

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:

Allegiance Mortgage, LLC and
Brian Fallini

Respondents.

M-06-0039-1
M-06-0039-2

ORDER OF REVOCATION OF
MORTGAGE BANKER/BROKER LICENSE
ORDER BANNING FROM EMPLOYMENT
WITH MORTGAGE BANKER/BROKER
ORDER TO CEASE AND DESIST
ORDER IMPOSING CIVIL PENALTIES

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 Allegiance Mortgage, LLC and Brian Fallini and determined that Allegiance Mortgage, LLC and Brian Fallini engaged in activities constituting violations of ORS 59.840 through 59.965 (hereinafter cited as the Oregon Mortgage Lender Law); and

WHEREAS Allegiance Mortgage, LLC and Brian Fallini wish to resolve and settle this matter with the Director,

NOW THEREFORE, as evidenced by the authorized signature subscribed on this order, Allegiance Mortgage, LLC and Brian Fallini hereby **CONSENT** 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. Allegiance Mortgage LLC (hereinafter "Allegiance") is an Oregon corporation that conducts the business of a mortgage broker by completing loan applications for Oregon residential mortgage loans for its customers. Allegiance then submits the applications

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1 to prospective lenders to approve and make the loan based upon the information
2 contained in the applications with the intention that the lender approves the loans so
3 Allegiance earns a commission. Brian Fallini (hereinafter "Fallini") is the sole owner of
4 Allegiance. At all times relevant herein, Allegiance employed Mark Harless, Hien
5 Williams and Darla Anderson as loan originators to take loan applications on behalf of
6 Allegiance.

7 2. Allegiance first obtained a license to engage in Oregon residential mortgage
8 loans on June 2, 2000 and the current license is set to expire on June 2, 2007. At all
9 times relevant herein, Allegiance was an approved lender of the Department of Housing
10 and Urban Development (hereinafter "HUD").

11 3. On March 26, 2004, M and L A obtained a residential mortgage
12 loan of \$240,000 based upon an application taken by Hien Williams that listed the
13 A monthly income as \$8,500. Allegiance knew that the prospective lender
14 would rely upon the income information in the application. At the time that Allegiance
15 submitted the application, Allegiance knew the income information in the application
16 was false because Allegiance had W-2s and pay stubs in its file that indicated that the
17 A monthly income was not \$8,500. The lender relied upon the income
18 information submitted by Allegiance and would not have made the loan on the terms it
19 was made if the income information was different.

20 4. On October 29, 2004, K K obtained two mortgage loans based upon
21 applications taken by Darla Anderson that listed K K employment as
22 Counselor with monthly income of \$4,000. Allegiance knew that the prospective lender
23 would rely upon the income information in the application. Allegiance knew the
24 reported income of \$4,000 listed on the applications was false because Allegiance had
25 bank statements in its file that contained monthly deposits that indicated that K
26 K did not earn \$4,000 per month and a previous application taken by Darla

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