1	MARY ANN SMITH Deputy Commissioner SEAN M. ROONEY Assistant Chief Counsel DANIELLE A. STOUMBOS (State Bar No. 264784) Senior Counsel Department of Business Oversight		
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5	Department of Business Oversight 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, California 90013		
6	Los Angeles, California 90013 Telephone: (213) 576-7591 Facsimile: (213) 576-7181		
7	Attorneys for Complainant		
8	BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT		
9	OF THE STATE OF CALIFORNIA		
10			
11	In the Matter of:	) NMLS NO.: 1165370	
12	THE COMMISSIONER OF BUSINESS	)	
13	OVERSIGHT,	) ) STATEMENT OF ISSUES	
14	Complainant,	) )	
15	v.	)	
16	REGINA KH LEE,	)	
17	Respondent.		
18	Respondent.	)	
19		)	
20			
21			
22	The Commissioner of Business Oversight (Commissioner) is informed and believes, and		
23	based upon such information and belief, alleges and charges as follows:		
24	I.		
25	<u>Introduction</u>		
26	1. The Commissioner, as the head of the Department of Business Oversight		
27	(Department) is authorized to administer and enforce the provisions of the California Financing		
28	Law (Fin. Code, § 22000 et seq.) (CFL) and the rules and regulations promulgated thereunder.		
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- 2. On or around February 15, 2019, Regina Kh Lee (Lee) applied for a mortgage loan originator (MLO) license with the Department. Lee represented, under penalty of perjury, that she had not previously been discharged from employment. This statement was not true. Upon investigation, the Department's examiner discovered that in July of 2014 Wells Fargo Bank, N.A. (Wells Fargo) terminated Lee for dishonest behavior, in violation of Wells Fargo's policies and the industry standard of conduct.
- 3. Under the provisions of Financial Code section 22109.1, the Commissioner brings this action to deny Lee's MLO license application.

# II. **Statement of Facts**

### A. Lee's Mortgage Loan Originator Application

- 4. On or about February 15, 2019, Lee submitted an individual MU4 License Form (MU4) to the Department through the Nationwide Multistate Licensing System (NMLS), seeking licensure as an MLO.
- 5. Lee answered "No" to the following question on the application, under penalty of perjury:
  - a. <u>Question Q1</u> "Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made that accused you of: violating statute(s), regulation(s), rule(s), or industry standards of conduct?"
- 6. The Attestation clause in the application states, "[i]f the Applicant has knowingly made a false statement of a material fact in this application or in any documentation provided to support the foregoing application, then the foregoing application may be denied."

# B. Lee's July 2014 Termination from Wells Fargo

- 7. On or around March 21, 2019, the Department's examiner reviewed information regarding Lee on NMLS, which revealed that Lee was discharged from Wells Fargo in July of 2014. The Department created a licensing item, instructing Lee to explain the prior termination.
- 8. On March 21, 2019, Lee changed her response to Question Q1 from "No" to "Yes," and uploaded an explanation letter. In the letter, Lee admits that she was terminated from Wells

Fargo in July of 2014 for: (1) opening consumer checking and savings accounts for family members who were not physically present—and who never used the account—in order to receive sales credit; and (2) using her mother's debit card at an ATM machine while her mother was not present. Lee was terminated for dishonest behavior in violation of Wells Fargo's policies and standard of conduct.

9. When Lee submitted her application for an MLO license with the Department, she was therefore required to answer "Yes" to Question Q1. However, she misrepresented, under penalty of perjury, that the answer was "No."

#### III.

#### Law

- 10. Financial Code section 22109.1 provides in pertinent part:
  - (a) The commissioner shall deny an application for a mortgage loan originator license unless the commissioner makes, at a minimum, the following findings:

\* \* \* \*

(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.

#### IV.

## **Conclusion**

The Commissioner finds that Lee does not meet at least one of the minimum requirements for the issuance of a mortgage loan originator license as provided by Financial Code section 22109.1. Lee misrepresented, under penalty of perjury, that she had never been discharged from employment, when in reality, she was terminated from Wells Fargo in July of 2014 for opening accounts of persons who were not physically present in order to obtain sales credits and used someone else's ATM card while they were not present, in violation of Wells Fargo's policies and industry standards of conduct.

Lee has not demonstrated the financial responsibility, character, and general fitness necessary to command the confidence of the community and to warrant a determination that she will operate honestly, fairly, and efficiently as a mortgage loan originator under the CFL and subdivision (a)(3) of section 22109.1 of the Financial Code.

Therefore, Financial Code section 22109.1 mandates that the Commissioner deny Regina Kh Lee's request for a mortgage loan originator license.

WHEREFORE IT IS PRAYED that the mortgage loan originator license application filed by Regina KH Lee be denied.

Dated: May 22, 2019

Los Angeles, CA

MANUEL P. ALVAREZ

Commissioner of Business Oversight

Danielle A. Stoumbos Senior Counsel