

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Loan Originator License of:

No. 14F-BD023-BNK

3 **TIMOTHY GEORGE**

**CONSENT ORDER**

4 13631 North 70th Drive  
5 Peoria, Arizona 85381

Petitioner.

6  
7 On May 9, 2014, the Arizona Department of Financial Institutions (“Department”) issued an  
8 Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order (“Cease  
9 and Desist Order”), finding that Petitioner had violated Arizona law. Wishing to resolve this matter  
10 in lieu of an administrative hearing, Petitioner consents to the following Findings of Fact and  
11 Conclusions of Law, and consent to the entry of the following Order.

12 FINDINGS OF FACT

13 1. Petitioner Timothy George (“Mr. George” or “Petitioner”) was employed by Amerifirst  
14 Financial, Inc. (“AmeriFirst”), an Arizona corporation, authorized to transact business in Arizona as  
15 a mortgage banker, license number BK 013635, as a loan originator, NMLS 229194, until December  
16 27, 2012. In the course of and subsequent to examination of AmeriFirst, the Department made the  
17 following findings:

- 18 a. On or about August 28, 2012, Mr. George accepted an initial loan application from  
19 Barry C. (“Borrower”). The Borrower indicated that he was employed by Phoenix  
20 Battery Services, LLC (“PBSL”) as an operations manager.
- 21 b. Subsequently, on or about Monday, September 24, 2012, Mr. George was told by  
22 AmeriFirst employee on or about September 24, 2012 that AmeriFirst had been told  
23 that Borrower’s employment had been terminated by PBSL on August 2, 2012.
- 24 c. Mr. George contacted the Borrower via email regarding his employment status, and  
25 the Borrower replied to Mr. George requesting that Amerifirst call PBSL’s Phoenix  
26 office and “Ask for Adrienne.” Mr. George also asked the Borrower for updated

1           paystubs. Within minutes, the Borrower emailed to Mr. George the paystubs showing  
2           employment by PBSL, dated August 15, 2012, September 5, 2012, and September 15,  
3           2012.

4           d. Autumn C., a loan processor assistant, telephoned Adrienne A. of PBSL in Phoenix  
5           who verified that the Borrower was still employed by PBSL in Phoenix. Mr. George  
6           was informed of that by Autumn C.

7           e. On Thursday, September 27, 2012, the Managing Partner of PBSL located in the  
8           company's main office in Tucson again informed Autumn C. that the Borrower was  
9           terminated on August 2, 2012, and he did so both orally and in writing by faxing a  
10          filled out Request for Verification of Employment Form ("VOE") to AmeriFirst.

11          f. Autumn C. emailed the VOE with the negative information to Mr. George, asking  
12          Mr. George if he could "find out if there [wa]s someone else who c[ould] fill out the  
13          VOE for us for [the Borrower]..." and claims that she gave a copy of the VOE to her  
14          supervisor Andrea J.

15          g. Upon receipt of this information, Mr. George did not bring the Borrower's file to a  
16          "hard stop" by requesting that all work on the file be suspended until the  
17          inconsistency regarding the Borrower's employment is resolved and confirmation of  
18          the resolution is obtained in writing. Specifically: Mr. George did not question the  
19          veracity of information provided by the Borrower, including submitted paystubs  
20          dated September 1, 2012 and September 15, 2012. Mr. George brought the  
21          inconsistency to the attention of Andrea J., the senior loan processor and supervisor  
22          of Autumn C., but did not forward the information to the branch manager. Andrea J.  
23          denies that Mr. George brought up the inconsistency to her attention. Additionally,  
24          Mr. George did not file a suspicious activity report with his branch manager.

25          h. Upon receipt of the VOE with the negative information from Autumn C., Mr. George  
26          telephoned "Adrienne" in Phoenix and advised Autumn C. that "Adrienne" had said

1 that the Borrower was “still employed gainfully,” and that the request for VOE should  
2 instead be emailed to “dre1224@gmail.com or dispatch2@batteryassistin.com.” Mr.  
3 George copied Andrea J., senior loan processor for the file on the email which  
4 included the email from Autumn C. that referenced the VOE from PBSL in Tucson  
5 and an attached copy of it.

6 i. While Mr. George undertook to call the PBSL’s Phoenix office to verify employment,  
7 he did not call the Managing Partner of PBSL in Tucson who filled out a form stating  
8 that the Borrower was terminated by PBSL on August 2, 2012.

9 j. On October 1, 2012, Mr. George received from the Borrower a copy of the VOE that  
10 had been emailed by “Adrienne” to Autumn C. on September 28, 2012.

