



COLORADO

Department of
Regulatory Agencies

Division of Real Estate

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**MORTGAGE LOAN ORIGINATOR BOARD
MINUTES
May 17, 2023**

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**MORTGAGE LOAN ORIGINATOR BOARD
MEETING
VIA Webinar
May 17, 2023
COLORADO DIVISION OF REAL ESTATE**

A Mortgage Loan Originator Board public meeting was held on May 17, 2023 via webinar. Those Board Members in attendance were Dena Falbo, Chair; Jennifer Meckstroth, Vice-Chair; Cindy Emerine; and Aaron Salladay. Shirley Thielen is excused.

Attending from the Division of Real Estate were Marcia Waters, Director; Eric Turner, Deputy Director; Penny Elder, ESP Program Manager; Sarah Halloran, Program Team Lead; Nicole Tribelhorn, Program Team Lead and Doreen Archuleta, Board Management. Irina Grohne is 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.

Due to closures of public spaces because of the Coronavirus pandemic, the meeting was conducted via Webinar. The meeting was called to order by Ms. Falbo, Chairwoman, at 9:00 a.m.

ORDER OF BUSINESS

Approval of Minutes - March 15, 2023

It was moved by Ms. Emerine and seconded by Ms. Meckstroth to approve the Minutes of March 15, 2023 as submitted.



MLO Minutes_March
15, 2023.pdf

Motion unanimously carried.

PUBLIC COMMENT: None

POLICY MATTERS: None

Agenda Items for Next Meeting - None

COMPLAINT MATTERS:

A. Complaint #2022-2127 (RM) -

The investigative report concerning the complaint filed against the respondent in Complaint #2022-2127 (RM) was presented to the Board with accompanying documentation and information.

- A. On December 2, 2022, the complainant filed a complaint with the Division alleging that he had not yet received payment for an appraisal that he completed and delivered to the respondent on August 29, 2022. The loan transaction closed on September 22, 2022. The complainant provided an email thread showing that he was told by the respondent that payment had been mailed to him on November 17, 2022, however, the payment was never received. It was later verified that the complainant was paid by the lender after he contacted them to notify them of the non-payment from the respondent. The lender has confirmed that the respondent made promises to reimburse them for their expense but has yet to remit payment.
- B. This is a possible violation of:
 - a. § 12-10-713(1)(b), C.R.S. - promise with intent not to keep;
 - b. § 12-10-713(1)(v), C.R.S. - lack of good faith and fair dealing; and
 - c. § 12-10-713(1)(ff), C.R.S. - failure to pay third party fees.

Following discussion, it was moved by Mr. Salladay and seconded by Ms. Meckstroth for a settlement offer of a Stipulation and Final Agency Order to include public censure; revocation of the mortgage loan originator license; payment of fine in the amount of \$3,000 (plus 15% mandatory surcharge); and payment of restitution in the amount of \$800.

Motion unanimously carried.

NOTE: Complaint B, #2022-979 will be discussed in Executive Session.

LICENSING MATTERS:

A. Complaint #2023-295 (AH) - License Application -

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

On May 14, 2009, the applicant's company entered into a Consent Order with the Alaska Division of Banking and Securities. The company was ordered to pay a \$1,275.00 fine. The fine was paid. The applicant had a 7% ownership share in the company.

On May 29, 2009, the applicant's company entered into an Agreed Order with the Kentucky Department of Financial Institutions. The company was ordered to pay a \$35,000.00 fine (\$15,000.00 suspended).

On February 5, 2010, an employee of the applicant's company entered into a Stipulation for Diversion with the Colorado Division of Real Estate. The employee was ordered to pay a \$1,650.00 fine and public censure. The fine was paid.

On February 19, 2010, an employee of the applicant's company entered into a Stipulation for Diversion with the Colorado Division of Real Estate. The employee was ordered to pay a \$660.00 fine. The fine was paid.

On January 6, 2011, the applicant's company entered into a Consent Order with the State of Nebraska Department of Finance. The company was ordered to pay a fine of \$3,500.00 which was paid.

On February 24, 2011, the applicant's company entered into a Settlement Agreement with the State of Michigan, Office of Financial and Insurance Regulation. The company was ordered to pay a \$500.00 fine.

