

1 MARY ANN SMITH
Deputy Commissioner
2 MIRANDA LEKANDER
Assistant Chief Counsel
3 PAUL YEE (State Bar No. 142381)
Senior Counsel
4 Department of Business Oversight
One Sansome Street, Suite 600
5 San Francisco, California 94104-4448
Telephone: (415) 972-8544
6 Facsimile: (415) 972-8500

7 Attorneys for the Complainant

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

11 In the Matter of:) NMLS NO.: 344019
)
12 THE COMMISSIONER OF BUSINESS) ACCUSATION IN SUPPORT OF NOTICE OF
OVERSIGHT,) INTENT TO ISSUE ORDER REVOKING
13) MORTGAGE LOAN ORIGINATOR LICENSE
14 Complainant,)
)
15 v.)
)
16 ALLEN SUE,)
)
17 Respondent.)
18)

19
20 The Commissioner of Business Oversight (Commissioner) charges Respondent Allen Sue
21 (Sue) as follows:

22 **I. INTRODUCTION**

- 23 1. Sue’s mortgage loan originator license (MLO) was first issued by the Commissioner on
24 November 23, 2010.
25 2. On September 5, 2017, Sue filed an application for renewal of his MLO license with the
26 Commissioner pursuant to Financial Code section 50140. The application was for approval of
27 employment with, or working on behalf of Platinum Home Mortgage Corporation located at 175
28 Bernal Road, San Jose, California. The application was submitted to the Commissioner by filing

1 Form MU4 through the Nationwide Mortgage Licensing System Registry (NMLS). The
2 application was approved, and Sue’s mortgage loan originator license was renewed on November
3 17, 2017.

4 3. In submitting his application, Sue answered “No” to question (Q) under the heading
5 “Termination Disclosure” which asks the following:

6 (Q) Have you ever voluntarily resigned, been discharged, or permitted to resign
7 after allegations were made that accused you of:

8 (1) violating statute(s), regulation(s), rule(s), or industry standards of conduct?

9 (2) fraud, dishonesty, theft, or the wrongful taking of property?

10 4. In submitting his application, Sue attested that the answers were true and complete to the
11 best of his knowledge.

12 II. GROUNDS EXIST FOR REVOKING SUE’S LICENSE

13 5. Financial Code section 50327 provides that the Commissioner may revoke a MLO license if
14 the Commissioner finds that any fact or condition exists that, if it had existed at the time of the
15 original application for the license, reasonably would have warranted the Commissioner in refusing
16 to issue the license originally. Similarly, Financial Code section 50513 authorizes the
17 Commissioner to revoke a mortgage loan originator license if the licensee fails to meet the
18 requirements of Financial Code section 50141.

19 6 Financial Code section 50141 requires the Commissioner to deny an application for a
20 mortgage loan originator license if the Commissioner cannot find that the applicant “has
21 demonstrated such financial responsibility, character, and general fitness as to command the
22 confidence of the community and to warrant a determination that the mortgage loan originator will
23 operate honestly, fairly, and efficiently within the purposes of the division.”

24 7. After Sue’s mortgage loan originator application was approved, the Commission discovered
25 that Sue was involuntarily terminated for falsification of records from a prior job as a mortgage loan
26 originator for Envoy Mortgage in San Jose, California on April 8, 2016.

27 8. Envoy Mortgage alleged in terminating Sue on April 8, 2016 that Sue acted in concert with
28 another Envoy Mortgage employee, Elizabeth Alejo, to coerce money from a mortgage loan

1 applicant in a scheme to create false income documentation used in a mortgage loan decision for
2 that applicant. Envoy Mortgage classified the termination as involuntary.

3 9. Sue was hired by Envoy Mortgage in February 2016 as a mortgage loan originator. Envoy
4 Mortgage alleged that he conspired with Elizabeth Alejo, who would later become his manager, to
5 charge a loan applicant \$800.00 for the purpose of falsifying the applicant's income documentation
6 in order to get the applicant's loan approved. Further, Envoy Mortgage alleged that Sue was
7 operating other businesses in conflict with Envoy Mortgage's business. These acts were in violation
8 of Envoy Mortgage's policies, and with regards to falsifying documents, also fraudulent.

9 10. Sue's involuntarily termination from his job at Envoy Mortgage is the type of termination
10 that he was required to disclose in response to the mortgage loan originator application, question Q.
11 Sue falsely answered question Q and did not disclose his involuntary termination from Envoy
12 Mortgage.

13 11. Furthermore, the Commissioner finds that the foregoing circumstances, including the fact
14 that Sue falsely answered question Q to the mortgage loan originator application and was
15 involuntarily terminated for falsification of records, if known at the time of the filing of his
16 mortgage loan originator application on September 19, 2017, would have warranted denial of the
17 license application under Financial Code section 50141. Accordingly, grounds exist under
18 Financial Code sections 50327 and 50513 to revoke the license of Allen Sue.

19 III. CONCLUSION

20 12. The Commissioner finds, by reason of the foregoing, that Sue, having falsely answered
21 question Q to the mortgage loan originator application and denying that he was involuntarily
22 terminated for falsification of records, has failed to demonstrate such financial responsibility,
23 character, or general fitness as to command the confidence of the community and to warrant a
24 determination that he will operate honestly, fairly, and efficiently within the purposes of the
25 California Residential Mortgage Lending Act.

26 THEREFORE, Financial Code sections 50327 and 50513 authorize the Commissioner to
27 revoke the mortgage loan originator license of Allen Sue.

28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

WHEREFORE IT IS PRAYED that the mortgage loan originator license of Allen Sue be
revoked.

Dated: May 8, 2018
San Francisco, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
PAUL YEE
Senior Counsel
Enforcement Division