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

11 In the Matter of:) NMLS NO.: 1509666
12)
13 THE CALIFORNIA COMMISSIONER OF) STATEMENT OF ISSUES IN SUPPORT OF
BUSINESS OVERSIGHT,) ORDER DENYING APPLICATION FOR
14) MORTGAGE LOAN ORIGINATOR LICENSE
Complainant,) (FINANCIAL CODE SECTION 50141)
15 v.)
16 WARREN MARSHALL STEIN,)
17)
Respondent.)
18)
19)

20 The California Commissioner of Business Oversight (Commissioner) is informed and
21 believes, and based upon such information and belief, alleges and charges Warren Marshall Stein
22 (Stein or Respondent) as follows:

23 **I.**
24 **INTRODUCTION**

25 The proposed order seeks to deny the issuance of a Mortgage Loan Originator License to
26 Respondent under Financial Code section 50141¹ because Respondent was previously convicted of a
27 felony involving an act of fraud, dishonesty, a breach of trust, or money laundering.

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¹ All further statutory references are to the California Financial Code unless otherwise indicated.

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II.
THE APPLICATION

On October 21, 2016, Respondent filed an application for a Mortgage Loan Originator License with the Commissioner under the California Residential Mortgage Lending Act (CRMLA) (Financial Code, § 50000 et seq.), pursuant to Financial Code section 50140. Respondent submitted his application to the Commissioner by filing a Form MU4 through the Nationwide Mortgage Licensing System (NMLS).

Form MU4 at Question (F) (1) asked: “Have you ever been convicted or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any felony?” Respondent answered “Yes.” Respondent disclosed the existence of two separate felony convictions and uploaded some relevant documentation. The Commissioner requested further documentation from Respondent in order to confirm the actual charges relevant to the convictions.

The Commissioner, in the course of reviewing Respondent’s application, recovered documents that reveal that on June 5, 1987, before the United State District Court, District of Maryland in criminal case number HAR86-0540, Respondent pled guilty to (1) conspiracy to distribute cocaine in violation of 21 U.S.C. 846, and (2) income tax evasion in violation of 26 U.S.C. 7201. Respondent signed the Form MU4 swearing that his answers were true and complete to the best of Respondent’s knowledge.

III.
APPLICABLE LAW

Section 50141 provides in relevant part:

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

...

(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 such felony involved an act of fraud, dishonesty, 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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IV.
FELONY

Form MU4 at Question (F) (1) asked: “Have you ever been convicted or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any felony?” Respondent answered, “Yes.”

Documents obtained by the Commissioner in connection with the application reveal that on January 331, 2017, Respondent pled guilty to guilty to (1) conspiracy to distribute cocaine in violation of 21 U.S.C. 846, and (2) income tax evasion in violation of 26 U.S.C. 7201. (*People v. Stein, Warren*, Case No. HAR 86-0540).

Respondent’s felonies involved acts of fraud, dishonesty, a breach of trust, or money laundering, as described in Financial Code section 50140, subsection (a)(2)(A).

VII.
CONCLUSION

The Commissioner finds, by reason of the foregoing, that Respondent does not meet the requirements for issuance of a mortgage loan originator license. Pursuant to Financial Code 50141, subdivisions (a)(2)(A), the Commissioner shall deny Respondent’s application for a mortgage loan originator license based on Respondent’s felonies in violation of 21 U.S.C. 846 and 26 U.S.C. 7201, which constitute acts of fraud, dishonesty, a breach of trust, or money laundering.

WHEREFORE IT IS PRAYED that the mortgage loan originator application filed by Respondent be denied.

Dated: May 12, 2017
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
KELLY SUK
Counsel
Enforcement Division