STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCE AND CORPORATE SECURITIES
MORTGAGE LENDING SECTION

BEFORE THE DIRECTOR OF THE DEPARTMENT
OF CONSUMER AND BUSINESS SERVICES

In the Matter of: Anthony Lee Stewart, NMLS # 347262 Respondent.	M-14-0033 FINAL ORDER DENYING MORTGAGE LOAN ORIGINATOR LICENSE ENTERED BY DEFAULT

On July 22, 2014, the Director of the Department of Consumer and Business Services for the State of Oregon (hereinafter "the Director"), acting pursuant to the authority contained in Oregon Revised Statutes ("ORS") 86A.100 et seq. and Oregon Administrative Rules ("OAR") 441-850-0005 through 441-885-0010 (hereinafter "the Oregon Mortgage Lender Law"), issued administrative order case no. M-14-0033, Order Denying Mortgage Loan Originator License and Notice of Right to a Hearing to Anthony Lee Stewart (hereinafter "Stewart").

On July 22, 2014, the Director mailed a true copy of the Order by regular first-class mail and by certified mail postage prepaid to Stewart at 11606 Mt. Hood Court, Rancho Cucamonga, California 91737. Stewart listed this address as his mailing address with the Oregon Division of Finance and Corporate Securities (hereinafter "Division").

The certified mailing went unclaimed, and the regular mailing has not been returned.

Stewart has not made a written request for a contested case hearing in this matter, and the time to do so has expired.

FINDINGS OF FACT

The Director FINDS that:

1. On March 19, 2014, Stewart applied for a mortgage loan originator license with the

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Division through the Nationwide Mortgage Licensing System (hereinafter "NMLS").

2. Stewart answered "yes" to NMLS Disclosure Question (F)(1): "Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?"

3. Stewart also answered "yes" to NMLS Disclosure Question (H)(1): "Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion?"

4. As part of the application, a criminal background check was completed.

5. The background check noted a 2005 entry for embezzlement and a 2008 entry for theft.

6. During the week of May 12, a Division employee requested that Stewart upload copies of the court records for his F(1) and H(1) disclosures.

7. On May 15, 2014, Stewart submitted an amendment to his application in NMLS by uploading a screen print reportedly from San Bernardino County, California (SBC) and records reportedly from Los Angeles County, California (LAC).

8. The screen print Stewart submitted from SBC shows that the embezzlement and theft of personal property charges against him were dismissed. The text of the word "DISMISSED" on the theft count of the screen print is askew.

9. The Division employee located the SBC online records database and found what appears to be the same search engine that Stewart used to generate the screen print.

10. Unlike the screen print Stewart submitted, the Division's search of the database using the same case number showed that he was convicted of theft.

11. The Division employee placed a deficiency for Stewart to upload the actual SBC court records instead of screen prints.

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12. On May 15, 2014, Stewart filed an amendment to his application by uploading another record reportedly from SBC showing "Dismiss" as the status for the theft of personal property charge. Again, the text of the word "Dismiss" was askew.

13. The Division obtained the court records from San Bernardino County Superior Court (hereinafter "SBC records") for Stewart's case, and the SBC records are materially different from the records Stewart uploaded.

14. The Division employee located a document from within the SBC records that appeared to be the same one Stewart submitted. The SBC record showed "Convict" as the status for the theft charge, whereas the record Stewart submitted showed "Dismissed."

15. The SBC records show that Stewart pleaded no contest and was found guilty of petty theft, a misdemeanor, on June 17, 2005. The embezzlement charge was dismissed.

16. On May 15, 2014, Stewart also uploaded to NMLS, what purports to be, a one page court record from LAC showing that he had been found not guilty of violating Section 666 of the California Penal Code, known as petty theft with a prior, on February 1, 2008.

17. The text of the words "not guilty" is askew, and the placement of the words does not make sense in the overall record.

18. The Division obtained court records from the Los Angeles County Superior Court (hereinafter "LAC records") for Stewart's case, and the LAC records are materially different from the records Stewart uploaded.

19. The LAC records contain a blank space in the place where the records Stewart submitted show that he was found not guilty.

20. Stewart submitted a one-page document, but the same LAC record is three pages and shows that Stewart entered a no contest plea and was convicted of petty theft with a prior on February 29, 2008.

21. Stewart has filed several amendments to his application in which he has attested to the

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accuracy of the information submitted, but he has not submitted the correct records from SBC or LAC or an explanation.

22. On June 9, 2014, North Carolina issued a letter to Stewart notifying him of their intent to deny his mortgage loan originator license. The letter was also sent by email to Stewart's email address of record in NMLS.

23. Stewart answered "yes" to NMLS Disclosure Question (K)(6): "Has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever denied or suspended your registration or license or application for licensure, disciplined you, or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?"

24. Stewart answered "no" in response to NMLS Disclosure Question (N): "Is there a pending regulatory action proceeding against you for any alleged violation described in (K) through (L)?"

25. In Stewart's explanation for his "yes" answer to question (K)(6) he referenced the denial of his California license but did not mention the North Carolina enforcement action.

26. Stewart has filed several amendments to his application in which he attested to the accuracy of the information he submitted, including an amendment on June 24, 2014, but he has failed to disclose the North Carolina enforcement action, and his answer to question (N) is still "no."

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

1. Dishonesty is an essential element of theft.

2. Since Stewart was convicted of violating Section 666 of the California Penal Code, petty theft with a prior, a felony, in Los Angeles County, California on February 29, 2008, he is not eligible to hold an Oregon mortgage loan originator license pursuant to ORS 86A.212(1)(c)(A) and ORS 86A.212(1)(c)(B), which is grounds to deny his license.

3. By uploading records to his license application in NMLS containing false statements or material misstatements regarding his criminal history in SBC and LAC, Stewart made false statements of fact on his license application in violation of ORS 86A.224(1)(c), which is grounds to revoke his license.

4. By uploading records to his license application in NMLS containing statements he knew to be false regarding his criminal history in SBC and LAC, Stewart knowingly filed materially false documents with the Director in violation of ORS 86A.236(4), which is grounds to deny Stewart's license under ORS 86A.224(1)(a).

5. By answering "no" to NMLS Disclosure Question (N) and otherwise failing to disclose that North Carolina had started license revocation proceedings against him, Stewart made a false statement of fact on his license application in violation of ORS 86A.224(1)(c), which is grounds to revoke his license.

6. By answering "no" to NMLS Disclosure Question (N) and otherwise failing to disclose that North Carolina had started license revocation proceedings against him, Stewart knowingly filed materially false documents with the Director in violation of ORS 86A.236(4), which is grounds to deny Stewart's license under ORS 86A.224(1)(a).

7. By failing to inform the Director within 30 days of being served with the North Carolina notice of intent to revoke his license, Stewart violated OAR 441-880-0320(2).

ORDER

NOW, THEREFORE, THE DIRECTOR ISSUES THE FOLLOWING ORDERS:

The Director, pursuant to ORS 86A.224, hereby DENIES the application for mortgage loan originator license filed by Stewart.

This order is as "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this order does not limit other remedies that are available to the Director under Oregon Law.

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Dated this 4th day of October, 2014.

PATRICK M. ALLEN, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Administrator
Division of Finance and Corporate Securities

NOTICE: You may be entitled to judicial review of this Order. Judicial review may be obtained by filing a petition with the Court of Appeals in Salem, Oregon within 60 days from the service of this order. Judicial review is pursuant to the provisions of ORS 183.482 to the Oregon Court of Appeals.

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