

BEFORE THE
DEPARTMENT OF BUSINESS OVERSIGHT
STATE OF CALIFORNIA

In the Matter of the Statement of Issues
Against

Adrienne Johnson

Respondent.

NMLS NO. 1470229

OAH No. 2017020064

DECISION

The attached Proposed Decision of the Administrative Law Judge of the Office of Administrative Hearings, dated July 10, 2017, is hereby adopted by the Department of Business Oversight as its Decision in the above-entitled matter with technical and minor changes on the attached Errata Sheet pursuant to Government Code Section 11517(c)(2)(C)

This Decision shall become effective on October 11, 2017.

IT IS SO ORDERED this 12 day of September 2017



JAN LYNN OWEN
Commissioner of Business Oversight

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ERRATA SHEET

(Changes to Proposed Decision – Adrienne Johnson)

- 1) On page 1 of the Proposed Decision, Paragraph Number 2 of the FACTUAL FINDINGS, line 1, delete “2017” and insert instead “2016”.
- 2) On page 2 of the Proposed Decision, Paragraph Number 5 of the FACTUAL FINDINGS, line 3, delete “felonies.” and insert instead “felonies. A material element of Respondent’s felony conduct involved fraud or embezzlement (Exhibit 3)”.
- 3) On page 3 of the Proposed Decision, Paragraph Number 2 of the LEGAL CONCLUSIONS, line 3, delete “felony convictions” and insert instead “felony convictions, which involved fraud.”.

BEFORE THE
DEPARTMENT OF BUSINESS OVERSIGHT
STATE OF CALIFORNIA

In the Matter of the Statement of Issues
against:

ADRIENNE JOHNSON,

Respondent.

NMLS NO. 1470229

Sponsor File NO: 60DBO-48675 &
60DBO-48676

OAH No. 2017020064

PROPOSED DECISION

This matter was heard by Glynda B. Gomez, Administrative Law Judge with the Office of Administrative Hearings, on June 26, 2017, in Los Angeles, California. Complainant was represented by Judy L. Hartley, Counsel for the Department of Business Oversight. Adrienne Johnson (Respondent) appeared and represented herself.

Oral and documentary evidence was received, and argument was heard. The record was closed, and the matter was submitted for decision on June 26, 2017.

FACTUAL FINDINGS

1. On January 3, 2017, Judy L. Hartley, Senior Counsel of the Department of Business Oversight (Department) filed and signed the Statement of Issues on behalf of Complainant Jan Lynn Owen, Commissioner of Business Oversight (Complainant) while both were acting in their official capacities. The Department is responsible for the licensing of mortgage loan originators pursuant to the Finance Lenders Law.

Application

2. On June 17, 2017, Respondent submitted an application for an individual mortgage loan originator license to the Department pursuant to the Finance Lenders Law¹ on the Department's MU4 Form. The application was for employment or working on behalf of G. W. Golden Enterprises, Inc. doing business as G.W. Golden Financial and GWGF, which has its principal place of business located at 2459 W. 208th Street, Suite 204, Torrance, California 90501. The application was submitted by filing Form MU4 through the

¹ Financial Code section 22000 et seq.

Nationwide Mortgage Licensing System (NMLS). Respondent signed the MU4 under penalty of perjury.

3. Question (F)(1) of the MU4 asks: "Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?" Respondent answered "yes."

4. On September 19, 2016, Respondent amended her MU4 to upload court documents in the NMLS which provided the details of her convictions.

Convictions

5. On February 28, 2005, in the Superior Court of California, County of Riverside, Respondent was convicted, upon her guilty plea of two counts of Penal Code section 487, subdivision (a), grand theft, felonies. Respondent was sentenced to 24 days in county jail, with credit for 16 days served and 8 days of good time. She was placed on three years of formal probation with terms and conditions including the payment of fines, fees, and restitution and a prohibition from acting as a Notary Public. The facts and circumstances of the convictions are that Respondent was a notary public employed in a financial institution. Her notary stamp was compromised and used in approximately 15 real estate transactions in an identity theft scheme.

6. Respondent's parents died when she was very young, and she has been independent and self-supporting since she was a young woman. Respondent took pride in her career in the banking industry. Respondent worked in the banking industry for 13 years, working her way up the corporate ladder from bank teller to management. She also completed an in-house management training program. Respondent raised her children and owned a home. Respondent lost her home as a result of the financial toll of her convictions and inability to find work because of the convictions. Respondent completed her NMLS training and MU4 application while homeless. She hopes that she will be able to regain her ability to work in the financial field and to continue servicing clients. Respondent was accompanied to the hearing by her adult son.

7. Respondent was remorseful about her convictions. Respondent expressed that she felt ashamed that she had been duped into the situation which resulted in her convictions and that she should have known better than to trust anyone.

LEGAL CONCLUSIONS

1. Financial Code section 22109.1 governs the issuance of mortgage loan originator licenses. It provides that the Commissioner shall deny an application for a mortgage loan originator license unless the Commissioner finds the following:

(1) The applicant has never had a mortgage loan originator license revoked in any governmental jurisdiction, except that a subsequent formal vacation of a revocation shall not be deemed a revocation.

(2)(A) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for licensing and registration, or at any time preceding the date of 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.

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

(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.

(4) The applicant has completed the prelicensing education requirement described in Section 22109.2.

(5) The applicant has passed a written test that meets the test requirement described in Section 22109.3.

(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.

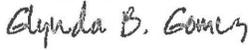
2. Cause exists to deny Respondent's application and to sustain the Statement of Issues because Respondent cannot meet the requirements of Financial Code section 22109.1 at this time. Respondent has two felony convictions and has not obtained an expungement of

either. Financial Code section 22109.1 does not provide any mechanism for an exception to its requirements in the absence of an expungement, and Respondent has not obtained expungements of her convictions. Accordingly, Respondent's application must be denied at this time in accordance with the strict requirements of Financial Code section 22109.1. Respondent is encouraged to provide character references as well as evidence of expungements of her convictions should she reapply.

ORDER

The application of Respondent Adrienne Johnson for a mortgage loan originator license is denied.

DATED: July 10, 2017

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GLYNDA B. GOMEZ
Administrative Law Judge
Office of Administrative Hearings