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

11 In the Matter of: ) NMLS NO.: 484162  
 )  
12 THE COMMISSIONER OF BUSINESS )  
13 OVERSIGHT, )  
 ) STATEMENT OF ISSUES  
14 Complainant, )  
 )  
15 v. )  
 )  
16 GLORIA MARIA ANDIA DOCHERTY, )  
17 )  
18 Respondent. )  
19 )  
\_\_\_\_\_ )

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 **Introduction**

26 1. The Commissioner, as the head of the Department of Business Oversight (DBO) is  
27 authorized to administer and enforce the provisions of the California Financing Law (Fin. Code, §  
28 22000 et seq.) (CFL) and the rules and regulations promulgated thereunder.



1           **B. Employment Development Department Civil Judgment against Docherty**

2           7.       In 2010, a \$5,602.78 civil judgment was entered against Docherty in the Superior  
3 Court of California, County of Sacramento, in favor of the California Employment Development  
4 Department. The judgment was related to payment of unemployment insurance Docherty received  
5 while she was employed and earning income. Docherty fully satisfied the judgment on or around  
6 August 8, 2012.

7           **C. Docherty’s 2017 DBO Mortgage Loan Originator Application**

8           8.       On or around February 15, 2017, Docherty submitted an individual MU4 License  
9 Form (MU4) to the DBO through the Nationwide Multistate Licensing System (NMLS), seeking  
10 licensure as an MLO.

11          9.       Docherty answered “No” to the following question on the MU4, under penalty of  
12 perjury:

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

19          10.       DBO granted Docherty an MLO license. Docherty subsequently allowed her MLO  
20 license to expire on January 1, 2018.

21           **D. Docherty’s Real Estate License Application**

22          11.       Docherty applied for a real estate salesperson license with the Department of Real  
23 Estate (DRE) on or around May 30, 2017. Question number 23 of that application asked, “Have  
24 you ever been convicted . . . of any violation of the law at the misdemeanor or felony level?”  
25 Respondent answered, “No.”

26          12.       On June 15, 2017, the DRE sent a letter to Docherty, asking why the prior  
27 Misdemeanor was not disclosed in the real estate license application.

28          13.       Docherty submitted an updated Interview Information Statement to the DRE on or

1 around June 20, 2017, disclosing and explaining the Misdemeanor in detail.

2 14. DRE issued a real estate salesperson license to Docherty on July 5, 2017.

3 **E. Docherty’s 2018 Mortgage Loan Originator Endorsement Application Was Denied by**  
4 **the DRE after an Administrative Hearing**

5 15. On or around September 6, 2017, Docherty submitted an individual MU4 License  
6 Form to the DRE through NMLS, seeking licensure as an MLO.

7 16. Docherty answered “No” to the following question on the MU4, under penalty of  
8 perjury:

- 9 a. “Have you ever been convicted of or pled guilty or nolo contendere (‘no  
10 contest’) in a domestic, foreign, or military court to committing or conspiring to  
11 commit a misdemeanor involving: . . . (ii) fraud . . . .”

12 17. On or around October 3, 2018, Docherty filed a change of address with the DRE,  
13 updating her address from Irvine, California to Newport Beach, California.

14 18. On or around October 22, 2018, the DRE issued a statement of issues (SOI) to deny  
15 Docherty’s application for failure to disclose the Misdemeanor. DRE served the SOI on Docherty  
16 on November 6, 2018 to Docherty’s updated address in Newport Beach, California. The documents  
17 were delivered on November 10, 2018.

18 19. Docherty faxed a notice of defense and requested an administrative hearing on the  
19 DRE action on November 19, 2018, 11 days before Docherty submitted the MLO application to the  
20 DBO. An administrative hearing was held on March 12, 2019.

21 20. On April 2, 2019, an administrative law judge issued a proposed decision, finding  
22 that Docherty failed to demonstrate financial responsibility, character, and general fitness as to  
23 command the confidence of the community under Business and Professions Code section 10166.05.  
24 Business and Professions Code section 10166.05 is substantially similar to Financial Code section  
25 22109.1, under which the DBO brings the current action.

26 21. On May 10, 2019, the DRE adopted the administrative law judge’s proposed  
27 decision denying Docherty’s application for an MLO endorsement, effective May 29, 2019. The  
28 time to request reconsideration under Government Code section 11523, and file a writ of mandamus

1 under California Code of Civil Procedure section 1094.5 has expired, and the Decision is now  
2 final.

