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

13 In the Matter of:) NMLS ID. 1390524
14 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) STATEMENT OF ISSUES IN SUPPORT OF
15) ORDER DENYING THE MORTGAGE LOAN
16 Complainant,) ORIGINATOR LICENSE APPLICATION OF
JUDI WOODS PURSUANT TO FINANCIAL
17 v.) CODE SECTION 22109.1
18 JUDI WOODS,)
19 Respondent.)

20 The Commissioner of Business Oversight (Commissioner) finds against the Respondent Judi
21 Woods (Woods) as follows:

22 I.
23 INTRODUCTION

24 The proposed order seeks to deny the issuance of a mortgage loan originator license to
25 Woods pursuant to Financial Code section 22109.1 in that Woods fails to demonstrate the requisite
26 financial responsibility, character, and general fitness due to her false statements in her application to
27 the Commissioner and because of her extensive history of financial irresponsibility and misconduct.
28 Woods’s history includes a misdemeanor conviction involving fraud, seven bankruptcies, numerous

1 liens totaling over \$2 million, multiple civil judgments totaling into the hundreds of thousands of
2 dollars, and regulatory orders for performing unlicensed loan modifications and collecting
3 unauthorized advance fees.

4 II.

5 THE APPLICATION

6 1. On December 4, 2015, Woods filed an application for a mortgage loan originator license
7 with Complainant pursuant to the California Finance Lenders Law (CFLL) (Fin. Code, § 22000
8 et seq.), in particular, Financial Code section 22105.1. The application was for employment as a
9 mortgage loan originator with or working on behalf of Mega Capital Funding, Inc., located at
10 5000 N. Parkway, Suite 100 Calabasas, California 91302 working out of its branch location
11 located at 200 S. Main Street, Suite 305, Corona, California 92882. The application was
12 submitted to the Commissioner by filing a Form MU4 through the Nationwide Mortgage
13 Licensing System & Registry (NMLS).

14 2. In submitting her application, Woods answered “Yes” to Financial Disclosure questions
15 (A)(1), (A)(3) and (D); Criminal Disclosure question (H)(1); and Regulatory Action question (K)(5)
16 on the Form MU4, which specifically asked:

17 (A)(1) Have you filed a personal bankruptcy petition or been the
18 subject of an involuntary bankruptcy petition within the past 10 years?
...

19 (A)(3) Have you been the subject of a foreclosure action within the
20 past 10 years?
...

21 (D) Do you have any unsatisfied judgments or liens against you?
22 ...

23 (H)(1) Have you ever been convicted or pled guilty or nolo contendere
24 (“no contest”) in a domestic, foreign, or military court to committing
25 or conspiring to commit a misdemeanor involving: (i) financial
26 services or a financial services-related business, (ii) fraud, (iii) false
statements or omissions, (iv) theft or wrongful taking of property, (v)
bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix)
extortion?

27 (K) Has any State or federal regulatory agency or foreign financial
28 regulatory authority or self-regulatory organization (SRO) ever:
...

1 (5) revoked your registration or license?

2 3. Woods was asked to upload supporting documentation for some of her disclosure answers.
3 Woods provided documentation confirming the existence of federal and state tax liens against her,
4 documents identifying the number of her criminal case, and copies of an Accusation and Decision in
5 case number H-36493 LA by the California Bureau of Real Estate (BRE, formerly the Department of
6 Real Estate) revoking Woods’s real estate licenses.

7 4. In submitting her application, Woods signed the Form MU4 swearing that the answers were
8 true and complete to the best of Woods’s knowledge.

9 III.

10 THE LAW

11 5. The Commissioner is required to deny Woods’s application for a mortgage loan originator
12 license due to her false statements to the Commissioner in her application and because of her
13 extensive history of financial irresponsibility and misconduct that demonstrates a lack of character
14 and general fitness to conclude she will operate within the purposes of the CFLL. Financial Code
15 section 22109.1 provides in relevant part:

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

18 . . .

