

STATE OF COLORADO

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DORA's Division of Real Estate investigates Denver mortgage brokers in an alleged mortgage fraud scheme totaling over \$80,000.00

Denver, Colorado – March 31, 2008 – The Department of Regulatory Agencies (DORA) announced today that the Division of Real Estate has taken enforcement actions against two Colorado mortgage brokers involved in an alleged mortgage fraud scheme in Denver. The Division is seeking license revocation for both Ms. Laura Ann Stearnes and Mr. Stephen Angelo Benaske.

The Division alleges that Ms. Stearnes, while working with an out-of-state client she apparently met over an on-line dating service, fraudulently redirected the consumer's refinance proceeds of \$80,890.38. Ms. Stearnes instructed the title company, First Integrity Title Agency, to wire the funds into an account owned by Ms. Stearnes's boyfriend Stephen Angelo Benaske. Mr. Benaske owns the Broadway Mortgage Corporation in Denver.

During the investigation, Ms. Stearnes admitted to using \$24,000.00 of the borrower's funds to pay off an auto loan for her Mercedes-Benz. The Division also alleges Mr. Benaske admitted to using \$12,500.00 of the funds to pay for the development of his mortgage company's website.

The Colorado Division of Real Estate has taken an aggressive approach to enforcement of Colorado's new Mortgage Broker Licensing Act, signed by Governor Ritter on June 1, 2007, and applicable as of January 1st of this year. One of the Director's goals is to address the Colorado's foreclosure problem and to protect home buyers from mortgage brokers who profit from dishonest dealings.

"Mortgage brokers doing business in the State of Colorado will be held to the highest ethical standards the law allows, regardless of the citizenship of the borrower," said Erin Toll, Director of the Colorado Division of Real Estate. "Although the new law is only three months old, our numerous enforcement actions to date show consumer protection is our number one priority." she said.

Additional information about the mortgage broker laws and enforcement can be obtained on the Division of Real Estate's website at <http://www.dora.state.co.us/real-estate/index.htm>.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment. Consumer protection is our mission.

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