

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

**STATE OF OREGON
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

CLAYBORN COLLINS, an individual,
d/b/a Collins Funding Group,

Respondent.

M-06-0011-2

**ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL PENALTY
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") has conducted an investigation of Clayborn Collins ("Collins" or "Respondent"), and has determined that Collins has engaged in activities constituting violations of ORS 59.840 through 59.980 and 59.996 (hereinafter "the Oregon Mortgage Lender Law"); and

WHEREAS Collins wishes to resolve and settle this matter with the Director;

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

FINDINGS OF FACT

The Director **FINDS** that:

1. Clayborn Collins is an Oregon resident with a last-known residence address of 14880 SE Oregon Trail Dr., Clackamas, Oregon 97015. On March 12, 1997, Collins was convicted in Multnomah County Circuit Court of two Class C felonies.

2. Collins is the director of community services for Emmanuel Temple Church,

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 located at 1033 N. Sumner in Portland. The church fax telephone number is 503-287-7990.
2 Collins also does business using the unregistered assumed business name Collins Funding Group
3 (“Collins Funding”).

4 3. Loansource Funding, LLC, (hereinafter “Loansource”) is a Washington limited
5 liability corporation with principal offices at 5501 NE 109th Court, Suite L, Vancouver,
6 Washington 98662. Loansource is licensed by the Director as an Oregon residential mortgage
7 broker, holding license number ML-2750, first issued on November 20, 2002. Loansource has
8 licensed branch offices in Oregon and Washington. James C. Slaight (“Slaight”) is the president,
9 experienced person and control person for Loansource.

10 MLK Branch Office Application

11 4. On or about October 1, 2003, Loansource submitted a mortgage lender loan
12 originator information form to the Division of Finance and Corporate Securities (“Division”)
13 indicating that Loansource had hired Collins as a loan originator. On the form, Collins’ start date
14 was listed as August 1, 2003. Loansource identified Collins’ birth date as May 2, 1967 and the
15 last four digits of his social security number as 9226.

16 5. On January 1, 2004, Oregon Laws 2003, Chapter 526, Section 3, codified as ORS
17 59.972, became effective as a new provision of the Mortgage Lender Law. The law requires
18 every Oregon-licensed mortgage banker or mortgage broker to conduct a criminal record check
19 of every individual whom the mortgage banker or mortgage broker employs or intends to employ
20 as a loan originator. The statute also requires mortgage bankers and mortgage brokers to report
21 to the Director the results of such criminal records checks.

22 6. On January 1, 2004, the Division adopted Oregon Administrative Rule (“OAR”)
23 441-880-0050, establishing rules for the implementation and administration of criminal records
24 checks required under ORS 59.972, and specifying categories of criminal convictions that
25 prevent a person from being employed as a loan originator under ORS 59.971. The rule required
26 licensees to complete criminal background checks for newly hired loan originators within thirty



1 days of hire, or by April 30, 2004 for loan originators hired on or before January 1, 2004. The
2 rule established categories of criminal convictions that disqualify a person from being employed
3 as a loan originator, including, but not limited to, theft and falsification of records.

4 7. On January 14, 2004, Collins was still employed as a loan originator for
5 Loansource as evidenced by the email he sent to Lee Proctor ("Proctor"), a Division financial
6 examiner, using the email address claybornc@loansource.info. In the message, Collins wrote
7 that he needed a form to register a "net branch for loansource [sic] Funding LLC." The message
8 was signed "Clayborn Collins, Senior Loan Officer, LoanSource Funding, LLC, W 503-888-
9 1011, F 775-261-2358."

10 8. On or about the same date, January 14, 2004, Loansource submitted another
11 mortgage lender new branch application to the Division for a branch office to be opened at 4606
12 NE Martin Luther King Jr. Blvd. in Portland (hereinafter referred to as "the MLK Blvd. location"
13 or "the MLK Blvd. branch office"). Collins was specified on the form as the manager of this
14 new branch office.

15 9. On January 17, 2004, Slaight sent Proctor an email message asking that the
16 Division "disregard my fax request to obtain a branch license at [the MLK Blvd. location].
17 Clayborn Collins has chosen to pursue a different brokerage relationship." Proctor responded,
18 asking Slaight if Collins continued to be a loan originator for Loansource. Slaight replied that
19 Collins was no longer a loan originator for Loansource. Slaight provided Proctor with a list of
20 individuals who were terminated as Loansource employees effective January 16, 2004. One of
21 the individuals listed was Collins.