11 k. Mr. George asserts that he relied on AmeriFirst’s processing department to  
12 investigate the Borrower’s employment status or any inconsistencies in the file. On  
13 October 9, 2012, a final loan application was approved, showing PBSL as the  
14 Borrower’s employer.

15 l. Subsequently, a quality control audit identified the Borrower’s file as a problem,  
16 resulting in AmeriFirst conducting its own investigation and obtaining verification  
17 from PBSL confirming that the pay stubs provided by the Borrower to Mr. George  
18 were fraudulent, and that “Adrienne” was the company’s Phoenix-office receptionist.

19 **CONCLUSIONS OF LAW**

20 1. Pursuant to A.R.S. § 6-991 *et seq.*, the Superintendent has the authority and duty to  
21 regulate all persons engaged in the activities of a loan originator and with the enforcement of  
22 statutes, rules and regulations relating to loan originators.

23 2. By the conduct set forth in the Findings of Fact, Petitioner violated A.R.S. § 6-  
24 991.02(K) and A.R.S. § 6-991.02(I) by failing to identify potential borrower fraud and not  
25 adequately documenting the inconsistent information received regarding the Borrower’s verification  
26 of employment.



1 CONSENT TO ENTRY OF ORDER

2 1. Petitioner Timothy George acknowledges that he has been served with a copy of the  
3 foregoing Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, has read  
4 the same, is aware of his right to an administrative hearing in this matter, and has waived the same.

5 2. Petitioner admits the jurisdiction of the Superintendent and consents to the entry of  
6 the foregoing Findings of Fact, Conclusions of Law, and Order.

7 3. Petitioner states that no promise of any kind or nature has been made to induce him to  
8 consent to the entry of this Order, and that he has done so voluntarily.

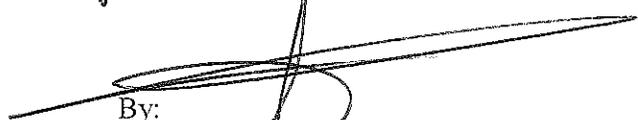
9 4. Petitioner enters into this agreement solely to settle this matter and it is not an  
10 admission that Petitioner has violated A.R.S. §§ 6-991.02(I) or (K), but agrees to immediately cease  
11 and desist from engaging in the conduct set forth above in the Findings of Fact and Conclusions of  
12 Law.

13 5. Petitioner acknowledges that the acceptance of this Consent to Entry of Order by the  
14 Superintendent is solely to settle this matter and does not preclude this Department, any other agency  
15 or officer of this state or subdivision thereof from instituting other proceedings as may be  
16 appropriate now or in the future.

17 6. Failure to correct the violations set forth above or any future examination findings of  
18 repeat violations shall result in disciplinary action which may include a greater civil money penalty  
19 and suspension or revocation of the license.

20 7. Petitioner waives all rights to seek judicial review or otherwise to challenge or contest  
21 the validity of this Cease and Desist Order.

22 DATED this 11<sup>th</sup> day of August, 2014.

23  
24 By:   
25 Timothy George  
26

1 ORIGINAL OF THE CONSENT ORDER filed  
this ~~22nd~~ day of ~~July~~, 2014 in the office of:

2 Lauren W. Kingry *August 26*  
3 Superintendent of Financial Institutions  
4 Arizona Department of Financial Institutions  
5 Attn: June Beckwith  
6 2910 N. 44th Street, Suite 310  
7 Phoenix, AZ 85018

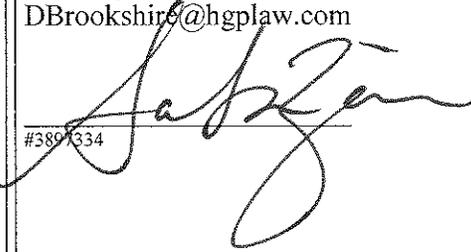
8 COPY of the foregoing mailed/delivered same date to:

9 Natalia A. Garrett, Assistant Attorney General  
10 Arizona Attorney General's Office  
11 1275 W. Washington Street  
12 Phoenix, AZ 85007  
13 Natalia.Garrett@azag.gov

14 Robert D. Charlton, Assistant Superintendent  
15 Dawn Wismer, Examiner in Charge  
16 Attn: Sabrina Zimmerman  
17 Arizona Department of Financial Institutions  
18 2910 N. 44th Street, Suite 310  
19 Phoenix, AZ 85018  
20 Sabrina.Zimmerman@azdfi.gov

21 AND COPY MAILED SAME DATE by  
22 Certified Mail, Return Receipt Requested, to:

23 Dennis P. Brookshire, Esq.  
24 Hymson Goldstein & Pantilliat, PLLC  
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