



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

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MORTGAGE LOAN ORIGINATOR BOARD MINUTES

January 15, 2025

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**MORTGAGE LOAN ORIGINATOR BOARD
MEETING
VIA Webinar
January 15, 2025
COLORADO DIVISION OF REAL ESTATE**

A Mortgage Loan Originator Board public meeting was held on January 15, 2025 via webinar. Those Board Members in attendance were Aaron Salladay, Chair; Shirley Thielen, Vice Chair; Josh Brodbeck, Natalie Lawson, and David Williams.

Attending from the Division of Real Estate were Marcia Waters, Director; David Donnelly, Education, Communication and Policy Manager; Melissa Phipps, Senior Advisor; Sarah Halloran, Program Team Lead; Nicole Tribelhorn, Program Team Lead; and Nancy Buck, Marketing and Communications Specialist. Gina Simonson, Anthony Lally and Karen Safran are present via webinar from the Attorney General's Office.

Notice of the meeting was timely published and the meeting was held pursuant to the Colorado Sunshine Laws, Title 24, Article 6, C.R.S., as amended.

The meeting was conducted via Webinar. The meeting was called to order by Aaron Salladay, Chair, at 9:00 a.m.

ORDER OF BUSINESS

Approval of Minutes - November 20, 2024

It was moved by Mr. Brodbeck and seconded by Ms. Thielen to approve the Minutes of November 20, 2024 as submitted.



MLO Minutes_Nov
20, 2024.pdf

Motion unanimously carried.

EXECUTIVE SESSION:

At 9:01 a.m., it was moved by Mr. Salladay, seconded by Mr. Brodbeck, and approved by more than two-thirds vote of the Board that pursuant to §24-6-402(3)(a)(II), C.R.S., concerning disputes that are the subject of pending or imminent court action and/or for the purpose of receiving legal advice and training on specific legal questions concerning:

- Policy Matter A - Loan Officers Paying Real Estate Agents for Referrals;
- Attorney General Matter A - Training Regarding License Applications with Criminal Convictions;
- Complaint Matter B - #2024-891 (BH);
- Complaint Matter C - #2024-1049 (SJO);
- OAC Case Number MLO 2023-0003 (CF)

Executive Session is conducted via conference call. Present from the Attorney General's Office are: Gina Simonson, Anthony Lally, and Karen Safran.

The Board adjourned out of Executive Session at 9:48 a.m. and the Board returned to open session at 9:51 a.m.

POLICY MATTERS:

A. Loan Officers Paying Real Estate Agents for Referrals

Chairman Salladay introduced the topic of Loan Officers Paying Real Estate Agents for Referrals. The issue was discussed by the Board with no formal action taken.

Agenda Items for Next Meeting - None

PUBLIC COMMENT:

- Jacob Gwarjanski

COMPLAINT/INVESTIGATIONS:

A. Complaint #2024-1954 (JS) -

The investigative report concerning the complaint filed against the respondent in Complaint #2024-1954 (JS) was presented to the Board with accompanying documentation and information.

- A. On September 19, 2024, the respondent entered a guilty plea to Felony Menacing - Real/Simulated Weapon, a class five felony. The respondent was ordered to complete a one-year deferred sentence, one year of supervised probation and pay a fine of \$1,033.50. The fine has been paid and probation is ongoing.
- B. This is a possible violation of:
 - a. § 12-10-713(1)p), C.R.S. - failure to notify of a conviction/plea;
 - b. § 12-10-713(1)(n), C.R.S. - conviction.

Following discussion, it was moved by Mr. Brodbeck and seconded by Mr. Williams for a settlement offer of a Stipulation for Diversion to include payment of a fine in the amount of \$2,000 (plus 15% mandatory surcharge); and probation concurrent with the criminal sentence. If the deferred criminal sentence is not successfully completed by September 19, 2025, the license will not be renewed.

Motion unanimously carried.

B. Complaint #2024-891 (BH) -

The investigative report concerning the complaint filed against the respondent in Complaint #2024-891 (BH) was presented to the Board with accompanying documentation and information.

- A. The complainant alleges that she worked with the respondent in obtaining a mortgage for the purchase of a home while the respondent's Colorado mortgage

loan originator license was expired as of December 31, 2023. An email provided by the complainant shows that on April 16, 2024, the respondent communicated rates and terms of a potential 2-1 buy down loan. While most applications in the file list a licensed loan originator, six drafts of the loan application contained in the file are electronically signed by the respondent on May 16, 2024, and list the respondent as the loan originator. A Loan Estimate and Notices of Intent to Proceed contained in the loan file also list the respondent as the originator. Despite the loan closing on May 20, 2024, the respondent's company has no NMLS Call Reports filed for the year 2024. The respondent confirmed that he was unaware of the expiration of his Colorado mortgage loan originator license and that he did not communicate rates and terms to any other Colorado borrowers.

- B. This is a possible violation of:
- a. § 12-10-704, C.R.S. - License Required

Following discussion, it was moved by Mr. Brodbeck and seconded by Ms. Thielen for a settlement offer of a Stipulation and Final Agency Order to include payment of a fine in the amount of \$1,000 (plus 15% mandatory surcharge). In addition, a Cease and Desist Order shall be issued.

Motion unanimously carried.

C. Complaint #2024-1049 (SJO) -

The investigative report concerning the complaint filed against the respondent in Complaint #2024-1049 (SJO) was presented to the Board with accompanying documentation and information.

