

**ORDER SUMMARY – Case Number: C-10-079**

**Name(s):** Daniel C Gruell  
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**Order Number:** C-10-079-12-FO01  
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**Effective Date:** August 22, 2012  
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**License Number:** NMLS ID: 976047  
**Or NMLS Identifier [U/L]** (Revoked, suspended, stayed, application denied or withdrawn)  
 If applicable, you must specifically note the ending dates of terms.

**License Effect:** none  
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**Not Apply Until:** N/A  
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**Not Eligible Until:** N/A  
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**Prohibition/Ban Until:** No termination date for prohibition.  
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<b>Investigation Costs</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Fine</b>	\$9,000	Due: 30 days	Paid <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	Date
<b>Assessment(s)</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Restitution</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Judgment</b>	\$0	Due	Paid <input type="checkbox"/> Y <input type="checkbox"/> N	Date
<b>Satisfaction of Judgment Filed?</b>	<input type="checkbox"/> Y <input type="checkbox"/> N N/A			
No. of Victims:	0			

**Comments:**  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

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IN THE MATTER OF DETERMINING:  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

No.: C-10-079-12-FO01

DANIEL C. GRUELL,

FINAL ORDER

Respondent.

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I. DIRECTOR'S CONSIDERATION

A. Default. This matter has come before the Director of the Department of Financial Institutions of the State of Washington (Director), through his designee, Consumer Services Division Director Deborah Bortner (Director's designee), pursuant to RCW 34.05.440(1). On April 20, 2010, the Director, through the Director's designee, issued a Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry and Impose Fine (Statement of Charges) against Daniel C. Gruell (Respondent). A copy of the Statement of Charges is attached and incorporated into this order by this reference. The Statement of Charges was accompanied by a cover letter dated April 21, 2010, a Notice of Opportunity to Defend and Opportunity for Hearing, and a blank Application for Adjudicative Hearing for Respondent (collectively, accompanying documents).

On April 21, 2012, after several prior failed service attempts on Respondent, the Department personally served Respondent by ABC Legal Services at a residence in Tacoma, Washington, with the Statement of Charges and accompanying documents. The Department also served Respondent at that address by U.S. First-Class Mail. The letter sent by First-Class mail was not returned to the Department as undeliverable.

1 Respondent did not request an adjudicative hearing within 20 calendar days after the  
2 Department served the Notice of Opportunity to Defend and Opportunity for Hearing, as provided for  
3 in WAC 208-08-050(2).

4 B. Record Presented. The record presented to the Director's designee for her review and  
5 for entry of a final decision included the Statement of Charges, cover letter dated April 21, 2010,  
6 Notice of Opportunity to Defend and Opportunity for Hearing, and blank Application for  
7 Adjudicative Hearing for Respondent, with documentation for service.

8 C. Factual Findings and Grounds for Order. Pursuant to RCW 34.05.440(1), the  
9 Director's designee hereby adopts the Statement of Charges, which is attached hereto.

10 II. FINAL ORDER

11 Based upon the foregoing, and the Director's designee having considered the record and being  
12 otherwise fully advised, NOW, THEREFORE:

13 A. IT IS HEREBY ORDERED, That:

- 14 1. Respondent Daniel C. Gruell is prohibited from participation in the conduct of the  
15 affairs of any consumer lender subject to licensure by the Director, in any manner.  
16 2. Respondent Daniel C. Gruell pay a fine of \$9,000.

17 B. Reconsideration. Pursuant to RCW 34.05.470, Respondent has the right to file a  
18 Petition for Reconsideration stating the specific grounds upon which relief is requested. The Petition  
19 must be filed in the Office of the Director of the Department of Financial Institutions by courier at  
20 150 Israel Road SW, Tumwater, Washington 98501, or by U.S. Mail at P.O. Box 41200, Olympia,  
21 Washington 98504-1200, within ten (10) days of service of the Final Order upon Respondent. The  
22 Petition for Reconsideration shall not stay the effectiveness of this order nor is a Petition for  
23 Reconsideration a prerequisite for seeking judicial review in this matter.

1 A timely Petition for Reconsideration is deemed denied if, within twenty (20) days from the  
2 date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a  
3 written notice specifying the date by which it will act on a petition.

4 C. Stay of Order. The Director's designee has determined not to consider a Petition to  
5 Stay the effectiveness of this order. Any such requests should be made in connection with a Petition  
6 for Judicial Review made under chapter 34.05 RCW and RCW 34.05.550.

7 D. Judicial Review. Respondent has the right to petition the superior court for judicial  
8 review of this agency action under the provisions of chapter 34.05 RCW. For the requirements for  
9 filing a Petition for Judicial Review, see RCW 34.05.510 and sections following.

10 E. Non-compliance with Order. If you do not comply with the terms of this order, the  
11 Department may seek its enforcement by the Office of the Attorney General to include the collection  
12 of the fine imposed herein. The Department also may assign the amounts owed to a collection  
13 agency for collection.

14 F. Service. For purposes of filing a Petition for Reconsideration or a Petition for Judicial  
15 Review, service is effective upon deposit of this order in the U.S. mail, declaration of service  
16 attached hereto.

