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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

10 In the Matter of:) NMLS ID.: 1524493
11)
12 THE COMMISSIONER OF BUSINESS) STATEMENT OF ISSUES IN SUPPORT OF
OVERSIGHT,) ORDER DENYING APPLICATION FOR
13) MORTGAGE LOAN ORIGINATOR LICENSE
Complainant,)
14)
15 v.)
16 EPHRAIM GIRON GOLTIAO,)
17)
Respondent.)
18)
19)

20 **I**
INTRODUCTION

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22 1. The Commissioner of Business Oversight (Commissioner) seeks to deny the issuance of a
23 mortgage loan originator (MLO) license to Respondent Ephraim Giron Goltiao (Goltiao) pursuant to
24 section 50141 of the California Residential Mortgage Lending Act (Financial Code § 50000 et seq.)
25 (CRMLA), in that Goltiao has not demonstrated such financial responsibility, character, and general
26 fitness as to command the confidence of the community and to warrant a determination that the
27 mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this
28 division.

II
STATEMENT OF FACTS

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3 2. On or around November 18, 2016, Goltiao filed an application for an MLO license with the
4 Commissioner by submitting a Form MU4 through the Nationwide Mortgage Licensing System &
5 Registry (NMLS) (hereinafter, “Application”) pursuant to Financial Code section 50140. On the
6 MU4 form, Goltiao answered “No” to questions on the Application regarding his history, including:
7 (1) criminal disclosures, including, but not limited to, whether he had ever been convicted of or pled
8 guilty to any felony, or misdemeanor involving fraud or forgery; and, (2) regulatory actions
9 disclosures, including, but not limited to, findings by a regulatory agency or self-regulatory
10 organization (SRO) that led to suspension, revocation, or restriction of a license, and disciplinary
11 orders. The Application also required Goltiao to explain in detail any “Yes” answers to these
12 questions.

13 3. Investigation by the Department of Business Oversight (Department) of Goltiao’s
14 Application revealed that Goltiao had been charged in a felony complaint filed on July 12, 1999 in
15 Santa Clara County Superior Court (Case Number E9911375) with felony Forgery and the making
16 of a False Financial Statement, in violation of Penal Code section 532a. The complaint contained
17 allegations that Goltiao had forged the name of a co-signer and provided other false information,
18 including false social security numbers, on an application for a car loan that Goltiao obtained in
19 1998. The car was later repossessed; and, when the co-signor was contacted for collection, she
20 reported to the police that the signature on the loan application was not hers. It was also learned
21 through the Department’s investigation of the Application that the Goltiao's real estate license had
22 been revoked by a noticed regulatory action on June 13, 2002 by the California Bureau of Real
23 Estate (BRE; formerly the Department of Real Estate). The revocation action by the BRE was based
24 on a conviction for Penal Code section 523a, which the BRE found involved a crime of moral
25 turpitude that made Goltiao unqualified for the duties of a real estate sales agent according to the
26 pleadings in that action. Goltiao did not contest the BRE’s revocation action.

27 4. During its investigation of the Application, the Department contacted Goltiao about the
28 matters that had not been disclosed on the Application, as required, and requested an explanation. In

1 response, Goltiao produced court records indicating that on November 9, 2000, Goltiao had agreed
2 to a plea bargain agreement where he pled guilty and had been convicted of one misdemeanor count
3 of False Financial Statement in violation of Penal Code section 532a, subdivision (1) (the obtaining
4 of money or property by means of false representations in writing) in exchange for a dismissal of the
5 Felony Forgery Charge. Goltiao was sentenced to three years’ probation and 90 days in jail pursuant
6 to that conviction.

7 **III**

8 **GOLTIAO’S FAILURE TO DEMONSTRATE REQUISITE FINANCIAL**
9 **RESPONSIBILITY, CHARACTER AND GENERAL FITNESS**

10 5. Financial Code section 50141 provides in relevant part:

11 (a) The commissioner **shall** deny an application for a mortgage loan
12 originator license unless the commissioner makes **at a minimum the**
13 **following findings: . . .**

14 (3) The applicant has demonstrated such financial responsibility,
15 character, and general fitness as to command the confidence of the
16 community and to warrant a determination that the mortgage loan
17 originator will operate honestly, fairly, and efficiently within the purposes
18 of this division . . . (Emphasis added).

19 6. The Commissioner finds that Goltiao does not meet the minimum requirements for issuance
20 of a mortgage loan originator license as set forth in Financial Code section 50141 based on the
21 following actions: (1) Goltiao made a material misrepresentation on the application form for the
22 MLO license indicating that he had no prior criminal convictions involving fraud; (2) Goltiao made
23 a material misrepresentation on the application form for the MLO license indicating that he had not
24 been subject to any findings by a regulatory agency that led to revocation of a license; (3) the
25 alleged actions leading to the criminal conviction for Penal Code section 532a, subdivision (1),
26 involved fraud on loan applications and financial documents of the type used in the mortgage
27 industry and demonstrated acts of moral turpitude by Goltiao. These acts bely the requirement under
28 Financial Code section 50141, subdivision (a)(3), that the applicant demonstrate “such financial
responsibility, character, and general fitness as to command the confidence of the community and to

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warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division.”

WHEREFORE, The Commissioner gives notice of her intention to deny the MLO license application filed by Ephraim Giron Goltiao by reason of the foregoing, and pursuant to Financial Code section 50141.

Dated: June 28, 2017
San Francisco, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Kirk Wallace
Senior Counsel