

1 REAL ESTATE AGENCY  
2 BEFORE THE REAL ESTATE COMMISSIONER  
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4 In the Matter of the Real Estate License of )  
5 )  
6 JEREMY J. JORDAN ) ORDER ON DEFAULT  
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1.

10 1.1 On June 10, 2015, the Real Estate Commissioner issued, by certified mail, a  
11 notice of intent to revoke the real estate principal broker license of Jeremy J. Jordan (Jordan).  
12 The Real Estate Agency (OREA) sent the notice of intent to Jordan's last known address of  
13 record with the OREA. The notice of intent was also mailed to Jordan by regular first class  
14 mail in a handwritten envelope.

15 1.2 The certified mailing of the notice of intent and the first class mailing were sent to  
16 Jordan at, 19728 SW Sandra Ln, Beaverton, OR 97006. No mailings have been returned to  
17 OREA. On June 15, 2015, OREA received return receipt for the certified mailing which was  
18 signed for on June 12, 2015. The name of who signed for the certified mailing was not legible.

19 1.3 Over twenty (20) days have elapsed since the mailing of the notice issued in this  
20 matter and no written request for hearing has been received.

21 1.4 Copies of the entire investigation file are designated as the record for purposes  
22 of default, including any submission from respondent and all information in the administrative  
23 file relating to the mailing of notices and any responses received.

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25 Based upon the foregoing and upon a review of the above described investigation  
26 reports, documents and files, the Real Estate Commissioner finds:

27 2.1 Oregon Administrative Rule 863-001-0006 states, in part, that a notice of intent is  
28 properly served when deposited in the United States mail, registered or certified mail,  
29 addressed to the real estate licensee or to any other person having an interest in a proceeding  
30 before the Commissioner at the licensee's or other person's last known address of record with

1 OREA.

2 2.2 Jordan's last known address of record with OREA was 19728 SW Sandra Ln,  
3 Beaverton, OR 97006.

4 2.3 A certified mailing of the notice of intent was mailed to Jordan at his last known  
5 address of record on June 10, 2015.

6 2.4 The mailing in the handwritten envelope has not been returned to OREA. In  
7 accordance with ORS 40.135(1)(q), there is a presumption that the mailing properly addressed  
8 and placed with the U.S. Postal Service was delivered. That presumption has not been  
9 overcome by any evidence.

10 2.5 Over twenty (20) days have elapsed since the mailing of the notice and no  
11 written request for a hearing has been received.

12 2.6 Pursuant to ORS 696.775, the expiration of Jordan's license does not prohibit the  
13 Commissioner from proceeding with further action.

14 3.

15 FINDINGS OF FACT

16 &

17 CONCLUSIONS OF LAW

18 3.1 At the time of the incidents listed below, Jordan's license was associated with  
19 Uptown Real Estate as a principal broker. Most recently, Jordan was associated with Keller  
20 Williams Realty Professionals from March 31, 2011 until February 5, 2014. Jordan's real  
21 estate license has been inactive since February 5, 2014. Jordan's license expired on July 1,  
22 2015.

23 3.2 On April 13, 2011, OREA was notified that Jordan had been indicted for several  
24 counts of wire fraud in U.S. District Court Case #3:11-cr-00160-HZ.

25 3.3 OREA chose to wait for the criminal case outcomes before investigating the  
26 matter further.

27 3.4 On December 10, 2013, Jordan was convicted of 4 counts of wire fraud and  
28 sentenced to 33 months incarceration, 3 years supervised release, and a \$100.00 special  
29 assessment. Jordan did not report the criminal conviction to the OREA.

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1           3.5    On July 31, 2014, OREA began investigating the facts surrounding the criminal  
2 convictions.

3           3.6    The wire fraud conviction involved Jordan and his business partner, Kenneth J.  
4 Smith (Smith). Through their actions, Jordan and Smith would purchase and refinance  
5 residential properties. Two different types of transactions were involved:

- 6           •    **Transaction Type 1:** Jordan and/or Smith would approach distressed  
7 homeowners who were on the verge of losing their homes to foreclosure.  
8 Jordan and Smith would offer to purchase the homes on a lease back  
9 agreement, which would allow the distressed homeowners to remain in  
10 their home while paying rent. A clause in the contract would allow the  
11 distressed homeowners to purchase the property back at some future  
12 date. The agreements were not submitted to the appropriate county for  
13 recording.
- 14          •    **Transaction Type 2:** Jordan and/or Smith obtained loans by falsely  
15 inflating their income. The loans were not disclosed to the distressed  
16 homeowner, who had a leasehold interest in the property. When Jordan  
17 and/or Smith obtained the loans, they falsely stated the nature of the  
18 transaction to the lender by failing to disclose the leasehold interest of the  
19 distressed homeowner.