22 10. On January 20, 2004, a memorandum was issued by the Division's then chief of
23 licensing and registration informing all current or prospective mortgage banker or mortgage
24 broker licensees of the new requirements for criminal background checks under ORS 59.972 and
25 OAR 441-880-0050.

26 11. On July 27, 2004, Slaight wrote a letter addressed to the Division that Loansource
PAGE 3 — ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY AND
CONSENT TO ENTRY OF ORDER — CLAYBORN COLLINS, No. M-06-0011-2



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 would be opening a new branch office at the MLK Blvd. location. This was the same address as
2 the withdrawn branch application submitted on January 14, 2004. Slaight advised that the
3 branch manager, again, was to be Collins. No mortgage lender new branch application form or
4 loan originator information form for Collins was filed at that time.

5 12. On August 19, 2004, the Division received a mortgage lender new branch
6 application form from Loansource for the MLK Blvd. location. The application included a form
7 "Section 5 – Affiliated-person information for branch manager or regional supervisor," signed by
8 Collins and dated August 11, 2004. In the Section 5 form, Collins falsely listed his birth date as
9 March 2, 1966 and he falsely listed his social security number as ending with the four digits
10 2096. Question 1 on the Section 5 form states: "In the 10 years preceding the date of this
11 application, have you been convicted of a misdemeanor of which an essential element was fraud,
12 or a felony?" The box marked "No" was checked.

13 13. On August 25, 2004, Proctor mailed Slaight a letter with a Notice of Incomplete
14 Licensing. In this Notice, Proctor requested that Slaight clarify the identity of Collins and
15 explain the discrepancy of Collins' birth dates and social security numbers contained in the
16 August 2003 and August 2004 loan originator applications. Slaight did not reply.

17 14. On October 25, 2004, Proctor mailed Slaight another letter noting that Loansource
18 had not replied to his earlier request for clarification. Proctor notified Loansource that the
19 Division would consider Loansource's pending branch application for the MLK Blvd. location to
20 be abandoned.

21 **Beketic Residential Property Appraisal**

22 15. In March or April 2006, Collins ordered a real estate appraisal from Carl Royer
23 ("Royer"), a licensed appraiser doing business as Appraisal Quick. Collins ordered an appraisal
24 in connection with a residential loan application of Aurelia B. Beketic ("Beketic") for subject
25 property located at 3602 SW Corbett Avenue, Portland, Oregon 97239. On the form requesting
26 the appraisal, Collins inserted Loansource as the party requesting the appraisal and listed the cell

1 phone number of Deborah Roper ("Roper"), a former loan originator for Loansource, as one
2 contact telephone number. Roper had no involvement with Beketic's loan, did not order an
3 appraisal of the subject property, and did not give Collins permission to use her name in
4 connection with Beketic's loan.

5 **Williams Residential Property Appraisal**

6 16. In March or April 2006, Collins ordered a real estate appraisal from Royer in
7 connection with a residential loan application of Marcus J. Williams ("Williams") for subject
8 property located at 18878 SW Bonnie Meadow Lane, Beaverton, Oregon 97006. On the form
9 requesting the appraisal, Collins inserted Loansource as the party requesting the appraisal and
10 listed Roper's cell phone number as one of the contact telephone numbers. Roper had no
11 involvement with Williams' loan, did not order an appraisal of the property, and did not give
12 Collins permission to use her name in connection with Williams' loan.

13 **Baker Residential Property Appraisal**

14 17. In March or April 2006, Collins ordered a real estate appraisal from Royer in
15 connection with a residential loan application of Etta Baker ("Baker") for subject property
16 located at 703 NE Prescott Street, Portland, Oregon 97211. On the form requesting the
17 appraisal, Collins inserted Roper and Loansource as the parties requesting the appraisal and
18 listed Roper's cell phone number as one of the contact telephone numbers. Collins also listed his
19 cell phone number, 503-888-0223, as one of the contact telephone numbers for the appraisal
20 order. Roper had no involvement with Baker's loan, did not order an appraisal of the property,
21 and did not give Collins permission to use her name in connection with Baker's loan.