3 22. Based on the DRE’s final decision, Docherty does not demonstrate financial  
4 responsibility, character, and general fitness to command the confidence of the community and is  
5 collaterally estopped from arguing otherwise.

6 **F. Docherty’s 2018 DBO Mortgage Loan Originator Application**

7 23. On or about November 30, 2018, Docherty submitted an individual MU4 License  
8 Form (MU4) to the Department through NMLS, seeking licensure as an MLO.

9 24. Docherty answered “No” to the following questions on the MU4, under penalty of  
10 perjury:

- 11 a. Question H - “Have you ever been convicted of or pled guilty or nolo contendere  
12 (‘no contest’) in a domestic, foreign, or military court to committing or  
13 conspiring to commit a misdemeanor involving: (i) financial services or a  
14 financial services-related business, (ii) fraud, (iii) false statements or omissions,  
15 (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery,  
16 (viii) counterfeiting, or (ix) extortion?  
17 b. Question N - “Is there a pending regulatory action proceeding against you for  
18 any alleged violation described in (K) through (L)?” Section K asks, “Has any  
19 State or federal regulatory agency or foreign financial regulatory authority or  
20 self-regulatory organization (SRD) ever:

21 (1) found you to have made a false statement or omission or been  
22 dishonest, unfair, or unethical?

23 \* \* \* \*

24 (6) denied . . . your . . . application for licensure . . . .

25 \* \* \* \*

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

31. Financial Code section 22170 states:

(a) It is unlawful for any person to knowingly alter, destroy, mutilate, conceal, cover up, falsify, or make a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the administration or enforcement of any provision of this division.

(b) It is unlawful for any person to knowingly make an untrue statement to the commissioner or the Nationwide Mortgage Licensing System and Registry during the course of licensing, investigation, or examination, with the intent to impede, obstruct, or influence the administration or enforcement of any provision of this division.

32. Financial Code section 22172 states, in pertinent part:

- (a) The commissioner may do one or more of the following:
  - (1) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license for a violation of this division, or any rules or regulations adopted thereunder.
  - (2) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license if an applicant or licensee fails at any time to meet the requirements of Section 22109.1 or 22109.4, or withholds information or makes a material misstatement in an application for a license or license renewal.

**IV.**

**Conclusion**

The Commissioner finds that Docherty has knowingly made an untrue statement to the Commissioner during the course of licensing, investigation, and examination with the intent to influence the administration and enforcement of her request for an MLO license in violation of Financial Code section 22170.

The Commissioner further finds that Docherty made material misrepresentations in her

1 application for a license, and grounds exist to deny her application under Financial Code section  
2 22172.

3 The Commissioner also finds that Docherty does not meet the minimum requirements for  
4 the issuance of a mortgage loan originator license as provided by Financial Code section 22109.1.  
5 Docherty previously pleaded nolo contendere to fraud, a misdemeanor, repeatedly failed to disclose  
6 her misdemeanor on numerous applications submitted under penalty of perjury to the Department  
7 of Business Oversight and Department of Real Estate, failed to disclose the Department of Real  
8 Estate’s pending administrative action to deny her request for a mortgage loan originator license on  
9 her application with the Department of Business Oversight, and given the EDD’s civil judgment  
10 against Docherty, for her receipt of unemployment insurance payments, during a period of time  
11 when she was employed and received income, Docherty has not demonstrated the financial  
12 responsibility, character, and general fitness necessary to command the confidence of the  
13 community and to warrant a determination that she will operate honestly, fairly, and efficiently as a  
14 mortgage loan originator under the CFL and subdivision (a)(3) of section 22109.1 of the Financial  
15 Code. She is collaterally estopped from arguing otherwise.

16 Therefore, Financial Code section 22109.1 mandates, and Financial Code section 22172  
17 allows the Commissioner to deny Docherty’s request for a mortgage loan originator license.

18 WHEREFORE IT IS PRAYED that the mortgage loan originator license application filed  
19 by Gloria Maria Andia Docherty be denied.

20 Dated: July 11, 2019  
21 Los Angeles, CA

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

23  
24 By \_\_\_\_\_  
25 Danielle A. Stoumbos  
26 Senior Counsel  
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