20           **Violation:** By failing to disclose the criminal conviction to OREA, Jordan violated ORS  
21 696.301(3) (2013 Edition), which incorporates OAR 863-015-0175(1)(a) (4-1-2013 Edition),  
22 which requires a real estate licensee to notify the commissioner of any criminal conviction  
23 felony or misdemeanor, including a “no contest” plea or bail forfeiture.

24           **Violation:** By obtaining the loans using false and incomplete information, Jordan  
25 violated ORS 696.301(14) (2005 Edition), which states a licensee may be subject to discipline  
26 if they have committed an act of fraud or engaged in dishonest conduct substantially related to  
27 the fitness of the licensee to conduct professional real estate activity, without regard to whether  
28 the act or conduct occurred in the course of professional real estate activity.

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1           3.7    In the indictment, the following facts were described.

- 2           • On or about February 27, 2006, and continuing at least through April 18, 2006,  
3           Jordan, Smith and his wife, Bonnie Smith (B. Smith) submitted a loan application  
4           and related documents, on Smith and B. Smith's behalf for the purchase of  
5           residential property located at 17410 SW Parrett Mountain Road, Sherwood,  
6           Oregon (Parrett Mountain Property). The documents were submitted to First  
7           Franklin Financial Corp. The loan application and related documents falsely  
8           stated Smith and B. Smith's income.
- 9           ○ On April 18, 2006, a wire transfer in the amount of \$1,213,714.55 was  
10           issued from First Franklin to Fidelity National (US Bank) for the Parrett  
11           Mountain Property.
- 12          • On or about April 20, 2006, continuing through at least June 12, 2006, Jordan,  
13           Smith, and B. Smith submitted loan documents to First Horizon Home Loan, on  
14           behalf of Smith, for the refinancing of the Parrett Mountain Property, for the  
15           amount of \$1,920,000.00. The loan application and documents falsely stated  
16           Smith's income.
- 17          ○ On June 12, 2006, a wire transfer in the amount of \$1,909,594.97 was  
18           issued from First Horizon Home Loan to Fidelity National (Washington  
19           Mutual) for the Parrett Mountain Property.
- 20          • In February 2006, Jordan, Smith, and B. Smith entered into a contract with J.K.,  
21           owner of 35132 SE Hurlburt Road Corbett, Oregon (Hurlburt Road Property).  
22           J.K. transferred the Hurlburt Road Property to B. Smith and gave a promissory  
23           note and deed of trust in the amount of \$200,000.00 to the benefit of an entity  
24           owned and controlled by Jordan and Smith. Jordan, Smith, and B. Smith, agreed  
25           to allow J.K. to live on the Hurlburt Road Property for a specific period of time in  
26           exchange for rent. At the end of the lease period, J.K would be permitted to  
27           purchase the property from Smith for an agreed upon sum. On or about  
28           February 1, 2006, through at least February 5, 2006, Jordan, Smith, and B. Smith  
29           submitted a loan application and loan documents to GreenPoint Mortgage, on  
30           behalf of B. Smith, for the purchase of the Hurlburt Road Property from J.K., for a

1 price of \$350,000.00. The loan application falsely stated B. Smith's income, and  
2 failed to disclose that J.K. had a financial and legal interest in the property.

- 3 • On or around July 5, 2006, through December 5, 2006, Jordan, Smith, and B.  
4 Smith submitted a loan application to Lender's Direct Capital, on behalf of B.  
5 Smith, for a loan in the amount of \$396,000.00 for the refinance of residential  
6 property located at the Hurlburt Road Property. The documents submitted  
7 contained falsely stated income for B. Smith, and failed to disclose that J.K. had  
8 a financial and legal interest in the Hulburt Road Property.
- 9 • Around February 2006, Jordan, Smith, and B. Smith entered into a contract with  
10 M.M., owner of 7815 N. Peninsular Avenue, Portland, Oregon (Peninsular  
11 Property) where M.M. agreed to give a promissory note and deed of trust in the  
12 amount of \$82,000.00 to the benefit of Jordan, and then transfer the Peninsular  
13 Property to Jordan, Smith, and B. Smith. M.M. was allowed to live on the  
14 property for a specified period of time in exchange for rent and would be  
15 permitted to purchase the property from Smith for an agreed upon sum. Starting  
16 around February 16, 2006, through April 21, 2006, Jordan, Smith, and B. Smith  
17 submitted loan documents to Axis Mortgage, on behalf of Smith, for the purchase  
18 of the Peninsular Property from M.M. for a price of \$245,000.00. The documents  
19 submitted included false incomes for Smith, and failed to disclose that M.M. had  
20 a financial and legal interest in the property.
- 21 ○ On April 21, 2005, a wire transfer in the amount of \$183,308.08 was  
22 issued from Baltimore Bank of Arizona to Fidelity National (Washington  
23 Mutual) in relation to the Peninsular Property.
  - 24 ○ On April 21, 2005, a wire transfer in the amount of \$48,463.75 was issued  
25 from Baltimore Bank of AZ to Fidelity National (Washington Mutual) in  
26 relation to the Peninsular Property.
- 27 • Around January 2006, Jordan, Smith, and B. Smith entered into an agreement  
28 with D.H., owner of 4525 SE 70<sup>th</sup> Portland, Oregon (SE 70<sup>th</sup> Property). D.H.  
29 agreed to transfer the property to Smith, in turn, D.H. was allowed to live on the  
30 SE 70<sup>th</sup> Property for a specified period of time in exchange for rent and would be  
permitted to purchase the property back from Smith at a later date. Starting

