

1 MARY ANN SMITH
Deputy Commissioner
2 DANIEL P. O'DONNELL
Assistant Chief Counsel
3 TAYLOR HERRLINGER (State Bar No. 314791)
Counsel
4 Department of Business Oversight
1515 K Street
5 Sacramento, California 95814
Telephone: (916) 322-6737
6 Facsimile: (916) 445-6985
7 Attorneys for Complainant

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

12 In the Matter of:) NMLS ID.: 1720519
13)
14 THE COMMISSIONER OF BUSINESS) STATEMENT OF ISSUES IN SUPPORT OF
OVERSIGHT,) NOTICE OF INTENTION TO ISSUE ORDER
15 Complainant,) DENYING MORTGAGE LOAN
ORIGINATOR APPLICATION
16 v.) (Financial Code section 50141)
17 VIRYDIANA GONZALEZ,)
18 Respondent.)
19 _____)

20 Manuel P. Alvarez, the Commissioner of Business Oversight (Commissioner), is informed
21 and believes and based upon such information and belief, alleges and charges as follows:

22
23 **I.**

24 **Introduction**

25 The Commissioner of the Department Business of Oversight (DBO) seeks to deny the
26 issuance of a mortgage loan originator (MLO) license to Virydziana Gonzalez (Gonzalez) pursuant to
27 Financial Code section 50141, because Gonzalez fails to demonstrate the requisite financial
28 responsibility, character, and general fitness required for issuance of a license. Specifically,

1 Gonzalez falsely answered “No” on the criminal disclosure portion of the MU4 Form contained in
2 the MLO application, when in fact she had been previously convicted of a misdemeanor involving
3 counterfeit credit cards. Gonzalez then amended the application and provided false and misleading
4 information to DBO about the circumstances surrounding the conviction.

5 **II.**

6 **Statement of Facts**

7 **A. The Application**

8 1. On January 4, 2019, Gonzalez filed an application on NMLS¹ for a mortgage loan
9 originator license with the Commissioner pursuant to Financial Code section 50140. The
10 application was submitted to the Commissioner by filing Form MU4 through the Nationwide
11 Mortgage Licensing System & Registry (NMLS).

12 2. In submitting her application, under the heading “Criminal Disclosure” Gonzalez
13 answered “No” to question (H)(1) on Form MU4, which specifically asked:

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

21 3. In submitting her application, Gonzalez attested that the answers were true and
22 complete to the best of her knowledge.

23 4. On January 15, 2019, DBO reviewed Gonzalez’s Form MU4 and performed a
24 Criminal Background Check (CBC) which revealed that that Gonzalez had a 2014 conviction for
25 unlawful use of counterfeit credit cards, a violation of California Penal Code section 484f(a).

26 **B. Amended Application**

27 5. On January 15, 2019, after a review of Gonzalez’s application, DBO created a
28 _____

29 ¹ NMLS stands for Nationwide Multistate Licensing System & Registry and is the system of record
30 for non-depository, financial services licensing or registration in participating agencies, including the
31 District of Columbia and U.S. Territories of Puerto Rico, the U.S. Virgin Islands, and Guam. In
32 these jurisdictions, NMLS is the official system for companies and individuals seeking to apply for,
33 amend, renew and surrender licenses authorities managed through NMLS.

1 “license item”² on NMLS for Gonzalez, instructing her to amend the MU4 application and provide a
2 detailed explanation of the circumstances surrounding her arrest and conviction and provide any
3 supporting documentation to accompany the explanation.

4 6. Gonzalez submitted an amendment on April 13, 2019, to her response to question
5 (H)(1) from “No” to “Yes,” and provided an explanation with supporting documents.

6 7. In submitting the April 13, 2019 amended application, Gonzalez again attested to and
7 swore that the answers were true and complete to the best of her knowledge.

8 **C. Gonzalez’s Explanation of Arrest and Conviction**

9 8. In her amended response, Gonzalez explained she was “wrongfully accused” and
10 claimed that a “friend” of hers fell on hard times and Gonzalez opened the door to him with the
11 understanding it would only be for a short time to allow this person to hunt for a job and get back on
12 their feet. Buena Park Police Officers arrived at her residence approximately one month after she
13 invited this person to live with her and asked to have a look around. During that search law
14 enforcement found counterfeit credit cards and arrested Gonzalez. Gonzalez stated that unbeknownst
15 to her, the individual temporarily living with her had stowed away in her living room a “box” of
16 counterfeit credit cards. Gonzalez wanted to fight the charges, but after incurring legal expenses of
17 more than \$10,000 she begrudgingly agreed to a plea deal for a misdemeanor violation of unlawful
18 use of counterfeit credit cards. Gonzalez submitted to DBO a copy of the Superior Court of Orange
19 County minute order and transcript detailing the procedural history of the case through the withdraw
20 of her not guilty plea and ultimate plea deal for the misdemeanor.

