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

In the Matter of: KEVIN DANIEL CASPER NMLS ID #177599, Respondent.	Case No. M-14-0005 ORDER REVOKING MORTGAGE LOAN ORIGINATOR LICENSE AND CONSENT TO ENTRY OF ORDER

WHEREAS the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director") conducted an investigation of Kevin Daniel Casper (hereinafter "Casper" or "Respondent") and determined that Respondent engaged in activities constituting violations of ORS 86A.100 et seq. and OAR 441-850-0005 through 441-885-0010 (hereinafter collectively cited as the "Oregon Mortgage Lender Law"); and

WHEREAS Respondent wishes to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signatures subscribed on this order, Respondent hereby CONSENTS to entry of this order upon the Director's Findings of Fact and Conclusions of Law as stated hereinafter:

I. FINDINGS OF FACT

The Director FINDS that:

1. On July 12, 2012, Kevin Daniel Casper (hereinafter "Casper" or "Respondent") filed an application for an Oregon mortgage loan originator license through the Nationwide Mortgage Licensing System (hereinafter "NMLS") with the Oregon Division of Finance and Corporate Securities (hereinafter "Division").

Submitting False Records to the Director

2. As part of the application, Respondent authorized a criminal records check to be conducted. On July 13, 2012, a Division employee reviewed the results of the criminal records

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check and placed a deficiency on the application in NMLS directing Respondent to contact the Division.

3. On or about July 27, 2012, Respondent contacted the Division employee who inquired about several items found on Respondent's criminal records check. Respondent was directed to send the court records related to his arrests that occurred in Georgia and Tennessee to the Division.

4. On July 30, 2012, Respondent sent an email to a Division employee that confirmed the July 27, 2012 conversation and contained a twelve page attachment entitled "EXPUNGE.pdf" (hereinafter collectively "Respondent's Attachment").

5. Respondent's Attachment contains copies of court records ostensibly from Catoosa County, Georgia including a three-count Accusation charging Respondent with two counts of Theft by Deception and one count of Theft By Taking. A document titled Final Disposition shows Respondent pled guilty to two counts of Theft By Deception and one count of "theft by taken (under $500)."

6. Also included in Respondent's Attachment is an Order Amending and Discharging Sentence in case number 2000-SU-CR-189 in which the court discharged Respondent without an adjudication of guilt for the Catoosa County, Georgia charges.

7. Based on the records Respondent submitted, the Division issued a mortgage loan originator license to Casper on August 7, 2012.

8. On February 10, 2014, the Division obtained copies of the same documents Respondent provided to the Director in his July 30, 2012 email directly from the Clerk of the Superior Court's Office in Catoosa County, Georgia (hereinafter "Clerk's Office").

9. A review of the documents obtained from the Clerk's Office revealed that the documents Respondent provided have been altered and are not accurate representations of the real court records.

10. The language in the Accusation obtained from the Clerk's Office differs from the

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language in the Accusation included in Respondent's Attachment. The Accusation obtained from the Clerk's Office indicates that Respondent was actually accused of two counts of Forgery in the First Degree and one count of Theft by Taking.

11. The Final Disposition obtained from the Clerk's Office indicates that Respondent entered a guilty plea to two counts of Forgery in the First Degree, which are felony charges, rather than two counts of Theft by Deception and one count of Theft By Taking collectively listed as "misdemeanor" on the documents Respondent provided to the Director.

12. The Order Amending and Discharging Sentence obtained from the Clerk's Office appears to be the same document Respondent provided.

13. Respondent's Attachment also contains copies of court records ostensibly from Hamilton County, Tennessee including a grand jury true bill numbered 239008 (hereinafter "Respondent's True Bill") listing the crime charged as a Class A misdemeanor and alleging "That Kevin D. Cosper [sic] heretofore on or before July 21, 2001, in the County aforesaid did unlawfully and knowingly obtain or exercise control of property, valued at under $500.00 belonging to Dick's Sporting Goods, without the owner's effective consent and with the intent to deprive the owner of said property, in violation of Tennessee Code Annotated 39-10-103, against the peace and dignity of the State."

14. Respondent's Attachment also contains a document entitled "Judgment" (hereinafter "Respondent's Judgment") indicating that on November 1, 2012, Respondent was convicted of "Theft under $500," a Class A Misdemeanor, and sentenced to four years of probation to run consecutive to the Georgia case.