17 DATED this 22<sup>nd</sup> day of August, 2012

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20 STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS

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22 /s/ \_\_\_\_\_  
DEBORAH BORTNER  
23 Director  
Division of Consumer Services

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Consumer Loan Act of Washington by:

NO. C-10-079-10-SC01

DANIEL C. GRUELL,

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO PROHIBIT FROM  
INDUSTRY AND IMPOSE FINE

Respondent.

**INTRODUCTION**

Pursuant to RCW 31.04.093 and RCW 31.04.165, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.04 RCW, the Consumer Loan Act (Act). After having conducted an investigation pursuant to RCW 31.04.145, and based upon the facts available as of the date of this Statement of Charges, the Director, through his designee Division of Consumer Services Director Deborah Bortner, institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondent Daniel C. Gruell (Respondent Gruell)** is known to be Owner and Vice President of Northwest Lending Group, LLC, a consumer loan company formerly licensed by the Department under the Act.

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1 **1.2 Failure to Comply with Order of Director.** On or about December 22, 2009, the  
2 Director entered a Consent Order under case C-08-101-09-CO01 against Respondent Gruell.<sup>1</sup>

3 The Consent Order stated in relevant part:

4 It is AGREED that Respondent Gruell shall be prohibited from participating  
5 in the conduct of the affairs of any consumer lender licensed by the  
6 Department or subject to licensure or regulation by the Department, for a  
7 period of five years from the date of this Consent Order, in any capacity,  
8 including but not limited to: (1) any financial capacity whether active or  
9 passive, or (2) as an officer, director, principal, designated broker, loan  
10 originator or (3) any management, control, oversight or maintenance of any  
11 trust account(s) in any way related to any residential mortgage transaction, or  
12 (4) receiving, disbursing, managing or controlling in any way, consumer  
13 trust funds in any way related to any residential mortgage transaction.

14 Respondent Gruell signed the Consent Order on December 1, 2009, and was served with a  
15 conformed copy on or about January 13, 2010.

16 On or about March 20, 2010, the Department received an anonymous tip that  
17 Respondent Gruell was working as a loan originator for Loan Network, LLC, a consumer loan  
18 company licensed by the Department under the Act. On or about March 23, 2010, the  
19 Department confirmed with the Compliance Officer for Loan Network, LLC, that Respondent  
20 Gruell was currently employed as a loan originator and had been employed in that capacity  
21 since at least September 2009. Loan Network, LLC, also provided documentation indicating  
22 that Respondent Gruell had received net compensation in the amount of \$5,203.23 for  
23 originating two residential mortgage loans in 2010.

24 **1.3 On-Going Investigation.** The Department's investigation into the alleged violations of the  
25 Act by Respondent continues to date.

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<sup>1</sup> Northwest Lending Group, LLC, and Joseph L. Raquiza were also named in the Consent Order but are not part of this action.

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**II. GROUNDS FOR ENTRY OF ORDER**

**2.1 Requirement to Comply with Orders of the Director.** Based on the Factual Allegations set forth in Section I above, Respondent is in apparent violation of RCW 31.04.093 by failing to comply with an order issued by the Director.

**III. AUTHORITY TO IMPOSE SANCTIONS**

**3.1 Authority to Prohibit from the Industry.** Pursuant to RCW 31.04.093(6)(d), the Director may issue an order prohibiting from participation in the affairs of any licensee, any officer, principal, employee, or any other person subject to the Act for failure to comply with any order issued under the Act.

**3.2 Authority to Impose Fine.** Pursuant to RCW 31.04.093(4), the Director may impose a fine of up to one hundred dollars per day upon any person subject to the Act for failure to comply with any order issued by the Director under the Act.

**IV. NOTICE OF INTENTION TO ENTER ORDER**

Respondent's violations of the provisions of chapter 31.04 RCW, as set forth in the above Factual Allegations, Grounds for Entry of Order, and Authority to Impose Sanctions, constitute a basis for the entry of an Order under RCW 31.04.093, RCW 31.04.165, and RCW 31.04.205. Therefore, it is the Director's intention to ORDER that:

**4.1** Respondent Daniel C. Gruell be prohibited from participation in the conduct of the affairs of any licensed consumer loan company, in any manner; and

**4.2** Respondent Daniel C. Gruell pay a fine which as of the date of these charges totals \$9,000.

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**V. AUTHORITY AND PROCEDURE**

This Statement of Charges and Notice of Intention to Enter an Order to Prohibit from Industry and Impose Fine (Statement of Charges) is entered pursuant to the provisions of RCW 31.04.093, RCW 31.04.165, RCW 31.04.202, and RCW 31.04.205, and is subject to the provisions of chapter 34.05 RCW (The Administrative Procedure Act). Respondent may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Statement of Charges.

Dated this 20<sup>th</sup> day of April, 2010.



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DEBORAH BORTNER  
Director  
Division of Consumer Services  
Department of Financial Institutions

Presented by:

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Steven C. Sherman  
Financial Legal Examiner

Approved by:

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James R. Brusselback  
Enforcement Chief