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

11 In the Matter of:) NMLS FILE NO. 1267062
12 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) ORDER DENYING MORTGAGE LOAN
13) ORIGINATOR LICENSE APPLICATION
14 Complainant,)
15 v.)
16 JAME JAY HOLLOWAY,)
17 Respondent.)
18)

19
20 The Commissioner of Business Oversight (Commissioner) finds that:

- 21 1. On December 29, 2016, Respondent, Jame Jay Holloway (Holloway), filed an application for
22 a mortgage loan originator license with the Commissioner pursuant to the California Financing Law¹
23 (CFL), in particular, Financial Code section 22105.1. The application was for employment as a
24 mortgage loan originator with or working on behalf of Cardinal Financial Company, Limited
25 Partnership located at 2525 West Frye Road #110, Chandler, Arizona 85224. The application was
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28 ¹ Effective October 4, 2017, the name of the “California Finance Lenders Law” changed to the “California Financing Law.” (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this document, a reference to the California Finance Lenders Law means the California Finance Lenders Law before October 4, 2017 and the California Financing Law on and after that date. (Cal. Fin. Code, § 22000.)”

1 submitted to the Commissioner by filing a Form MU4 through the Nationwide Mortgage Licensing
2 System & Registry (NMLS).

3 2. In submitting his application, Holloway initially falsely answered “no” to question (F)(1) on
4 the Form MU4, which specifically asked: “Have you ever been convicted of or pled guilty or nolo
5 contendere (‘no contest’) in a domestic, foreign, or military court to any felony?”

6 3. The Commissioner determined pursuant to its own investigation of Holloway’s application
7 that in 1995, Holloway was convicted of felony embezzlement by the State of Michigan. After being
8 instructed by the Commissioner to amend his response to Question (F)(1), Holloway changed his
9 answer to “Yes,” uploaded documentation disclosing the 1995 embezzlement judgment and admitted
10 that he had pled nolo contendere to the crime. Holloway did not offer an explanation for why he
11 initially answered “No” to Question (F)(1).

12 4. In submitting his application, Holloway signed the Form MU4 swearing that the answers
13 were true and complete to the best of his knowledge.

14 5. From December 29, 2016 to March 29, 2017, Holloway was sponsored and employed by
15 Cardinal Financial Company, Limited Partnership which is licensed under the CFL, license number
16 603K498.

17 6. On or about March 29, 2017, Holloway’s sponsorship by and employment with Cardinal
18 Financial Company, Limited Partnership ended. Holloway has not been sponsored and employed by
19 any other CFL licensee since.

20 7. Financial Code section 22109.1, subdivision (a), provides, in pertinent part:

21 The commissioner shall deny an application for a mortgage loan
22 originator license unless the commissioner makes at a minimum the
23 following findings:

23 ...

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

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(3) The applicant has demonstrated 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.

...

(6) The applicant is employed by, and subject to the supervision of, a finance lender or broker that has obtained a license from the commissioner pursuant to this division.

8. Financial Code section 22172, subdivision (a) provides, in pertinent part:

The commissioner may do one or more of the following:

...

(2) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license if an applicant or licensee fails at any time to meet the requirements of Section 22109.1 or 22109.4, or withholds information or makes a material misstatement in an application for a license or license renewal.

9. Holloway’s plea of nolo contendere and subsequent conviction to a charge of felony embezzlement in the State of Michigan constitutes a plea of nolo contendere to or conviction of a felony involving an act of fraud, dishonesty, or a breach of trust, or money laundering in a domestic court.

10. Holloway’s initial false statement to the Commissioner regarding his past felony while swearing the answers were true and complete to the best of his knowledge, as well as his felony embezzlement conviction, shows Holloway’s failure to demonstrate such financial responsibility, character and general fitness as to command the confidence of the community and to warrant a determination that he will operate honestly, fairly, and efficiently as a mortgage loan originator.

11. Cardinal Financial Company, Limited Partnership’s withdrawal of its sponsorship of Holloway’s application and Holloway’s subsequent failure to obtain a new sponsor show Holloway is not employed by, nor subject to the supervision of a CFL licensee.

12. Holloway’s initial failure to disclose his felony conviction shows he withheld information or made a material misstatement in an application for a license.

13. The Commissioner finds, by reason of the foregoing, that (1) Holloway has been convicted of, or pled guilty or nolo contendere to, a felony in a domestic court and that felony involved an act

1 of fraud, dishonesty, or a breach of trust, or money laundering; (2) Holloway has not demonstrated
2 such financial responsibility, character, and general fitness as to command the confidence of the
3 community and to warrant a determination that the mortgage loan originator will operate honestly,
4 fairly, and efficiently within the purposes of the CFL; (3) Holloway is not employed by, and subject
5 to the supervision of, a finance lender or broker that has obtained a license from the Commissioner
6 pursuant to the CFL; and (4) Holloway withheld information or made a material misstatement in his
7 application for a license.

8 14. On December 21, 2017, the Commissioner issued a Notice of Intention to Deny Mortgage
9 Loan Originator License Application, Statement of Issues, and accompanying documents with
10 respect to the above findings. On or around January 6, 2018, Holloway was served with those
11 documents at his address of record. Holloway did not file a request for hearing and the time to do so
12 has expired.

13 15. Based on the foregoing findings, pursuant to Financial Code section 22109.1, the
14 Commissioner is therefore required to deny Holloway’s application for a mortgage loan originator
15 license. The Commissioner is also authorized, pursuant to Financial Code section 22172, to deny
16 Holloway’s application for a mortgage loan originator license.

17 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the application
18 for a mortgage loan originator license of Jame Jay Holloway is denied. This order is effective as of
19 the date thereof.

21 Dated: July 19, 2018
22 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

24 By _____
25 MARY ANN SMITH
26 Deputy Commissioner
27 Enforcement Division
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