15. On February 11, 2014, the Division obtained copies of the same documents Respondent provided to the Director in his July 30, 2012 email directly from the Clerk of the Criminal Court's Office in Hamilton County, Tennessee (hereinafter "Clerk's Office").

16. A review of the documents obtained directly from the Clerk's Office revealed that the documents Respondent provided have been altered and are not accurate representations of the

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real court records.

17. The copy of the True Bill obtained from the Clerk's Office noted that the crime charged, Theft of Property, was a Class D felony and alleged "[t]hat Kevin D. Cosper [sic] heretofore on or before July 21, 2001, in the County aforesaid, did unlawfully and knowingly obtain or exercise control of property, valued at over $1,000.00 belong to Dick's Sporting Goods, without the owner's effective consent and with the intent to deprive the owner of said property in violation of Tennessee Code Annotated 39-14-103, against the peace and dignity of the State."

18. The True Bill obtained from the Clerk's Office indicates that Respondent was actually accused of a Class D Felony, not a Class A Misdemeanor as listed on the documents Respondent provided to the Director.

19. In addition to other minor differences in type, stamps, and signature, the True Bill obtained from the Clerk's Office indicates that the property taken exceeded $1,000 in value rather than under $500 as listed on the documents Respondent provided to the Director.

20. The Judgment obtained from the Clerk's Office indicates that Respondent entered a guilty plea to Theft Over $1,000, a Class D Felony. In addition to the other alterations of the document, the Judgment Respondent provided to the Director indicated that he was convicted of only Theft Under $500, a Class A Misdemeanor.

21. Also included in the documents obtained from the Clerk's Office was a Petition to Enter Plea of Guilty and Waiver of Trial By Jury signed by Respondent on November 1, 2002 acknowledging that he was pleading guilty to "Theft Over $1000."

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Felony Conviction

22. Respondent's conviction for Theft Over $1,000, a Class D Felony, was entered on November 1, 2002 in Hamilton County, Tennessee. It has not been expunged or otherwise overturned by the court.

23. The Director finds that Respondent's Tennessee felony conviction justifies a decision to deny or decline to renew a mortgage loan originator's license.

Filing an Application with a False Statement and Failure to Disclose Washington License Action

24. Respondent answered "no" to all of the disclosure questions on the application he filed on July 12, 2012 and in each of the over 30 amendments filed through the date of this order. The disclosure questions include question F(1) that asks "Have you even been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?" and question N that asks "Is there a pending regulatory action proceeding against you for any alleged violation described in (K) through (L)?" Question K contains several subparts as follows:

"(K) Has any State or federal regulatory agency or foreign financial regulatory authority ever:

(1) found you to have made a false statement or omission or been dishonest, unfair or unethical?

(2) found you to have been involved in a violation of a financial services-related business regulation(s) or statute(s)?

(3) found you to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?

(4) entered an order against you in connection with a financial services-related activity?

(5) revoked your registration or license?

(6) denied or suspended your registration or license, disciplined you, or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?

(7) barred you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business?

(8) issued a final order against you based on violations of any law or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

(9) entered an order concerning you in connection with any license or registration?"

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25. In his initial application and in each of the subsequent amendments, Respondent swore or attested to the following: "(1) That the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part of this application, are current, true, accurate and complete and are made under the penalty of perjury, or un-sworn falsification to authorities, or similar provisions as provided by the law, (2) To the extent any information previously submitted is not amended and hereby, such information remains accurate and complete; (3) That the jurisdiction(s) to which an application is being submitted may conduct any investigation into my background, in accordance with all laws and regulations; (4) To keep the information contained in this form current and to file accurate supplementary information on a timely basis; and (5) To comply with the provisions of law, including the maintenance of accurate books and records, pertaining to the conduct of business for which I am applying." The attestation includes the warning that "If an Applicant has made a false statement of material fact in this application or in any documents provided to support the foregoing application, then the foregoing application may be denied."

26. As noted previously, Respondent was convicted of Theft Over $1,000, a Class D Felony, in Catoosa County, Georgia in November 2002.

State of Washington License Enforcement Action

27. On December 18, 2013, the Washington Department of Financial Institutions (hereinafter "DFI") issued a Statement of Charges and Notice of Intention to Enter an Order to Revoke License, Deny Renewal of License and Prohibit from Industry (hereinafter "SOC") against Respondent. The SOC alleged that in January 2002 in Hamilton County, Tennessee "Respondent entered a plea of guilty to a felony crime of dishonesty."