- A. During the course of working with the complainant on a purchase transaction, the respondent directed the complainant to pay a total of \$23,500.00 to various individuals via wire funds transfer as fees to process and close the loan. When that loan failed, the respondent also directed the complainant to make a payment of \$15,000.00 directly to her. The respondent's bank records reflect that the money was wired to her account by the complainant. The respondent assured the complainant that the fee was refundable if the loan did not close, however, no refund has been provided. The complainant explained that he also lost \$7,500.00 in earnest money as a result of the transaction not closing. The respondent admitted to not having a surety bond or errors and omissions insurance in place at the time of this transaction.
- B. This is a possible violation of:
- a. § 12-10-713(1)(q), C.R.S. - unworthiness, incompetence;
 - b. § 12-10-713(1)(b), C.R.S. - promise with intent to not keep;
 - c. § 12-10-713 (1)(i), C.R.S. - commingling of funds;
 - d. § 12-10-713(1)(m), C.R.S. - any part 7 or rule violation;
 - e. § 12-10-713(1)(v), C.R.S. - good faith/fair dealing;
 - f. § 12-10-713(1)(y), C.R.S. - obtaining property by fraud;
 - g. Board Rule 2.6 - surety bond;
 - h. Board Rule 2.7 - errors and omissions insurance;

- i. Board Rule 5. 9 - duty to respond and provide requested documents;
- j. Board Rule 5.6 C - recommend appropriate products.

Following discussion, it was moved by Mr. Brodbeck and seconded by Ms. Thielen for a settlement offer of a Stipulation and Final Agency Order to include public censure; revocation of the mortgage loan originator's license; payment of a fine in the amount of \$9,000 (plus 15% mandatory surcharge); and payment of \$15,000 in restitution. In addition, this case shall be referred to Law Enforcement with emphasis that the Board requests that law enforcement prosecute the respondent to the fullest extent of the law.

Motion unanimously carried.

LICENSING MATTERS:

License Matter A, Complaint #2024-1823 (PO) - Licensing Application -

The Board considered this application for a license application for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

On June 20, 2023, the applicant was convicted of Unclassified Assault. The applicant was sentenced to 12 months of probation, and a fine of \$271.00. The applicant completed probation successfully and has paid the fine in full.

It was moved by Ms. Thielen and seconded by Mr. Brodbeck to deny the license application based on §12-10-713(1)(n), C.R.S. The respondent will be permitted to withdraw the license application.

Ms. Lawson is opposed. **Motion carried.**

License Matter B, Complaint #2024-183923 (JG) - Licensing Application -

The Board considered this application for a license application for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

On 08/17/2022, the applicant was convicted of Disturbing the Peace. The applicant was sentenced to 1 day in jail with credit for time served. The case is closed. The applicant is a licensed MLO in Indiana (Issued 10/10/2024) OK (issued 10/07/2024) and WA (Issued 10/16/2024).

It was moved by Mr. Brodbeck and seconded by Mr. Williams to approve the license application.

Motion unanimously carried.

License Matter C, Complaint #2024-2147 (AH) - Licensing Application -

The Board considered this application for a license application for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

On April 03, 2014, the applicant was convicted of Felony Use of Facility of Interstate Commerce to Attempt to Induce and to Induce a Minor to Engage in Criminal Sexual Activity. The applicant was sentenced to 180 months (15 years) in prison, Five years of probation, and restitution in the amount of \$ 22,352.71. The applicant completed the prison term with a compassionate early release and is still on Parole. The applicant is currently on a \$100.00 payment plan and has a balance of \$17,204.71.

It was moved by Mr. Brodbeck and seconded by Ms. Thielen to deny the license application based on §12-10-713(1)(n), C.R.S.

Motion unanimously carried.

License Matter D, Complaint #2024-1946 (FD) - Licensing Application -

The Board considered this application for a license application for a mortgage loan originator's license together with accompanying documentation and information supplied by the applicant.

On April 25, 2022, the applicant's California Insurance license was revoked due to his criminal conviction on January 11, 2022, for Illegal Possession of a Firearm Within Ten Years of Misdemeanor. On January 18, 2024, the applicant's mortgage loan originator license application was denied by the state of Georgia. The Denial cites not demonstrating financial responsibility, character, and general fitness to command to confidence of the community. The denial also cites a failure to provide requested information. During the review, Division staff identified six criminal convictions in the applicant's criminal history. The applicant has provided proof that the six criminal convictions were expunged, the cases set aside and the guilty pleas dismissed. He is currently licensed in six states.

It was moved by Mr. Brodbeck and seconded by Ms. Thielen to approve a probationary license conditional upon compliance with license law and no additional criminal convictions for a period of three years.

Motion unanimously carried.

Attorney General Matters -

OAC Case Number MLO 2023-0003 (CF) - Settlement Proposal

It was moved by Mr. Brodbeck and seconded by Ms. Thielen to approve the settlement proposal in OAC Case #2023-0003 (CF).

Motion unanimously carried.

Adjourn

The MLO Board meeting adjourned at 11:47 a.m. on January 15, 2025.

Aaron Salladay, Chair

Shirley Thielen, Vice-Chair

Josh Brodbeck, Board Member

Natalie Lawson, Board Member

David Williams, Board Member

Marcia Waters, Director
Colorado Division of Real Estate