22 **Tollefson Residential Property Appraisal**

23 18. In March or April 2006, Collins ordered a real estate appraisal from Royer in
24 connection with a residential loan application of Linda Tollefson ("Tollefson") for subject
25 property located at 5020 NE 24th Avenue, Portland, Oregon 97211. On the form requesting the
26 appraisal, Collins inserted Loansource as the party requesting the appraisal and listed Roper's



1 cell phone number as one of the contact telephone numbers. Roper had no involvement with
2 Tollefson's loan, did not order an appraisal of the property, and did not give Collins permission
3 to use her name in connection with Tollefson's loan.

4 **Richey Residential Property Appraisal**

5 19. In March or April 2006, Collins ordered a real estate appraisal from Royer in
6 connection with a residential loan application of Laura J. Richey ("Richey") for subject property
7 located at 13455 NE Failing Street, Portland, Oregon 97230. On the form requesting the
8 appraisal, Collins inserted Roper's name as the party requesting the appraisal and listed Roper's
9 business affiliation as Northwest Solution Services, 1033 N. Sumner Avenue, Portland, Oregon
10 97217. The form also listed Roper's cell phone number as one of the contact telephone numbers.

11 20. On or about June 20, 2006, Collins ordered another real estate appraisal on the
12 subject property from Dale Stuewe ("Stuewe") of Stuewe Appraisal Services, Inc. On the
13 appraisal request, Collins again used Roper's name as the requesting party.

14 21. Roper had no involvement with Richey's loan, did not order either appraisal, and
15 did not give Collins permission to use her name in connection with Richey's loan.

16 **Keller-Yearout Residential Loan Application**

17 22. On or before May 2006, Collins interviewed and obtained a residential mortgage
18 loan application from Kathy Keller-Yearout ("Keller-Yearout") for property located at 16800 SE
19 18th Street, Vancouver, Washington 98683. Collins used the name of another former loan
20 originator for Loansource, Deborah Walden ("Walden"), on the Keller-Yearout loan documents
21 to falsely portray who was originating the loan. The documents misspelled Walden's name, and
22 omitted her signature as the originating party.

23 23. Collins applied for an escrow account for the Keller-Yearout loan with 1st
24 American Title Insurance Co., 16701 SE McGillvray Blvd., Suite 100, Vancouver, Washington
25 98683 ("1st American"), representing that the loan was to be obtained from Countrywide Home
26 Loans. Collins was not an agent or employee for Countrywide Home Loans at the time he



1 applied for the escrow account and he knew that the loan would not be obtained through
2 Countrywide.

3 24. On or about March 27, 2006, Keller-Yearout paid Collins \$400.00 for an
4 appraisal of the subject property. On or about April 3, 2006, Collins ordered an appraisal of the
5 subject property from Royer. At loan closing, Keller-Yearout informed the escrow officer,
6 Angela J. Ashton ("Ashton") of 1st American, that she had paid Collins for the property
7 appraisal. Ashton then called Royer's office to request an amended invoice. Ashton was told
8 that the appraisal fee had not been paid. Collins cashed the check issued by Keller-Yearout. The
9 appraisal fee was paid on or about May 16, 2006 by 1st American.

10 25. Since January 17, 2004, Collins has not been licensed in Oregon as a mortgage
11 banker or mortgage broker pursuant to ORS 59.840 to 59.980 nor has he been an employee of
12 any mortgage broker or mortgage banker licensed to engage in residential mortgage transactions
13 in Oregon.

14 CONCLUSIONS OF LAW

15 The Director **CONCLUDES** that:

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

19 27. Collins violated ORS 59.845(1) by engaging in residential mortgage transactions
20 related to the residential mortgage loan for Etta Baker without a license issued pursuant to ORS
21 59.840 to 59.980.

22 28. Collins violated ORS 59.845(1) by engaging in residential mortgage transactions
23 related to the residential mortgage loan for Aurelia B. Beketic without a license issued pursuant
24 to ORS 59.840 to 59.980.

25 29. Collins violated ORS 59.845(1) by engaging in residential mortgage transactions
26 related to the residential mortgage loan for Kathy Keller-Yearout without a license issued



1 pursuant to ORS 59.840 to 59.980.

2 30. Collins violated ORS 59.845(1) by engaging in residential mortgage transactions
3 related to the residential mortgage loan for Laura J. Richey without a license issued pursuant to
4 ORS 59.840 to 59.980.

5 31. Collins violated ORS 59.845(1) by engaging in residential mortgage transactions
6 related to the residential mortgage loan for Linda Tollefson without a license issued pursuant to
7 ORS 59.840 to 59.980.