28. The SOC further alleges that Respondent filed an application in the NMLS in September 2013 to obtain a license and a filing in November 2013 to renew the license that falsely answered "no" to the question about a felony conviction (question F(1)) and attested that the information in NMLS was "true, accurate and complete."

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29. On December 18, 2013, DFI sent the SOC by first class mail and overnight delivery to Respondent's home and work addresses on record in NMLS as of that date. Also on December 18, 2013, DFI sent the SOC to Respondent's fax number (704) 530-6657 and email address kevin@statesmortgage.com on record in NMLS as of that date.

30. On December 31, 2013, the DFI received a request for hearing on the SOC from Respondent dated December 18, 2013.

31. On February 6, 2014, Respondent filed an amendment to his license application in NMLS. The amendment contained "no" answers to each of the disclosure questions, including F-1 and N.

32. To date, Respondent has not disclosed to the Director, through or outside of the NMLS, that the State of Washington initiated an action against his license.

State of Florida License Enforcement Action

33. On or about April 15, 2014, the State of Florida, Office of Financial Regulation (hereinafter the "Office") issued a two-count Administrative Complaint to Respondent including a notice of intent to enter an order revoking his loan originator license.

34. The Administrative Complaint reported that on November 1, 2002, Respondent plead guilty to a class D felony of theft over $1,000 in the Criminal Court of Hamilton County, Tennessee.

35. The Administrative Complaint alleges that Respondent made a material misrepresentation in his initial license application by answering "no" to the license application question regarding a past felony conviction. It further alleges that Respondent knew certain court records he submitted to the Office for his application were false.

36. The Administrative Complaint was sent by certified mail to Respondent's address of record listed with the Office and was delivered on April 18, 2014.

37. On June 9, 2014, the Office issued a Final Order revoking Respondent's mortgage loan originator license based on the facts and violations included in the Administrative Complaint.

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38. To date, Respondent has not disclosed to the Director, through or outside of the NMLS, that the State of Florida initiated an action against his license.

Unlicensed Activity

39. On August 7, 2012, the Division issued a loan originator license to Respondent based upon his application filed in the NMLS and the materials he provided outside of the NMLS establishing that his Georgia conviction was expunged, and his Tennessee conviction was for a misdemeanor. Respondent has continuously renewed his license such that it currently expires on December 31, 2014.

40. At the time of issuance, Respondent's license was sponsored by Southern States Mortgage Company, Inc., NMLS ID number 63733 (hereinafter "Southern").

41. On October 9, 2013, Respondent removed Southern's sponsorship of his Oregon mortgage loan originator license.

42. On October 22, 2013, States Mortgage Company Inc., NMLS ID number 1020886, (hereinafter "States") requested sponsorship of Respondent's Oregon mortgage loan originator license, which the Division approved on October 23, 2013.

43. Between October 9, 2013 and October 23, 2013, Respondent's Oregon mortgage loan originator license was not sponsored by any company, he was not covered by a surety bond on file with the Division, and he was not licensed to engage in loan origination activities on behalf of any company.

44. On November 5, 2013, the Division completed an examination of States. The examiner reviewed a loan file that contained an application Respondent took on October 7, 2013 on behalf of States for Oregon consumer HH on a loan secured by Oregon property. States had not sponsored Respondent's Oregon mortgage loan originator license at the time the time he took the application.

45. On February 11, 2013, Brenna Olberding, sole owner and President of States, provided an explanation and a list of Oregon residential mortgage loans States originated since the

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company's license was issued on May 15, 2013. The explanation included that the "intent was to transfer the MLOs from [Southern] to [States] on NMLS on 9/12/2013, however we were informed that loans currently in process in underwriting would not fund unless the MLO was associated with [Southern] on NMLS at the time of funding. Due to this MLOs were not transferred on NMLS as planned. No new business was initiated under [Southern]. … All loans that were at a transferable point in the process were denied under [Southern] and re-opened under [States]." The explanation further states that "[o]n October 23, 2013 MLOs were transferred to [States] on NMLS."

46. The list of loans that States originated included applications Respondent took for loans secured by Oregon property, including an application on October 7, 2013 for consumer RR, an application on October 7, 2013 for consumer HH, and an application on October 8, 2013 for RN. The application for HH was in the file the examiner reviewed during the November 2013 examination.

