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

12 In the Matter of:

NMLS NO.: 1575188

13 THE COMMISSIONER OF BUSINESS  
14 OVERSIGHT,

STATEMENT OF ISSUES IN SUPPORT OF  
DENIAL OF MORTGAGE LOAN  
ORIGINATOR APPLICATION

15 Complainant,

16 v.

17 ARNOLD RANDAL HARPER,

18 Respondent.  
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20 The Commissioner of Business Oversight (Commissioner) is informed and believes, and  
21 based upon such information and belief, alleges and charges as follows:  
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23 **I**  
24 **Introduction**

25 1. The proposed order seeks to deny the issuance of a mortgage loan originator (MLO)  
26 license to Arnold Randal Harper (Harper), under the California Finance Lenders Law (Fin. Code, §  
27 22000 et seq.) (CFL) section 22109.1 and the California Residential Mortgage Lending Act (Fin.  
28 Code, § 50000 et seq.) (CRMLA) sections 50141 and 50327 in that Harper (1) has made untrue

1 statements during the course of licensure with the intent to impede, obstruct, or influence the  
2 administration or enforcement of the law governing mortgage loan originators in California; and (2)  
3 has not demonstrated such financial responsibility, character, and general fitness as to command the  
4 confidence of the community and to warrant a determination that the mortgage loan originator will  
5 operate honestly, fairly, and efficiently within the purposes of this division.

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7 **II**  
**False Statements**

8 2. On or about January 3, 2017, Harper filed an application for an MLO license with the  
9 Department of Business Oversight (Department) by submitting a Form MU4 (Application) through  
10 the Nationwide Mortgage Licensing System (NMLS) pursuant to Financial Code section 50140.

11 3. Question F(1) in the Application specifically asked: “Have you ever been convicted  
12 of or pled guilty or nolo contendere (‘no contest’) in a domestic, foreign, or military court to any  
13 felony?” Harper answered “no.”

14 4. Question H(1) in the Application specifically asked: “Have you ever been convicted  
15 of or pled guilty or non contendere (‘no contest’) in a domestic, foreign, or military court to  
16 committing or conspiring to commit a misdemeanor involving: . . . (iv) theft or wrongful taking of  
17 property . . . .” Harper answered “no.”

18 5. The Commissioner obtained documentation during the application process that  
19 revealed Harper was charged with “felony theft by taking” on October 27, 2015, and the final  
20 disposition of Harper’s felony charge was not disclosed in his criminal background check.

21 6. On or around January 19, 2017, the Commissioner instructed Harper through NMLS  
22 to provide further explanation and court documentation to support his negative responses to the  
23 Criminal Disclosure Questions F(1) and H(1).

24 7. On or around January 30, 2017, Harper submitted an email response to the  
25 Commissioner stating “I have never been convicted of a felony in a court of law. . . . I was charged  
26 with a felony but never convicted.” The Commissioner instructed Harper through email to provide  
27 court documentation to support his statements that “[he] was charged for a felony, but never  
28 convicted.”





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16. Financial Code section 50327 provides in relevant part:

(a) The commissioner may, after notice and a reasonable opportunity to be heard, deny, decline to renew, suspend, or revoke any license if the commissioner finds that:

(1) The licensee has violated any provision of this division or any rule or order of the commissioner thereunder.

(2) Any fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally . . . .

17. Financial Code section 50512 provides in relevant part:

(b) It is unlawful for any person to knowingly make an untrue statement to the commissioner during the course of licensing, investigation, or examination, with the intent to impede, obstruct, or influence the administration or enforcement of any provision of this division.

**V**  
**Conclusion**

The Commissioner finds that Harper has made untrue statements during the course of licensure with the intent to impede, obstruct, or influence the administration or enforcement of the law governing mortgage loan originators, in violation of Financial Code section 50512, by providing false statement in his original Application and supplemental responses.

Harper also fails to demonstrate “. . . such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division,” required under Financial Code sections 50141 and 22109.1, subdivision (a)(3), based upon his felony conviction of “theft by taking” and his failure to answer his Application truthfully.

The findings set forth above constitute grounds under Financial Code sections 22109.1, 50141, and 50327 to deny the issuance of a MLO license to Arnold Randal Harper.

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WHEREFORE IT IS PRAYED, by reason by the foregoing, pursuant to Financial Code sections 22109.1, 50141, and 50327, that the mortgage loan originator application filed by Arnold Randal Harper be denied.

Dated: June 13, 2017  
Los Angeles, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
Vanessa T. Lu  
Counsel  
Enforcement Division