8 32. Collins violated ORS 59.845(1) by engaging in residential mortgage transactions
9 related to the residential mortgage loan for Marcus J. Williams without a license issued pursuant
10 to ORS 59.840 to 59.980.

11 **ORDER**

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

13 33. Pursuant to the authority of ORS 59.885(4), the Director hereby **ORDERS**
14 Respondent Clayborn Collins, and any successor business entity owned, operated or under the
15 control of Collins, to **CEASE AND DESIST** from violating any provision of the Oregon
16 Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010, and any rule, order, or policy
17 issued by the Division.

18 34. Pursuant to the authority of ORS 59.996, the Director hereby **ASSESSES** a
19 **CIVIL PENALTY** in the amount of \$17,500.00 (seventeen thousand five hundred dollars)
20 against Respondent Clayborn Collins as follows:

21 A. \$2,500.00 (two thousand five hundred dollars) for one violation of ORS 59.930(4)
22 (making or filing, or causing to be made or filed, with or to the Director, a loan originator
23 information form containing false information regarding the applicant's social security number);
24 and

25 B. \$2,500.00 (two thousand five hundred dollars) each for six violations of ORS
26 59.845(1) (engaging in residential mortgage transactions in this state as a mortgage banker or



1 mortgage broker without being licensed under ORS 59.840 to 59.980), for a subtotal of
2 \$15,000.00 (fifteen thousand dollars).

3 35. The Director **SUSPENDS** payment of half of the assessed civil penalty against
4 Respondent Collins, in the amount of \$8,750.00 (eight thousand seven hundred fifty dollars), for
5 a period of five years. If, in the five-year period following the date of the Order, Collins violates
6 this Order, any provision of the Oregon Mortgage Lender Law, OAR 441-850-0005 through
7 441-885-0010, or any rule, order, or policy issued by the Division, the suspended portion of the
8 assessed civil penalty will become immediately due and payable. If Collins does not violate the
9 Oregon Mortgage Lender Law, OAR 441-850-0005 through 441-885-0010 or any rule, order, or
10 policy issued by the Division within five years from the date of the Order, the suspended portion
11 of the civil penalty is waived.

12 36. The assessed civil penalty of \$8,750.00 (eight thousand seven hundred fifty
13 dollars) shall be paid to the Division no later than 5 pm, Tuesday, May 15, 2007. The payment
14 shall be in the form of a cashier's check or money order for the full amount made out to the order
15 of the Department of Consumer and Business Services. The case number shall be written on the
16 check. The check and a copy of the first page of this Order shall be mailed or delivered to the
17 following address:

18 Division of Finance & Corporate Securities
19 Enforcement Section
20 350 Winter Street NE, Room 410
Salem OR 97301-3881

21 37. Failure of Respondent Collins to pay the assessed portion of the civil penalty by
22 the date specified in this Order will be considered a violation of the Order and the entire civil
23 penalty of \$17,500.00 (seventeen thousand five hundred dollars) will become immediately due
24 and payable.

25 38. Respondent Collins agrees to provide his full cooperation and assistance to the
26 Director in any further investigations of allegations of the Mortgage Lender Law arising from or
PAGE 9 — ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTY AND
CONSENT TO ENTRY OF ORDER — CLAYBORN COLLINS, No. M-06-0011-2

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



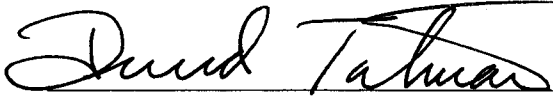
1 related to this matter.

2 39. The date of this Order is the day the Director signs the Order.

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

5 Dated this 28th day of March, 2007, at Salem, Oregon.

6 CORY STREISINGER, Director
7 Department of Consumer and Business Services

8 
9 David C. Tatman, Administrator
10 Division of Finance and Corporate Securities

11
12
13 **CONSENT TO ENTRY OF ORDER**

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

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

26 ///

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
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I understand that this Consent Order is a public document.

Dated this 15 day of March, 2007.

Clay Collins
Clayborn Collins

SUBSCRIBED AND SWORN to before me this 20 day of Feb March, 2007.

Vivek Siddhu
Signature of Notary Public

Notary Public for the State of: Oregon

My commission expires: Feb 2, 2008

///
///
///
///
///



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

