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8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11 In the Matter of the Statement of Issues of THE) NMLS ID: 808017
12 COMMISSIONER OF CORPORATIONS OF)
13 THE STATE OF CALIFORNIA,) STATEMENT OF ISSUES
14 Complainant,)
15 vs.)
16 JAMES STEPHEN GANO,)
17 Respondent.)
18)

19
20 The Complainant is informed and believes, and based upon such information and belief,
21 alleges and charges Respondent as follows:

22 I
23 INTRODUCTION

24 The proposed order seeks to deny the issuance of a mortgage loan originator license to
25 JAMES STEPHEN GANO (“Respondent”) pursuant to Financial Code section 50141 in that
26 Respondent has twice been convicted of a felony involving an act of fraud, dishonesty, or a breach
27 of trust, or money laundering, by twice pleading guilty to Title 18, United States Code, section 2113,
28 subsection (a).

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II

APPLICATION

On or about April 9, 2012 Respondent filed an application for a mortgage loan originator license with the Commissioner of Corporations (“Complainant” or “Commissioner”) pursuant to the California Residential Mortgage Lending Act (“CRMLA”) (Financial Code sections 50000 *et. seq.*), in particular, Financial Code section 50140. The application was submitted to the Commissioner by filing Form MU4 through the Nationwide Mortgage Licensing System (“NMLS”). Respondent subsequently updated the Form MU4 through NMLS on May 17, 2012. The last updated submission was dated on or about June 6, 2012 (“the Application”).

The Application at Question (F)(1) specifically asks: “Have you been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any felony?” Respondent answered “Yes.”

III

GUILTY PLEAS

Documents obtained by the Department of Corporations (“Department”) in connection with the Application disclosed that Respondent had pleaded guilty to the following:

- (i) Robbery of bank, in violation of Title 18, United States Code, section 2113, subsection (a), a felony, on or about November 28, 1977 (*United States v. James Stephen Gano*, Case No. CR-77-1155-F); and
- (ii) Bank robbery, in violation of Title 18, United States Code, section 2113, subsection (a), a felony, on or about July 29, 1996 (*United States v. James Stephen Gano*, Case No. SACR-95-120(B)-LHM).

IV

FINANCIAL RESPONSIBILITY

Public records disclose unsatisfied judgments and liens against Respondent, including a judgment lien in the amount of \$29,085 filed in the Orange County Recorder of Deeds on February 9, 2009, and a civil judgment in the amount of \$15,000 filed in Orange Municipal Court in Newport Beach on October 21, 2008. In addition, records from the Orange County Recorder of Deeds

1 disclose the filing of multiple county, state, and federal tax liens against Respondent in the years
2 1994 through 2010 that, while later released, indicate a history of failure to timely pay taxes.

3 V

4 Financial Code section 50141 provides in relevant part:

5 (a) The commissioner shall deny an application for a mortgage loan
6 originator license unless the commissioner makes at a minimum the
7 following findings:

8 . . .

9 (2) (A) The applicant has not been convicted of, or pled guilty or nolo
10 contendere to, a felony in a domestic, foreign, or military court during the
11 seven-year period preceding the date of the application for licensing and
12 registration, or at any time preceding the date of application, if such felony
13 involved an act of fraud, dishonesty, a breach of trust, or money
14 laundering. Whether a particular crime is classified as a felony shall be
15 determined by the law of the jurisdiction in which an individual is
16 convicted.

17 (B) For purposes of this paragraph, an expunged or pardoned felony
18 conviction shall not require denial of an application. However, the
19 commissioner may consider the underlying crime, facts, or circumstances
20 of an expunged or pardoned felony conviction when determining the
21 eligibility of an applicant for licensure under this paragraph or paragraph
22 (3).

23 (3) The applicant has demonstrated such financial responsibility,
24 character, and general fitness as to command the confidence of the
25 community and to warrant a determination that the mortgage loan
26 originator will operate honestly, fairly, and efficiently within the purposes
27 of this division.
28

VI

CONCLUSION

Complainant finds, by reason of the foregoing, that Respondent does not meet two of the six
minimum requirements for issuance of a mortgage loan originator license, namely, Financial Code
section 50141, subdivisions (a)(1) and (a)(3), as follows: (1) Respondent has, on two occasions
preceding the date of the Application, pleaded guilty to a felony involving an act of fraud,
dishonesty, a breach of trust, or money laundering, and (2) based on the existence of unsatisfied
judgment liens and a history of failure to timely pay county, state, and federal taxes, Respondent has
not demonstrated such financial responsibility, character, and general fitness as to command the

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confidence of the community and to warrant a determination that he will operate honestly, fairly, and efficiently within the purposes of this division. Therefore, pursuant to Financial Code section 50141, subdivision (a) the Commissioner shall deny Respondent’s application for a mortgage loan originator license.

WHEREFORE IT IS PRAYED that the mortgage loan originator application filed by Respondent be denied.

Dated: June 5, 2013
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Corporations

By _____
SOPHIA C. KIM
Corporations Counsel