19 (3) The applicant has demonstrated such financial responsibility,
20 character, and general fitness as to command the confidence of the
21 community and to warrant a determination that the mortgage loan
22 originator will operate honestly, fairly, and efficiently within the
23 purposes of this division.

22 . . .

22 IV.

23 WOODS’S REAL ESTATE BROKER LICENSE REVOCATION

24 6. Documentation obtained by the Commissioner during the application process revealed that
25 the BRE entered a Decision against Woods and Synergy Mortgage Solutions, Inc. (Synergy
26 Mortgage) on January 13, 2012, in case number H-36493 LA, revoking their real estate licenses for
27 multiple violations of the Real Estate Law. (Bus. & Prof. Code, § 10000 et seq.)

28 7. The BRE’s Decision found that Synergy Mortgage and Woods, as its designated officer,

1 employed and/or compensated unlicensed individuals who acted under multiple unlicensed fictitious
2 business names, to collect advance fees and perform loan modifications. Services included
3 negotiating with lenders on behalf of borrowers for a mortgage modification or refinance. At least
4 26 borrowers sought loan modifications for which they paid fees ranging from \$1,500 to \$6,000.
5 While many borrowers received guarantees of getting a loan modification, none received a mortgage
6 loan modification. After months passed with no action taken, borrowers were no longer able to
7 contact any of the individuals.

8 8. The BRE determined that Woods willfully disregarded or violated the law by her actions and,
9 therefore, revoked all licenses and licensing rights of Woods and Synergy Mortgage. As the
10 designated officer for Synergy Mortgage, Woods was held responsible for the supervision and
11 control of the activities conducted on behalf of the corporation. Woods’s testimony that her business
12 did not include performing loan modifications and that she had terminated the business relationship
13 with the unlicensed individuals was found to be not credible. The BRE’s Decision concluded that
14 “[h]onesty and truthfulness are two qualities deemed by the Legislature to bear on one’s fitness and
15 qualification to be a real estate licensee” and that revocation of their real estate licenses was in the
16 interest of public protection. (Citing *Golde v. Fox* (1979) 98 Cal.App.3d 167, 176.)

17 9. Woods’s conduct while licensed as a real estate broker fails to demonstrate financial
18 responsibility, and the requisite character and general fitness to warrant a determination that she will
19 operate honestly, fairly and efficiently within the purposes of the CFLL. A mortgage loan
20 originator’s duties include taking a residential mortgage loan application, or offering or negotiating
21 the terms of the loan. (See Fin. Code, § 22103.) Under Woods’s supervision, borrower funds were
22 mistreated as unlicensed individuals were unlawfully paid to negotiate with lenders on behalf of
23 unsuspecting borrowers who never received a loan modification. As such, Woods’s mortgage loan
24 originator application must be denied.

25 V.

26 WOODS’S FALSE STATEMENTS IN THE APPLICATION

27 10. Woods falsely answered “No” disclosure questions (K)(2), (K)(3), (K)(9) and (M) on the
28 Form MU4 which specifically asked:

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

...

(2) found you to have been involved in a violation of a financial services-related business regulation(s) or statute(s)?

(3) found you to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?

(4) entered an order against you in connection with a financial services-related activity?

...

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

(M) Based upon activities that occurred while you exercised control over an organization, has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever taken any of the actions listed in (K) through (L) above against any organization?

11. A review of the BRE Decision above confirms that Woods was the chief executive and designated officer for Synergy Mortgage, a real estate broker in the business of loan origination, and therefore a financial services-related business. The BRE Decision found that Woods subjected her real estate license and that of Synergy Mortgage to disciplinary action, specifically revocation, based on the violations found in that case, including failing to reasonably supervise the company’s activities involving unlicensed loan modifications. In addition, evidence obtained by the Commissioner during the application process confirms that on July 21, 2010, the BRE issued an Amended Order to Desist and Refrain to Synergy Mortgage and to Woods both as designated broker-officer for Synergy Mortgage and individually, based on nearly the same facts and for many of the same violations found in the BRE revocation proceeding against Woods. Woods’s “No” answers to foregoing questions therefore are false statements in her application to the Commissioner and warrant against any determination that Woods will operate honestly, fairly and efficiently within the purposes of the CFLL.

