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9
10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12
13 In the Matter of) NMLS ID: 613306
THE COMMISSIONER OF BUSINESS)
14 OVERSIGHT,)
15 Complainant,) ORDER DENYING MORTGAGE LOAN
vs.) ORIGINATOR LICENSE APPLICATION
16)
17 YONG SHIK CHOI,)
18 Respondent.)
19)
20)

21 The California Commissioner of Business Oversight (“Commissioner”) finds that:

22 1. On October 9, 2013, YONG SHIK CHOI (“Respondent” or “Choi”), filed an application
23 for a mortgage loan originator license with the Commissioner pursuant to the Residential Mortgage
24 Lending Act (“CRMLA”)(Financial Code sections 50000 et. seq.), in particular, Financial Code
25 section 50140. The application was for employment with or working on behalf of Paramount
26 Residential Mortgage Company, Inc., Nationwide Mortgage Licensing System (“NMLS”) ID
27 No.75243, as a mortgage loan originator. The application was submitted to the Commissioner by
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1 filing Form MU4 application through NMLS. Respondent signed the Form MU4 swearing that the
2 answers were true and complete to the best of Respondent’s knowledge.

3 2. On November 26, 2013, Respondent filed an addendum disclosure to his original
4 application of October 9, 2013. NMLS Form MU4 at Section K(1), K(2), and K(5) “Regulatory
5 Action” of this November 26, 2013 disclosure specifically asked:

6 *“Has any state or federal regulatory agency or foreign financial*
7 *regulatory authority or self-regulatory organization (SRO) ever:*
8 *(1) found you to have made a false statement or omission or been*
9 *dishonest, unfair, or unethical?*
10 *(2) found you to have been involved in a violation of a financial services-*
11 *related business regulation(s) or statute(s)?*
12 *(5) revoked your registration or license?”*

11 Respondent answered “Yes” to each of these questions. The documentation received by the
12 Commissioner during the application process disclosed that Respondent was previously licensed by
13 the Bureau of Real Estate (“CBRE”) as a real estate salesperson (“CBRE License”) from February
14 21, 1995 to November 5, 2001. The CBRE revoked the CBRE License on or about August 27,
15 2001, effective September 26, 2001, pursuant to Business and Professions Code section 10177. The
16 CBRE License was revoked subsequent to: (1) The CBRE issuing an Accusation and First
17 Amended Accusation setting forth allegations against Respondent on or about December 26, 2000
18 and June 27, 2001, (collectively, “Accusation”); (2) Respondent being granted an opportunity to be
19 heard at an administrative hearing on the merits; and (3) a proposed decision and decision dated
20 August 27, 2001, effective September 26, 2001 (“Order”).

21 3. Pursuant to the Accusation, and Order, the CBRE License was revoked because
22 Respondent was found to have engaged in activity (1) in violation of Business and Professions
23 Code section 10137; and (2) constituting fraud and/or dishonest dealing and/or making a substantial
24 misrepresentation. Specifically, in May 1999, Respondent was employed in a real estate capacity
25 with an employer to perform acts requiring a real estate license. Respondent was engaged in a real
26 estate transaction regarding a parcel located in Southern California whereby the borrowers of a real
27 estate loan entered into a contract to purchase real property. During this transaction, Respondent
28 delivered a check from escrow to certain parties of this transaction. At that time, Respondent
solicited this party for an additional \$900.00. Respondent insisted he deserved the extra money

1 because he “worked more than normal” on the matter. The party asked Respondent if the additional
 2 payment would be shown on the paperwork in order that it may be claimed as a deduction for
 3 income tax purposes. Respondent asserted “not to worry, that it would be deductible.” Respondent
 4 also stated “but don’t tell my boss.” In reliance on Respondent’s statements, the party to the
 5 transaction gave Respondent a check in the amount of \$900.00, made payable to the Respondent.
 6 Respondent cashed this check and did not give the proceeds to his employing broker. Respondent
 7 stated that he “did not get paid so [he] decided to charge the \$900.00.”

8 4. Also, in September 2000, in the course of investigating the above-stated actions, the
 9 CBRE Deputy Commissioner wrote a letter to Respondents’ employer and to Respondent. When
 10 Respondent received his letter, Respondent proceeded to intercept his employer’s letter.
 11 Respondent’s employer never knew that the letters were sent by the CBRE. Respondent then
 12 replied to the CBRE letter as Respondent’s employer. Respondent’s letter included an undated
 13 letter, printed on plain paper, addressed to the CBRE which contained a signature line which
 14 asserted that the letter was from Respondent’s employer when in fact the letter was not and was a
 15 forgery. Respondent eventually admitted to his employer that Respondent: “covered up this
 16 violation by corresponding with the [CBRE] and illegally forging [employer’s] name. . .”

17 5. Financial Code section 50141 provides in pertinent part:

18 (a) The commissioner shall deny an application for a mortgage loan
 19 originator license unless the commissioner makes, at a minimum,
 20 the following findings:

21 (3) The applicant has demonstrated such financial responsibility,
 22 character, and general fitness as to command the confidence of
 23 the community and to warrant a determination that the mortgage
 24 loan originator will operate honestly, fairly, and efficiently
 25 within the purposes of this division.

26 6. The Commissioner finds, by reason of the foregoing, that Respondent has failed to
 27 demonstrate such financial responsibility, character, and general fitness as to command the
 28 confidence of the community and warrant a determination that he will operate honestly, fairly, and
 efficiently as a mortgage loan originator in light of his actions under the meaning of Financial Code
 section 50141. The Commissioner finds that each and every above stated act by Respondent Yong

1 Shik Choi is sufficient grounds to not issue a mortgage loan originator license to Respondent Yong
2 Shik Choi, and thus deny the application, pursuant to Financial Code section 50141.

3 7. On November 4, 2014, the Commissioner issued a Notice of Intention to Issue Order
4 Denying Mortgage Loan Originator License Application and accompanying documents based on the
5 above findings. Respondent was served with those documents via certified, return receipt mail at the
6 address filed by Respondent on his application with the Department of Business Oversight. Return
7 receipt indicates Respondent received the above-described documents on December 8, 2014. The
8 Commissioner has received no request for a hearing and the time to request a hearing has expired.

9 NOW GOOD CAUSE APPEARING THEREFOR, it is hereby ordered that the mortgage
10 loan originator license application of Yong Shik Choi is denied. This order is effective as of the date
11 hereof.

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Dated: May 22, 2015

JAN LYNN OWEN
California Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner, Enforcement