period. If, in the period between the date of the

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 Order to five years from the date of the Order, Respondent Slaight, or any successor business  
2 entity owned, operated or under the control of Slaight, violates any provision of the Oregon  
3 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or policy  
4 issued by the Division, the suspended civil penalty will become immediately due and payable. If  
5 Respondent Slaight does not violate the Oregon Mortgage Lender Law, OAR 441-850-0005  
6 through 441-885-0010 or any rule, order, or policy issued by the Division within five years from  
7 the date of the Order, the suspended portion of the civil penalty is waived.

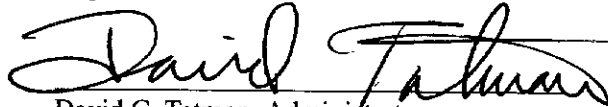
8 43. Respondents Loansource Funding LLC and James C. Slaight agree to provide  
9 their full cooperation and assistance to the Director in any further investigations of allegations of  
10 the Mortgage Lender Law arising from or related to this matter.

11 44. The date of this Order is the day the Director or her designee signs the Order.  
12 The entry of this Order in no way limits further remedies which may be available to the Director  
13 under Oregon law.

14 **IT IS SO ORDERED.**

15 Dated this 27 day of December, 2006, at Salem, Oregon.

16 CORY STREISINGER, Director  
17 Department of Consumer and Business Services

18 

19 David C. Tatman, Administrator  
20 Division of Finance and Corporate Securities

21 APPROVED AS TO FORM:

22 

23 Richard A. Mario  
24 BUCKLEY LeCHAVALLIER, P.C.

25 **CORPORATE CONSENT TO ENTRY OF ORDER**  
26 (for Loansource Funding LLC)

I, James C. Slaight, state that I am an officer of Loansource Funding LLC ("the

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 Respondent") and I am authorized to act on its behalf; that I have read the foregoing Order and  
2 that I know and fully understand the contents hereof; that I and this entity have been advised of  
3 the right to a hearing and of the right to be represented by counsel in this matter; that the  
4 Respondent, voluntarily and without any force or duress, consents to the entry of this Order,  
5 expressly waiving any right to a hearing in this matter; that the Respondent, makes no admission  
6 of liability with respect to the Findings of Fact in the foregoing Order; that the Respondent,  
7 executes this Consent as a settlement of the matters referred to in the foregoing Order; that the  
8 Respondent, understands that the Director reserves the right to take further actions to enforce this  
9 Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage  
10 Lender Law, OAR 441-850-0005 through 441-885-0010, or any rule, order, or policy issued by  
11 the Division; and that the Respondent will fully comply with the terms and conditions stated  
12 herein.

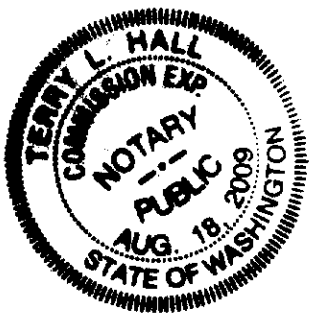
The Respondent understands that this Consent Order is a public document.

Dated this 11th day of December, 2006.

By: James C. Slaight  
James C. Slaight  
Office Held: Broker/Owner

**CORPORATE ACKNOWLEDGMENT**

17 There appeared before me this 11th day of December, 2006, James C.  
18 Slaight, who was first duly sworn on oath, and stated that he was and is an officer of Loansource  
19 Funding LLC ("the Respondent"), that he is authorized and empowered to sign this Consent to  
20 Entry of Order on behalf of the Respondent, and to bind the Respondent to the terms hereof.



Terry L. Hall  
Signature of Notary  
Notary Public for the State of Washington  
My commission expires: 08/18/2009

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**CONSENT TO ENTRY OF ORDER**  
(for James C. Slaight individually)

I, James C. Slaight, state that I am a resident of the State of Washington, that I have read the foregoing Order and that I know and fully understand the contents hereof; that I execute this Consent as a settlement of the matter referred to in the Order; that I have been advised of my right to a hearing, and that I have the right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law by me; and that I will fully comply with the terms and conditions stated herein.

I further assure the Director that I will not engage in the activities of a securities broker-dealer, investment adviser, or mortgage broker, or act as a salesperson for any of these unless such activities are in full compliance with Chapter 59 of the Oregon Revised Statutes.

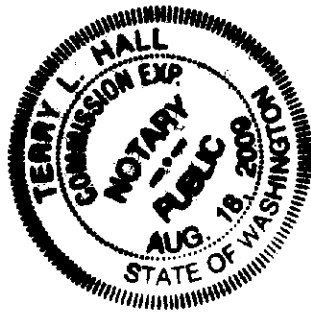
I understand that this Consent Order is a public document.

Dated this 11th day of December, 2006.

James C. Slaight  
James C. Slaight

SUBSCRIBED AND SWORN to before me this 11th day of December, 2006.

Jerry L. Hall  
Signature of Notary Public  
Notary Public for the State of Washington  
My commission expires: 08/18/2009



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///  
///

Division of Finance and Corporate Securities  
Labor and Industries Building  
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Telephone: (503) 378-4387