On January 31, 2013, the applicant's company was issued a Civil Penalty of \$7,000.00 by the State of Maryland, Department of Labor and Regulation.

It was moved by Ms. Meckstroth and seconded by Ms. Emerine to approve the license application.

Motion unanimously carried.

B. Complaint #2023-577 (DF) - License Application -

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

The applicant entered into a Settlement Agreement and Consent Order regarding their participation in the REES mortgage loan originator testing and education scheme in the State of California. The applicant was ordered to serve a 90-day license suspension, pay a \$1,000.00 fine, and completion of 20 hours of PE and 8 hours of CE. The fine has been paid and the applicant is currently licensed as an MLO in the following states: AZ, CA, FL, NV, TX, WA, & WY.

It was moved by Ms. Emerine and seconded by Mr. Salladay to deny the license application based on §12-10-713(1)(q), C.R.S. The applicant will be allowed to withdraw his license application.

Motion unanimously carried.

C. Complaint #2023-276 (JN) - License Application -

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

The applicant entered into a Settlement Agreement and Consent Order regarding their participation in the REES mortgage loan originator testing and education scheme in the State of California. The applicant was ordered to serve a 90-day license suspension, pay a \$1,000.00 fine, and completion of 20 hours of PE and 8 hours of CE. The fine has been paid and the applicant is currently licensed in the following states: AZ, CA, ID, and WA.

It was moved by Ms. Falbo and seconded by Ms. Meckstroth to deny the license application based on §12-10-713(1)(v), C.R.S. and §12-10-713(1)(w), C.R.S. The applicant will be allowed to withdraw his license application.

Motion unanimously carried.

D. Complaint #2023-414 (SF) - License Application -

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

In 2001, the applicant was convicted of Disorderly Conduct, a class one petty offense, with a Domestic Violence sentence enhancement. The applicant has completed all terms of probation and has paid fine in full. The case is closed.

In 2009, the applicant was sentenced to a 2-year deferred sentence for Theft of \$1,000-\$20,000, a class 4 felony. The deferment was revoked due to a 2012 Trespass conviction and he was re-sentenced to 1-year of probation and a fine of \$1,603.50. The applicant has completed probation and has paid the fine in full. The case is closed.

On June 23, 2010, the applicant's Colorado MLO and real estate licenses were relinquished/surrendered (treated as a permanent revocation.)

In September 2019, the Board issued a negative PAO opinion.

The applicant paid the stayed fines outlined in the stipulations on 4/19/2023.

It was moved by Ms. Meckstroth and seconded by Ms. Emerine to approve the license application.

Motion unanimously carried.

E. Complaint #2023-416 (AH) - License Application -

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

In 2019, the applicant pled guilty to Disorderly Conduct- prostitution. All terms of probation have been met and the case is closed.

It was moved by Ms. Emerine and seconded by Ms. Meckstroth to approve the license application.

Motion unanimously carried.

F. Complaint #2022-2198 (JP) - License Application -

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

On July 23, 2014, the applicant was convicted of a misdemeanor for Issuing a Forged Prescription. The applicant was sentenced to 18 months in jail with 18 months suspended, 1

year of probation, and a fine of \$225.00. The applicant completed probation successfully and paid the fine in full. The case is closed.

It was moved by Ms. Meckstroth and seconded by Ms. Emerine to approve the license application.

Motion unanimously carried.

G. Complaint #2023-241 (AT) - License Application -

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

On June 8, 2021, the applicant was convicted of Weapons-Firearms Possession Under the Influence and Operating Impaired, both misdemeanors. The applicant was sentenced to 12 months of probation and a fine in the amount of \$1,525.00. The applicant completed probation successfully and paid the fine in full. The case is closed.

It was moved by Ms. Meckstroth and seconded by Mr. Salladay to approve the license application.

Ms. Emerine is opposed. **Motion carried.**

H. Complaint #2023-272 (RN) - License Application -

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

In a multi-state investigation, it was determined that a former NMLS education provider, Real Estate Educational Services (REES) completed in-person and online education on behalf of hundreds of MLOs across the nation. REES granted course credit to the MLOs who had enrolled in the approved courses but who neither attended the course nor completed the coursework necessary to receive course credit.

