

LAWRENCE WASDEN
Attorney General

Thomas A. Donovan – I.S.B. #4377
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8091
Facsimile: (208) 332-8016
Tom.donovan@finance.idaho.gov

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

In re Mortgage Loan Originator
License Application of:

STEVEN CARL GRONLUND,
NMLS ID No. 246260,

Applicant.

Docket No. 2020-16-50

CONSENT ORDER

Comes now the Consumer Finance Bureau staff of the State of Idaho, Department of Finance (Department) and STEVEN CARL GRONLUND, NMLS ID No. 246260 (the Applicant), collectively “the Parties,” agree and stipulate to the terms of this Consent Order and further agree that the Director of the Idaho Department of Finance (Director), may adopt the Consent Order pursuant to the Idaho Residential Mortgage Practices Act, Idaho Code § 26-31-101 *et seq.* (the Act).

The Parties stipulate and agree to the following facts, legal conclusions, and remedies, and that the Director may enter an order adopting the provisions of this Consent Order to fully resolve this matter.

FACTUAL BACKGROUND

1. Steven Carl Gronlund (the Applicant), a resident of the state of Idaho, holds NMLS number 246260 and applied for an Idaho Mortgage Loan Originator (MLO) license by filing a Form MU4 through the online Nationwide Multistate Licensing System (NMLS) on July 16, 2020.

2. The application Form MU4, seeks information about an applicant's qualifications to be licensed as a mortgage loan originator. Section 6 of the application form is entitled "Disclosure Questions" and it consists of a series of questions that inquire into an applicant's history regarding financial, criminal, civil, judicial and regulatory matters. Pertinent to the Applicant's qualifications are the following questions:

(A)(1) "Have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition within the past 10 years?"

(D): "Do you have any unsatisfied judgments or liens against you?"

3. The Applicant responded with a "yes" to these two questions and provided additional information to these affirmative answers in the Disclosure Explanations section of the application.

4. Regarding question (A)(1), the Applicant provided information indicating that his discharge in his bankruptcy case (Case No. 6:12-bk-14417; United States Bankruptcy Court, Central District of California, Riverside Division) had been denied. However, he did not clearly

state the basis therefor, namely, that the bankruptcy court had denied the discharge based on his conduct concealing an asset in the bankruptcy proceeding in 2012.

5. Regarding the affirmative response to question (D), the Applicant referenced a judgment that he stated did not belong to him, but he failed to disclose another judgment against him that did exist.

6. The Director of the Department entered an order denying the Applicant's application on September 17, 2020, which order was served upon the Applicant on September 21, 2020. The Applicant timely requested a hearing on the denial order, the Director appointed a hearing officer to preside over the hearing, and the Applicant subsequently retained counsel.

TERMS AND CONDITIONS OF SETTLEMENT

7. Paragraphs 1 through 6 above are fully incorporated herein by this reference.

8. The Applicant did not fully disclose the nature of the denial of his bankruptcy discharge nor a judgment entered against him in Riverside County, California. He had a duty to fully disclose this information in the application with an attestation that the information contained in the application was current, true, accurate, and complete.

9. The Applicant maintains that the failure to disclose the aforementioned information was an inadvertent mistake or oversight and that he had no intent to deceive the Department. The Applicant understands that the Department has a concern about his qualification for licensure based on the content of the application as well as due to the basis for the denial of his discharge in his bankruptcy. However, the Applicant maintains that sufficient time has elapsed since his bankruptcy proceeding and that his lack of criminal record and past

work experience, including similar licensure in California, has been conducted over many years consistently within the parameters of the applicable law.

10. The Department and the Applicant agree that the failure to disclose the above-described judgment, the failure to fully disclose the nature or basis of the denial of discharge in his bankruptcy case, and the Applicant's underlying conduct within the bankruptcy case are relevant and pertinent to the Form MU4 application, that there is sufficient cause to deny the application under Idaho Code § 26-31-313(1), and that the current pending MU4 application submitted on July 16, 2020, is considered denied by the Department. The Parties agree and, by her signature adopting this Consent Order, the Director orders that the initial order entered September 17, 2020, is hereby withdrawn, of no effect, and superseded by this Consent Order.

