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

13 In the Matter of:  
14 THE COMMISSIONER OF BUSINESS  
15 OVERSIGHT,  
16 Complainant,  
17 v.  
18 TODD JOSEPH KREJCI, an individual,  
19 Respondent.

OAH CASE NO. 2018020472  
NMLS NO.: 1374025  
  
FIRST SUPPLEMENTAL STATEMENT OF  
ISSUES IN SUPPORT OF NOTICE OF  
INTENTION TO ISSUE ORDER DENYING  
MORTGAGE LOAN ORIGINATOR  
LICENSE APPLICATION

21 Pursuant to Government Code section 11507, Complainant, the Commissioner of Business  
22 Oversight (Commissioner) files this First Supplemental Statement of Issues, and alleges and charges  
23 Respondent, Todd Joseph Krejci (Krejci), as follows:

24 **I.**

25 **Introduction**

26 1. The Commissioner licenses and regulates people engaged in the business of a  
27 mortgage loan originator (MLO) under the California Financing Law (Fin. Code, § 22000 et seq.)  
28 (CFL) and California Residential Mortgage Lending Act (Fin. Code, § 50000 et seq.) (CRMLA).



1 8. At an October 5, 2015 hearing on Krejci’s application for an insurance license from  
2 CDI, Krejci testified under oath that: “My neighbor was causing issues with my wife and calling her  
3 names and, you know, racial comments to my wife. I shot my gun in the air once.”

4 IV.

5 **Krejci Failed to Disclose that He Was Issued a Restricted License by CDI**

6 9. After the October 5, 2015 hearing on Krejci’s application for an insurance license,  
7 CDI issued a Decision and Order dated April 11, 2016. The Decision and Order denied Krejci’s  
8 application and in lieu of a denial issued Krejci a restricted life-only agent license.

9 10. As stated above, to become licensed by the Commissioner as an MLO, an individual  
10 must complete a Form MU4 and submit it to the Commissioner under penalty of perjury. Form MU4  
11 requires an applicant for an MLO license to disclose information about regulatory actions.

12 11. Form MU4 at Questions K(6) and (9) ask:

13 Has any State or federal regulatory agency or foreign financial  
14 regulatory authority or self-regulatory organization (SRO) ever:

15 . . .  
16 (6) denied or suspended your registration or license or application for  
17 licensure . . . or restricted your activities?

18 . . .  
19 (9) entered an order concerning you in connection with any license or  
20 registration?

21 Krejci only answered “yes” to this question in relation to a regulatory action by the National  
22 Futures Association. (See Statement of Issues dated January 2, 2018, p. 4, IV. Regulatory Action.)

23 12. Krejci did not disclose in his Form MU4s that CDI issued the Decision and Order  
24 granting him a restricted life-only agent license.

25 V.

26 **Supplemental Grounds to Deny Krejci’s Application**

27 13. As set forth in the Statement of Issues dated January 2, 2018, Financial Code sections  
28 22109.1 and 50141 provide that the Commissioner shall deny an application for an MLO license  
unless the Commissioner makes, at a minimum, a determination that the applicant demonstrates  
“such financial responsibility, character, and general fitness as to command the confidence of the

1 community and to warrant a determination that the mortgage loan originator will operate honestly,  
2 fairly, and efficiently within the purposes of this division.” (Fin. Code, §§ 22109.1 & 50141.)

3 14. Financial Code section 50513, subdivision (a)(2), provides that the Commissioner may  
4 deny an MLO license if an applicant “withholds information or makes a material misstatement in an  
5 application for a license.”

6 **VI.**

7 **CONCLUSION**

8 The Commissioner finds, by reason of the foregoing, additional facts that Krejci failed to  
9 disclose in his Form MU4s that he was employed with 20 20 Precious Metals and that he was issued  
10 a restricted license by CDI. Further, Krejci made false statements to CDI relating to his discharge of a  
11 firearm.

12 THEREFORE, Financial Code sections 22109.1, 50141, and 50513 mandate that the  
13 Commissioner not issue a mortgage loan originator license to Krejci.

14 WHEREFORE, the Commissioner prays that the application for a mortgage loan originator  
15 license filed by Todd Joseph Krejci be denied.

17 Dated: August 8, 2018  
18 San Diego, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

19  
20 By \_\_\_\_\_  
21 ALEX M. CALERO  
22 Senior Counsel  
23 Enforcement Division  
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