VI.

WOODS’S CONVICTION, BANKRUPTCIES, JUDGMENTS AND LIENS

1 12. Documentation obtained by the Commissioner during the application process also revealed
2 that Woods has an extensive history of financial irresponsibility that bears on a lack of character and
3 general fitness to operate honestly, fairly and efficiently within the purposes of the CFLL. Woods's
4 past includes, in part, a 1993 misdemeanor conviction involving fraud, seven bankruptcies, and
5 numerous judgments and liens.

6 A. Criminal Conviction

7 13. On or about April 14, 1993, the District Attorney of the County of Los Angeles charged
8 Woods with the felony crime of Fraudulent Use of Another's Access Card, in violation of Penal
9 Code section 484f(2). Charges alleged that Woods signed the name of another person to an access
10 card without authorization of the cardholder with the intent to defraud the companies Bullocks and
11 Safeway Credit Union in the amount of \$555.32. Or about November 9, 1993, Woods pled guilty
12 to a misdemeanor of Penal Code section 484f(2). Woods was given credit for spending two days in
13 custody and was ordered to three years of probation, to pay restitution to the victims of \$555.00 and
14 to stay away from or not associate with Bullocks department store. The judge informed Woods he
15 was reducing the felony charge to a misdemeanor, which he did not do often, given her young age,
16 and because having a misdemeanor on her record "is much more important than having a felony."
17 Here, a felony conviction alone of Woods's crime would require the denial of her mortgage loan
18 originator application. (See Fin. Code, § 22109.1, subd. (a)(2).) Woods's misdemeanor of
19 Fraudulent Use of Another's Access Card involves fraud and dishonesty in the taking of another's
20 property which fails to demonstrate the requisite financial responsibility, character and fitness to
21 command confidence and find that she will operate honestly, fairly and efficiently under the CFLL.

22 B. Bankruptcies

23 14. Woods's prior bankruptcies demonstrate a pattern of financial irresponsibility, and her
24 successive filings appear to have not all been filed in good faith. Woods filed her first voluntary
25 petition under chapter 13 of title 11 of the United States Code as case number 2:07-bk-20707-VK on
26 or about November 19, 2007 in the United States Bankruptcy Court for the Central District of
27 California. Woods failed to comply with the requirements of Chapter 13 and the case was dismissed
28 on or about February 1, 2008.

1 15. Woods filed her second voluntary petition for bankruptcy under Chapter 13 as case number
2 08-11932 on March 5, 2008 in the United States Bankruptcy Court for the District of Nevada.
3 Woods again failed to comply with the requirements of Chapter 13, failed to file the required
4 Summary of Schedules and Statement of Financial Affairs and the case was ordered dismissed on
5 May 8, 2008.

6 16. Woods filed her third voluntary petition under chapter 13 as case number 08-17450 on July
7 9, 2008, also in the District of Nevada. Although she filed a completed Certificate of Counseling
8 indicating she received an individual briefing and counseling session, she again failed to comply
9 with the requirements of chapter 13 and failed to file her required schedules and statements. The
10 case was therefore ordered dismissed on September 22, 2008.

11 17. Woods immediately then filed her fourth voluntary petition under chapter 13 as case number
12 1:08-bk-17231-KT on September 22, 2008 in the United States Bankruptcy Court for the Central
13 District of California. Woods again failed to make the necessary filings and the case was dismissed
14 on October 27, 2009.

