STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES

BEFORE THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES

In the Matter of:	**Case No. DM-11-0051**
Craig Michael Laverty,	**ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY**
Respondent.	**ENTERED BY DEFAULT**

On July 22, 2011, 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 the Oregon Mortgage Lending Law, ORS 86A.100 *et seq*., and the Oregon Debt Management Service Providers Law, ORS 697.602 *et seq*., issued Administrative Order No. DM-11-0051 to Cease and Desist, Proposed Order Assessing Civil Penalty and Notice of Right to Hearing (hereinafter "the Order") against Craig Michael Laverty (hereinafter "Respondent").

On July 25, 2011, Respondent was duly served with a true copy of the Proposed Order by regular, first-class mail, postage prepaid, and addressed to Respondent at the following address: 30025 Alicia Parkway Ste 186, Laguna Niguel, California 92677. The copy of the order sent via regular U.S. mail has not been returned and is therefore presumed to have been delivered as addressed. Respondents have not made a written request for a 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 Jason Weber, Enforcement Officer, the Director hereby issues the following Findings of Fact, Conclusions of Law, and Final Order:

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:

A. Respondent

1. Craig Michael Laverty (hereinafter "Respondent"), lists his address as 30025 Alicia Parkway, Suite 186, Laguna Niguel, California 92677.

2. Respondent is not a licensed mortgage banker, broker, or loan originator in Oregon and is not registered as a debt management service provider in Oregon.

3. Respondent has not obtained a unique identifier from the Nationwide Mortgage Licensing System and Registry.

4. Respondent was admitted to the California state bar on June 7, 1995. Respondents bar license was inactive as of June 31, 2011. Respondent was never licensed to practice law in Oregon.

B. RS transaction

5. At all times relevant to this matter, the individual consumer identified herein as "RS" was an Oregon resident. At all relevant times herein, RS was a party to a home mortgage loan secured by real estate located in Medford, Oregon.

6. On or about July 30, 2009, Respondent and RS entered into a contract whereby Respondent agreed to negotiate a loan modification for a loan secured by residential real property located in Medford, Oregon on behalf of RS in exchange for valuable consideration.

7. On July 30, 2009, RS paid $4,500 to Respondent.

8. On information and belief, Respondent has not conducted any substantive conversations with RS's mortgage lender that have resulted in a modification of RS's residential real estate loan.

9. On or about July 21, 2010, the Division of Finance and Corporate Securities notified Respondent in writing that it was required to comply with the licensing requirements of the Oregon Mortgage Lender law or the registration requirements of the statutes regarding debt

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management service providers to collect and retain fees in exchange for offering to assist Oregon consumers in adjusting the terms of their residential real estate loans.

10. The Division requested, in writing, that Respondent refund the fees collected from RS within 21 days from July 21, 2010, because it did not perform its promise to obtain a modification of the terms of RS's residential real estate loan.

11. As of the date of this order, Respondent has failed to refund the fees that it collected from RS.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

12. Respondent acted as a "mortgage broker" as defined by ORS 86A.100(7)(a)(C) when he offered to negotiate the terms of RS's mortgage loan in exchange for compensation.

13. Respondent engaged in a "residential mortgage transaction in this state" as defined by ORS 86A.103(2) when he offered to negotiate a home mortgage loan secured by real estate located in Oregon.

14. Respondent violated ORS 86A.103(1) when he engaged in a residential mortgage transaction in Oregon without first being licensed as either a mortgage banker or mortgage broker as described herein.

15. Respondent violated ORS 86A.154(2) when it knowingly made an untrue statement of material fact by telling RS that Respondent would attempt to negotiate RS's residential real estate loan when in reality Respondent did not conduct any substantive conversations with RS's mortgage lender that have resulted in a modification of RS's residential real estate loan.

16. Respondent performed a "debt management service" as defined by ORS 697.602(2)(c) when he offered to modify terms and conditions of an existing loan or obligation in exchange for compensation.

17. Respondent violated ORS 697.612(1)(a) when he performed a debt management service without first registering with the Director under ORS 697.632.

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18. The $4,500 fee collected by Respondent exceeded the amount permitted by ORS 697.692(1).

19. Respondent violated ORS 697.662(7)(a) when it collected fees from RS that exceeded the amounts permitted by ORS 697.692(1).

20. Respondent violated ORS 697.662(4) when it offered to perform a debt management service without evaluating, as part of the budget analysis the debt management service provider must perform under ORS 697.652(2), whether the debt management service is or would be advantageous to the consumer.

21. Respondent violated ORS 697.662(5) when it performed a debt management service without having a good faith belief formed after conducting an evaluation described in ORS 697.662(4) that the consumer can or will comply with the terms of the agreement described in ORS 697.652.

ORDERS

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

Cease and Desist Order

22. The Director, pursuant to his authority under ORS 86A.127 and ORS 697.825 hereby ORDERS Respondent to CEASE AND DESIST from violating Oregon's Mortgage Lender law and Oregon's Debt Management Service Providers law.

Order Assessing Civil Penalty

23. The Director, pursuant to ORS 86A.992, and ORS 697.832, may assess CIVIL PENALTIES of up to $5,000 per violation against persons who violate the Oregon Mortgage Lender law and the Debt Management Service Providers law. Pursuant to these provisions, the Director, hereby proposes to ORDER Respondent to pay the State of Oregon a CIVIL PENALTY totaling $20,000. This total civil penalty is calculated as follows: $5,000 for unregistered and unlicensed loan modification activity in violation of ORS 86A.103(1) and ORS 697.612(1); $5,000 for mortgage fraud in violation of ORS 86A.154(2); $5,000 for collecting

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excessive fees in violation of ORS 697.692(1) and ORS 697.662(7)(a); and $5,000 for offering to perform a debt management service without a good faith belief that it would actually be beneficial to the consumer in violation of ORS 697.662(4) and ORS 697.662(5).

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

IT IS SO ORDERED.

Dated this 17th day of September, 2011, Nunc Pro Tunc July 22, 2011.

SCOTT L. HARRA, Acting Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, 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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