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August 28, 2009

**MORTGAGE BROKERS SANCTIONED IN FRAUD CASES INVOLVING INTERNET DATING SERVICE AND FALSIFIED INCOME STATEMENTS**

Denver, Colorado—August 27, 2009—The Colorado Division of Real Estate recently imposed sanctions in two mortgage broker cases. The Division permanently revoked the license of Mr. Stephen Benaske and ordered him to pay the victim \$24,000.00. The Division asserts that Mr. Benaske, in concert with another mortgage broker, Ms. Laura Stearnes, misallocated loan proceeds. Using an internet dating service, Ms. Stearnes met a Michigan medical doctor, and convinced him to refinance his home. Ms. Stearnes improperly instructed the title insurance company to divert the loan proceeds totaling more than \$80,000 to Mr. Benaske's bank account. According to bank statements, it appears that the pair spent the vast majority of the ill-gotten funds in less than 10 days without the knowledge or consent of the borrower. The Division of Real Estate revoked Ms. Stearnes mortgage broker license eight months ago in addition to ordering \$70,000 in restitution to the Michigan doctor. The \$94,000 in restitution ordered in the case by the Division of Real Estate represents not only the original loan proceeds but also other costs incurred by the homeowner in his attempt to recover the funds misappropriated by Stearnes and Benaske.

The Division of Real Estate is cooperating fully with the Denver District Attorney's office regarding pending criminal charges in this case. The Division has also been contacted by investigative reporters in the State of California, where Mr. Benaske is alleged to have set up loan modification entities.

In a separate unrelated case, the Division of Real Estate summarily suspended the license of Mr. Paul Cardenas of Centennial, Colorado. A summary suspension is used where there is a danger of immediate harm to the public. The Division alleges that Mr. Cardenas, operating through and for several companies including Lending Denver and Premier Mortgage Capital, falsified income and asset information for borrowers, failed to notify the prospective lenders of mortgage loans the borrowers obtained on recent property purchases, and used fake bank account numbers regarding several properties in Erie, Colorado. The Division of Real Estate asserts that Mr. Cardenas aided a previously-denied mortgage broker license applicant, Mr. Kenneth Gabriel Fairchild in securing a loan for borrowers. Mr. Cardenas signed documents representing that he was the loan originator, when in fact the borrowers did not know Mr. Cardenas, and believed Mr. Fairchild was their loan originator.

"In these difficult economic times, it is more important than ever to ensure that increasingly desperate borrowers are protected," said Erin Toll, Director of the Division of Real Estate. "In addition, our enforcement actions this month show that mortgage fraud will not be tolerated, especially with tightening credit markets. Our goal is to ensure residential real estate loan originators act in an honest and trustworthy manner toward borrowers *and* lenders," she said.

DORA's Division of Real Estate is the licensing, regulation and enforcement agency for the Colorado mortgage loan originator, real estate broker, and appraiser industries.

*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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