15 18. Woods filed her fifth voluntary petition under chapter 13 as case number 08-23801-MKN on
16 November 20, 2008 in the United States Bankruptcy Court for the District of Nevada. In the
17 Trustee's Motion to Dismiss Chapter 13 Case with Prejudice Pursuant to 11 U.S.C. §109(g), the
18 Trustee argued the Woods's numerous bankruptcy cases were filed in bad faith evidenced by her
19 continuous lack of effort to carry out reorganization and by the fact that she filed her cases but did
20 not file the required documentation and failed to propose a plan of reorganization, appear at the
21 Meeting of Creditors or make requisite payments. On January 8, 2009 Woods's case was ordered
22 dismissed and the court ordered Woods barred until January 14, 2010 from filing a case under title
23 11 of the Bankruptcy Code in the District of Nevada and in the Northern, Southern, Central, and
24 Eastern districts of California.

25 19. Woods went on to file her sixth voluntary petition under chapter 13 as case number 2:11-bk-
26 48242 on September 8, 2011 in the United States Bankruptcy Court for the Central District of
27 California which thereafter was converted to a chapter 7 bankruptcy. On April 10, 2013 the case
28 was closed without discharge due to Woods's failure again to make the necessary filings including

1 the Certification of Completion of Instructional Course Concerning Personal Financial Management.
2 On January 29, 2015, a seventh petition was filed against Woods involuntarily under chapter 7 as
3 case number 2:15-bk-11322-ER, also in the Central District of California but was dismissed on
4 March 26, 2015.

5 20. Woods's repeated filing for bankruptcy ultimately led to her being barred from petitioning
6 the District of Nevada and California bankruptcy courts for approximately one year. Coupled with
7 her continuous lack of effort to carry out reorganization, as argued by the trustee in her fifth
8 bankruptcy petition, Woods's conduct demonstrates not just a lack of financial responsibility, but
9 shows a lack of character and general fitness to command the confidence of the community and to
10 warrant a determination that she will operate honestly, fairly and efficiently within the purposes of
11 the CFLL. As such, Woods's application for a mortgage loan originator license must be denied.

12 C. Judgments and Liens

13 21. Woods also has various civil judgments against her, including in part, a judgment for over
14 \$51,000.00 in the case of *Leaf Financial Corporation v. Lucille Bohannon Hoyt, et al.*, (Super. Ct.
15 Los Angeles County, 2010, No. SC105921.); a judgment for over \$275,000.00 in the case of *LAT*
16 *Investment Corporation v. Judi L. Woods et al.*, (Super. Ct. Los Angeles County, 2010, No.
17 BC419737.); a judgment for nearly \$70,000.00 in the case of *Leonard Burns v. Judi Woods et al.*,
18 (Super. Ct. Los Angeles County, 2008, No. BC378004.); and a judgment for nearly \$345,000.00 in
19 the case of *Judi Woods v. Janis Brown*, (Super. Ct. Los Angeles County, 2011, No. YC061355.).
20 Woods's liens are also extensive, including various federal, state and county or city liens, including
21 federal tax liens totaling over \$1.6 million and state tax liens totaling over \$500,000.00.

22 VII.

23 CONCLUSION

24 The Commissioner finds, by reason of the foregoing, that Woods's false statements in her
25 mortgage loan originator application to the Commissioner, along with her extensive history of
26 financial misconduct and irresponsibility fails to demonstrate the financial responsibility, character
27 and general fitness as to command the confidence of the community and to warrant a determination
28 that she will operate honestly, fairly, and efficiently as a mortgage loan originator.

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THEREFORE, the Commissioner is mandated under Financial Code section 22109.1 of the CFLL to deny Woods’s mortgage loan originator license application.

WHEREFORE notice is hereby given of the Commissioner’s intention to deny the mortgage loan originator application filed by Woods on December 4, 2015.

Dated: March 23, 2017
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
LINDSAY B. HERRICK
Counsel