As a result of the REES settlement Respondent agreed to the following:

- Surrender all current MLO licenses and withdraw all MLO license applications of participating State Mortgage Regulators.
- Wait at least 90 days from December 24, 2021, before applying for, or seeking reinstatement of an MLO license.
- Pay \$1,000 in administrative fines to be divided equally between the participating State Mortgage Regulators.
- Complete 28 hours of MLO education courses prior to applying for or seeking reinstatement of an MLO license.

It was moved by Mr. Salladay and seconded by Ms. Emerine to deny the license application based on §12-10-713(1)(v), C.R.S.; and §12-10-713(1)(w), C.R.S. The applicant will be allowed to withdraw his license application.

Motion unanimously carried.

NOTE: Director Marcia Waters leaves the webinar at 10:02 for another obligation.

ESP Matters:

ESP Matter A, Complaint #2022-2234 (JN) - Counteroffer -

The Board was presented with a counteroffer report by Penny Elder regarding ESP Matter A, Complaint #2022-2234 (JN).

After discussion, it was moved by Ms. Meckstroth and seconded by Ms. Emerine to accept the counteroffer for a Final Agency Order; public censure; voluntary relinquishment of the mortgage loan originator's license; and a fine in the amount of \$3,000 (+15% mandatory surcharge).

Motion unanimously carried.

EXECUTIVE SESSION:

At 10:09 a.m., it was moved by Ms. Falbo, seconded by Ms. Meckstroth, 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 on specific legal questions regarding matters noticed on this agenda:

- A. Complaint #2022-1208 (TJ) - Counteroffer
- B. Complaint #2022-948 (RH)
- C. Investigative Matter B - Complaint #2022-979 (AA)

Motion unanimously carried.

Executive Session is conducted via conference call.

The Board adjourned out of Executive Session at 10:33 a.m.

NOTE: Dena Falbo recuses herself from consideration of Investigative Matter B - Complaint #2022-979 (AA) and leaves the webinar at 10:35 a.m. Jennifer Meckstroth assumes the duties as Acting Chair.

B. Complaint #2022-979 (AA) -

The investigative report concerning the complaint filed against the respondent in Complaint #2022-979 (AA) was presented to the Board with accompanying documentation and information.

- A. It was discovered by the respondent's employer through an audit that she submitted a falsified Verification of Employment. On May 24, 2023, the respondent admitted to her Branch Manager that the document in question was submitted by her. The respondent repeated the statement in her response letter to the investigation, and again in a recorded interview. The loan was approved and closed following the document falsification.
- B. This is a possible violation of:
 - a. § 12-10-713(1)(c), C.R.S. - misrepresentation, false promise;
 - b. § 12-10-713(1)(q), C.R.S. - unworthiness, incompetence; and
 - c. § 12-10-713(1)(v), C.R.S. - lack of good faith and fair dealing.

Following discussion in Executive Session, it was moved by Mr. Salladay and seconded by Ms. Emerine for a settlement offer of a Stipulation and Final Agency Order to include public censure; revocation of the mortgage loan originator license; and payment of fine in the amount of \$3,000 (plus 15% mandatory surcharge).

Motion carried.

NOTE: Dena Falbo returns to the webinar at 10:44 a.m. and resumes as Chair.

ATTORNEY GENERAL MATTERS:

A. Complaint #2022-1208 (TG) -

Following discussion in Executive Session, it was moved by Ms. Meckstroth and seconded by Mr. Salladay to accept the counteroffer in Complaint #2022-1208 (TG) for a Final Agency Order, public censure and a fine in the amount of \$1,000 (plus 15% mandatory surcharge).

Motion unanimously carried.

B. Complaint #2022-948 (RH) -

Following discussion in Executive Session, it was moved by Ms. Emerine and seconded by Mr. Salladay to rescind the referral to the Attorney General's Office for litigation in Complaint #2022-948 (RH) since the respondent's mortgage loan originator's license is expired.

Motion unanimously carried.

Adjourn

The MLO Board meeting adjourned at 10:53 a.m. on May 17, 2023.

Dena Falbo, Chair

Jennifer Meckstroth, Vice-Chair

Cindy Emerine, Board Member

Aaron Salladay, Board Member

ABSENT
Shirley Thielen, Board Member

Marcia Waters, Director
Colorado Division of Real Estate