11. The Parties further agree as follows:

- a. The Applicant is entitled to submit a new application, after the date this Consent Order is entered, to be accompanied by any applicable fee(s), and the Applicant shall provide full disclosure including, but not limited to, all applicable bankruptcy filings, any outstanding liens or judgments, and any relevant administrative orders such as this Consent Order and relevant explanations; upon submission of a new application by the Applicant, the Department agrees and represents that it will review any new application from the Applicant on its own merit in the normal course, that it will not deny an application merely on the existence of this Consent Order, and that it will make a decision thereon within two (2) weeks of a complete application submission; the Parties understand and agree that the

Department cannot guaranty that the Applicant will be awarded a license upon a new application, and further that if there are incomplete answers or submissions or questions that arise in the review, that the review process may be prolonged;

- b. The existence of any license issued to the Applicant will be further conditioned on the following. Any violation of: this Consent Order; applicable licensing requirements of the Act; or any other provision of the Act within twelve (12) months from the date of issuance of a license, which determination shall be within the sole discretion of the Department, shall be just cause for termination of the license and shall result in the Applicant immediately and voluntarily surrendering the license without any opportunity for hearing, and the Applicant shall be barred from reapplying for a new license for a period of twenty-four (24) months from the date of termination; and
- c. The Applicant agrees to pay the amount of \$500 as costs and attorney fees to the Department no later than fourteen (14) days from the date of service of this Consent Order.

12. Both the Department and the Applicant agree that this Consent Order is intended to be the complete resolution of all issues arising under the above-captioned matter. Further, both the Department and the Applicant agree to not pursue any and all claims either may have against the other related to the issues raised in this matter, and the Parties hereby waive any right to a hearing, appeal, or any further legal action or proceeding arising from the

facts and circumstances giving rise to this matter, and they waive any right to hearing or appeal from this Consent Order.

13. The Applicant acknowledges that the entry of this Consent Order will likely be a reportable event requiring disclosure in future licensing applications submitted by the Applicant both in Idaho and in other states.

14. The Applicant knowingly, willingly, voluntarily, and irrevocably consents to the entry of this Consent Order, and agrees that he fully understands all of the terms and conditions contained herein.

15. Once this Consent Order has been fully executed by the Parties and the Director, the Department will notify the appointed hearing officer that this administrative proceeding has been settled and fully resolved by serving a copy of same on the hearing officer.

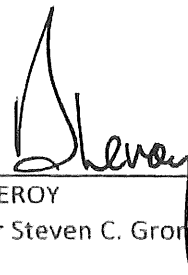
DATED this 20th day of November 2020.



STEVEN CARL GRONLUND
NMLS ID No. 246260

APPROVED AS TO FORM AND SUBSTANCE.

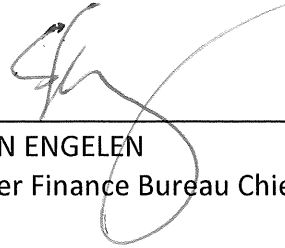
DATED this 20th day of November 2020.



DAVID H. LEROY
Counsel for Steven C. Gronlund

DATED this 20th day of November 2020.

STATE OF IDAHO
DEPARTMENT OF FINANCE



ERIN VAN ENGELEN
Consumer Finance Bureau Chief

APPROVED AS TO FORM AND SUBSTANCE.

DATED this 20th day of November 2020



THOMAS A. DONOVAN, DAG
Counsel for the Department

Having read and approved the foregoing Consent Order signed by the Parties, **IT IS
HEREBY ADOPTED AND SO ORDERED.**

DATED and EFFECTIVE this 23rd day of November 2020.



STATE OF IDAHO
DEPARTMENT OF FINANCE



PATRICIA R. PERKINS, Director

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23rd day of November, 2020, I caused a true and correct copy of the foregoing CONSENT ORDER to be served on the following by the designated means:

David H. Leroy
Attorney at Law
802 W. Bannock Street, Ste. 201
Boise, ID 83702

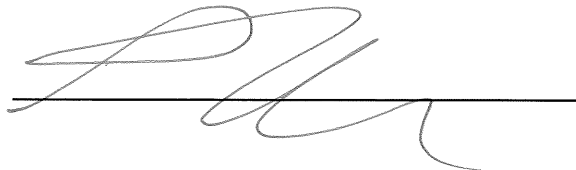
U.S. mail, postage prepaid
 certified mail
 facsimile _____
 email: dave@dleroy.com

David V. Nielsen
Hearing Officer
PO Box 1192
Boise, ID 83701

U.S. mail, postage prepaid
 certified mail
 facsimile:
 email: nielsendavidv@qwestoffice.net

Thomas A. Donovan
Deputy Attorney General
Idaho Department of Finance
PO Box 83720
Boise, ID 83720-0031

U.S. mail, postage prepaid
 certified mail
 facsimile _____
 email: tom.donovan@finance.idaho.gov

A handwritten signature in black ink, appearing to be 'P. L.', is written over a horizontal line.