II. CONCLUSIONS OF LAW

The Director CONCLUDES that:

47. Criminal history is a material part of the mortgage loan originator license application.

48. By filing Respondent's Attachment containing statements he knew to be false regarding his criminal history in Georgia and Tennessee, Respondent filed a document with the Director he knew to false in a material respect or matter in violation of ORS 86A.236(4).

49. By filing Respondent's Attachment containing false statements of material fact regarding his criminal history in Georgia and Tennessee, Respondent made a false statement of fact on his license application, which is grounds to revoke Respondent's license pursuant to ORS 86A.224(1)(c).

50. Dishonesty is an essential element of Theft of Property.

51. Because Respondent was convicted of Theft of Property, a Class D Felony, in Hamilton County, Tennessee, Respondent is not eligible to hold an Oregon mortgage loan originator

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license pursuant to ORS 86A.212(1)(c)(B).

52. Because the Director finds that Respondent's felony conviction justifies a decision to deny or decline to renew Respondent's license pursuant to ORS 86A.212(1)(c)(B), the Director may revoke Respondent's license pursuant to ORS 86A.224(1)(b).

53. By filing his application on July 12, 2012 and all the amendments thereto containing a "no" answer to disclosure question F-1 asking if Respondent has been convicted or pled guilty to a felony when Respondent knew he had pled guilty and been convicted of a felony, Respondent filed a document with the Director he knew to false in a material respect or matter in violation of ORS 86A.236(4).

54. By filing the July 12, 2012 application and all the amendments thereto containing a "no" answer to disclosure question F-1 asking if Respondent has been convicted or pled guilty to a felony when Respondent knew he had pled guilty and been convicted of a felony, Respondent made a false statement of fact on his application for a license which is grounds to revoke Respondent's license pursuant to ORS 86A.224(1)(c).

55. By filing his application on July 12, 2012 and all the amendments thereto containing a "no" answer to disclosure question N asking if there is a pending regulatory action when Respondent knew that Washington and Florida had a pending regulatory action that could result in the revocation of his license in that state, Respondent filed a document with the Director he knew to false in a material respect or matter in violation of ORS 86A.236(4).

56. By filing his application on July 12, 2012 and all the amendments thereto containing a "no" answer to disclosure question N asking if there is a pending regulatory action against him when Respondent knew that Washington and Florida had a pending regulatory action against him that could result in the revocation of his license in that state, Respondent made a false statement of fact on his license application, which is grounds to revoke Respondent's license pursuant to ORS 86A.224(1)(c).

57. By failing to inform the Director within 30 days of being served with the Washington

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SOC and the Florida Administrative Complaint seeking to revoke his licenses in those states, Respondent violated OAR 441-880-0320(2).

58. Since the Office revoked the loan originator license issued to Respondent, he no longer meets the criteria in ORS 86A.212(1)(b) to have an Oregon loan originator license, which constitutes grounds to revoke the license pursuant to ORS 86A.224(1)(b).

59. Pursuant to OAR 441-880-0315(2), Respondent was not eligible to originate loans for States until States's sponsorship was accepted on October 23, 2013.

60. By taking applications for Oregon residential mortgage loans from consumers RR, HH, and RN on behalf of States when he did not have an active license appropriately sponsored by the company he was acting as a loan originator for, Respondent violated ORS 86A.203(1)(a).

III. ORDER

Now, therefore, the director issues the following ORDER**:**

61. The Director, pursuant to ORS 86A.224(1)(b) and (c), hereby REVOKES Kevin Daniel Casper's Oregon mortgage loan originator license.

IT IS SO ORDERED.

Dated this 25th day of July, 2014.

PATRICK M. ALLEN, Director
Department of Consumer and Business Services

/s/ David Tataman
David C. Tatman, Administrator
Division of Finance and Corporate Securities

CONSENT TO ENTRY OF ORDER

I, Kevin Daniel Casper, state that I have read the foregoing order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter, and I desire to resolve and settle this matter with the

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Director. I voluntarily, without any force or duress, consent to the entry of this order, expressly waiving any right to a hearing in this matter. I understand that the Director reserves the right to take further actions to enforce this order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law and the Oregon statutes regulating debt management service providers, and I will fully comply with the terms and conditions stated herein.

I understand that this consent order is a public document.

Dated this 15th day of July, 2014.

By /s/ Kevin Daniel Casper

Kevin Daniel Casper

Notary Public for the State of: North Carolina

Signed or attested before me on: July 15, 2014

My commission expires: October 11, 2017

/s/ Sherry P. Hopwell

Signature of Notary Public

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