

1 MARY ANN SMITH  
Deputy Commissioner  
2 DANIEL P. O’DONNELL  
Assistant Chief Counsel  
3 WILLIAM HORSEY (State Bar No. 136087)  
Senior Enforcement Counsel  
4 Department of Business Oversight  
One Sansome Street, Suite 600  
5 San Francisco, California 94105  
Telephone: (415) 972-8547  
6 Facsimile: (415) 972-8550

7 Attorneys for Complainant

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

11 In the Matter of:	)	CRMLA NO.: 1749119
12 THE COMMISSIONER OF BUSINESS	)	ACCUSATION IN SUPPORT OF ORDER
13 OVERSIGHT,	)	REVOKING MORTGAGE LOAN
14 Complainant,	)	ORIGINATOR LICENSE OF PATRICK B.
	)	MCGEE
15 v.	)	
16	)	
17 PATRICK B. MCGEE	)	
18 Respondent.	)	
19	)	

20 Manuel P. Alvarez, the Commissioner of Business Oversight (Commissioner), alleges and  
21 charges as follows:

22 **I.**

23 **JURISDICTION AND VENUE**

24 1. The Commissioner brings this action pursuant to California Residential Mortgage  
25 Lending Act (CRMLA) (Fin. Code sections 50140, et seq.) and the rules and regulations enacted  
26 thereunder.

27 2. This action is brought to revoke the Mortgage Loan Originator license issued to  
28 Respondent Patrick Brian McGee (McGee) pursuant Financial Code sections 50327 and 50513.



1           11.     On February 2, 2017, McGee was named as a defendant in a civil lawsuit arising out  
2 of the sale or unregistered or exempt securities as well as fraudulent representations that were  
3 allegedly made in connection with the sale of those securities. McGee never provide a copy of the  
4 complaint in this case nor did he advise that the subject of this complaint alleged fraud against him.

5           12.     Question (N) asks “Is there a pending regulatory action proceeding against you for  
6 any alleged violation as described in (K) through (L)?”

7           13.     Although McGee was aware that he was under investigation by the Department of  
8 Business Oversight by December 2017, McGee did not disclose this pending action.

9           14.     On July 5, 2018, the Commissioner issued a Desist and Refrain Order against McGee  
10 for the following violations: (1) violations of Corporations Code section 25110 for the sale of  
11 securities that are not qualified or exempt from qualification, (2) violations of Corporations Code  
12 section 25401 for the sale of securities by means of written or oral communications which include  
13 untrue statements or omissions of material facts, and (3) violations of Corporations Code section  
14 25403 against any person who provides substantial assistance to another person in the violation of  
15 the Corporate Securities Law of 1968.

16           15.     On June 19, 2019, a license deficiency was set on the MU4 application requesting  
17 supporting documentation for the (K)(5) response, and an explanation and documentation for the  
18 (P)(3) response.

19           16.     On June 22, 2019, McGee submitted an amended MU4 filing which included an  
20 explanation and documentation for the (K)(5) response and for the (P)(3) response.

21           17.     On June 20, 2019, McGee submitted an amended MU4 filing and provided additional  
22 explanation and documentation for his 2009 bankruptcy.

23           18.     A “license item” is a part of an application which is identified as an issue which  
24 requires additional information from the applicant for processing before a decision on the application  
25 can be processed.  
26  
27  
28



- 1 (1) Deny, suspend, revoke, condition or decline to renew a mortgage loan originator
- 2 license for a violation of this division, or any rules or regulations adopted
- 3 thereunder.
- 4 (2) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator
- 5 license if an applicant or licensee fails at any time to meet the requirements of
- 6 Section 50141 or 50144, or withholds information or makes a material
- 7 misstatement in an application for a license or license renewal.

8 27. Financial Code section 50141, subdivision (a)(3) provides:

- 9 (a) The commissioner shall deny an application for a mortgage loan originator license unless
- 10 the commissioner makes at a minimum the following findings:
- 11 (3) The applicant has demonstrated such financial responsibility, character, and
- 12 general fitness as to command the confidence of the community and to warrant
- 13 that the mortgage loan originator will operate honestly, fairly, and efficiently
- 14 within the purposes of this division.

15 28. Title 10 of the California Code of Regulations, section 1409.1, subdivisions (a) and

16 (c) require a licensee to file timely amendments to his or her application as follows:

17 (a) Each licensed mortgage lender, mortgage broker, mortgage lender and broker, and

18 mortgage loan originator shall, upon any change in the information contained in its

19 license application (other than financial information contained therein) promptly file an

20 amendment to such application setting forth the changed information.

21 . . .

22 (c) A mortgage loan originator shall file changed information contained in its Form

23 MU4, and any exhibits thereto, through NMLS in accordance with its procedures for

24 transmission to the Commissioner within twenty (20) days of changes to the information

25 as provided in Section 1422.6 of Subchapter 6 of these rules. Any change that cannot be

26 submitted through NMLS shall be filed directly with the Commissioner. A mortgage

27 loan originator may not renew his or her license under Section 1422.6.3 of Subchapter 6

28 of these rules until all changes to the information contained in his or her Form MU4 are

filed with the Commissioner as provided in this section.

29 29. Title 10 of the California Code of Regulations, section 1950.122.5 subdivision (g)

provides:

A residential mortgage lender, mortgage servicer, or residential mortgage

lender and servicer shall require every sponsored mortgage loan originator to

file an amendment to his or her MU4 through NMLS within (20) days of any

change to the information contained in the MU4.



1 Financial Code sections 50513, subdivisions (a)(1) and (a) (2), and section 50327, revoking the  
2 Mortgage Loan Originator License of Patrick Brian McGee.

3 Dated: June 14, 2019

4 San Francisco, California

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

5

6

7

By: \_\_\_\_\_

8

WILLIAM HORSEY  
Senior Counsel  
Enforcement Division

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28