1 around January 2006 continuing through at least February 17, 2006, Jordan,  
2 Smith, and B. Smith submitted a loan application on behalf of Smith to  
3 GreenPoint Mortgage Funding for the purchase of the SE 70<sup>th</sup> Property for a  
4 price of \$223,000.00. The application and supporting documents contained false  
5 employment income for Smith, and failed to disclose that D.H. had a financial  
6 and legal interest in the property.

- 7 • Starting around May 2006, continuing at least through June 27, 2006, Jordan,  
8 Smith, and B. Smith submitted a loan application to GreenPoint Mortgage, on  
9 behalf of Jordan, for the refinancing of a mortgage on real property located at  
10 2350 NE Cleveland Avenue, Gresham, Oregon (Cleveland Property), for a loan  
11 in the amount of \$44,000.00. The loan documents contained false employment  
12 income for Jordan.

- 13 ○ On June 27, 2006, a wire transfer in the amount of \$43,705 was issued  
14 from North Folk Bank to Fidelity National (Washington Mutual).

15 3.8 OREA Investigator Philip Johnson (Johnson) was unable to interview Jordan due  
16 to his incarceration. However, on September 24, 2014, Johnson was able to interview Smith  
17 regarding the incidents.

18 3.9 In October 2003, Smith was involved in a life threatening automobile accident.  
19 Smith said because of this accident he was unable to participate in the daily work and be a  
20 producer in the business owned by him and Jordan. Smith and Jordan owned Smith and  
21 Jordan Real Estate, LLC dba Uptown Real Estate.

22 3.10 Smith said Jordan would negotiate the deals with the distressed homeowners  
23 and bring the paperwork for him to sign.

24 3.11 When asked about the loans, Smith said Jordan would come to him saying, we  
25 need to do this loan. Jordan also told Smith there is enough on the books to use the stated  
26 income, at this level for you to qualify for the loan, and I just need you to sign these  
27 documents. Smith said he trusted that Jordan was making decisions for the company that  
28 made sense.

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1           3.12 A review of Jordan's real estate license record showed that his license was  
2 sanctioned after the investigation of three previous cases. All three cases contained similar  
3 facts regarding Jordan purchasing homes from homeowners on leaseback agreements. As a  
4 result from those investigations, OREA issued a Stipulated Final Order on January 19, 2010  
5 where Jordan's license was reprimanded with conditions. His principal broker license was  
6 limited to a broker license and required him to be supervised by a principal broker for five  
7 years. Jordan was also required to provide quarterly reports to OREA on payments relating to  
8 a civil judgement against him.

9           3.13 A review of the licensing records shows that Jordan was complying with the  
10 limited licensing requirements, with the most recent required report submitted for the 4<sup>th</sup>  
11 quarter of 2013, prior to Jordan's incarceration.

12           **Violation:** In December 2013, Jordan was convicted of four counts of felony wire fraud.  
13 This criminal activity is substantially related to his trustworthiness or competence to engage in  
14 professional real estate activity. ORS 696.301(11) (2005 Edition) states OREA can take  
15 disciplinary action against a licensee who has been convicted of a felony or misdemeanor  
16 substantially related to the licensee's trustworthiness or competence to engage in professional  
17 real estate activity.

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4.1 The above violations are grounds for discipline pursuant to ORS 696.301. Based on these violations, OREA is revoking Jordan's real estate principal broker license. A revocation is appropriate under ORS 696.396(2)(c)(C), which states OREA may revoke a real estate license if the material facts establish a violation of a ground for discipline under ORS 696.301 that exhibits dishonesty or fraudulent conduct.

4.2 OREA reserves the right to investigate or pursue additional complaints that may be received in the future regarding this licensee.

ORDER

IT IS HEREBY ORDERED that Jordan's principal broker license is revoked.

Dated this 22<sup>ND</sup> day of July, 2015.

OREGON REAL ESTATE AGENCY



GENE BENTLEY

Real Estate Commissioner

DATE of service: 7-22-2015

NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is pursuant to the provisions of ORS 183.482.