21 9. In submitting the April 13, 2019 amended application, Gonzalez attested to and swore
22 that the answers were true and complete to the best of her knowledge.

23 **D. Buena Park Police Report Narrative**

24 10. Subsequent investigation by DBO exposed a starkly different variation of events
25

26
27 ² A “license item” is a request from a regulator such as DBO on the NMLS website to a licensee or
28 applicant to respond to a question or take an action. The NMLS website automatically generates an
email to the licensee or applicant directing the person to check the NMLS website for the license
item.

1 documented by the Buena Park Police Department and Gonzalez herself in the arrest report. The
2 police report described that during a search of Gonzalez’s apartment, officers located items
3 consistent with counterfeiting credit cards: a stack of credit reports with multiple individual names; a
4 stack of credit applications and credit reports; personal identifying information and bank account
5 information not belonging to Gonzalez; cleaning solvents, sandpaper, and other products identified
6 as “washing” materials; card reader, card writer, and card skimmer; multiple credit card plastics;
7 embossing machine; unfinished access cards; and a day planner linked to Gonzalez with numerous
8 other personal identifying information including dates of birth, addresses, and a driver’s license
9 belonging to individuals other than Gonzalez. All these materials were determined to be evidence of
10 a scheme designed to manufacture counterfeit credit cards with the personal identifying information
11 of others. In addition, a counterfeit credit card with Gonzalez’s name embossed on it was found by
12 Buena Park Police inside Gonzalez’s home. Gonzalez denied stealing the personal identifying
13 information but admitted knowing that kind of information was illegal to possess. She also explained
14 how to counterfeit credit cards, including how to operate the machines and use the products during
15 the counterfeiting process.

16 **E. Conflicting MLO Application Narrative and Police Report Narrative**

17 11. There are notable differences in the MLO application narrative provided by Gonzalez
18 and the police report. First, Gonzalez claimed a “friend” of hers fell on hard times and she trustingly
19 let that person into her home for a month. The police report states that Gonzalez was in a two-year
20 dating relationship with this person. Second, Gonzalez stated that the police officers found only a
21 “box” hidden in the living room which contained counterfeit credit cards. However, the police report
22 details many items associated with counterfeiting credit cards strewn about the entire home. The
23 items were in practically every single room. Third, Gonzalez stated in her application that she was
24 “wrongfully accused” and unaware of the events that were ongoing in her home. The police report
25 details a much greater involvement and awareness including the fact that one of the counterfeit credit
26 cards had Gonzalez’s name embossed on it. Moreover, Gonzalez admitted to police that she knew
27 how the process of manufacturing counterfeit credit cards works including how to use cleaning
28 agents to strip the information off the cards and how to use the machinery. In summary, Gonzalez’s

1 MLO application narrative she provided to DBO was less than truthful than what Gonzalez told
2 police the day of the arrest.

3 **III.**

4 **Character of the Applicant**

5 12. Financial Code section 50141 provides in relevant part:

6 (a) The commissioner shall deny an application for a mortgage loan
7 originator license unless the commissioner makes at a minimum the
8 following findings:

9 . . .

10 (3) The applicant has demonstrated such financial responsibility,
11 character, and general fitness as to command the confidence of the
12 community and to warrant a determination that the mortgage loan
13 originator will operate honestly, fairly, and efficiently within the
14 purposes of this division.

15 . . .

16 13. Gonzalez’s false and misleading response on the application for an MLO license, and
17 underlying arrest and conviction, show the applicant’s failure to demonstrate such financial
18 responsibility, character and general fitness as to command the confidence of the community and to
19 warrant a determination that she will operate honestly, fairly, and efficiently as an MLO. Gonzalez
20 initially falsely stated she had not been previously convicted of counterfeiting credit cards. When
21 DBO instructed her to amend her application and gave her the opportunity to provide an explanation
22 of the events surrounding the arrest, Gonzalez provided yet another false and misleading narrative of
23 events that were inconsistent with the police report generated from the arrest. Gonzalez’s conduct
24 demonstrates a lack of honesty and undermines the commissioner’s confidence in her ability to serve
25 California consumers as an MLO.

26 **IV.**

27 **Conclusion**

28 The Commissioner finds, by reason of the foregoing, that Gonzalez’s false response on the
application for a mortgage loan originator license fails to demonstrate such character and general
fitness as 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.

THEREFORE, the Commissioner is mandated under Financial Code section 50141 to deny

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

Virydiana Gonzalez’s mortgage loan originator license application.

WHEREFORE IT IS PRAYED that the mortgage loan originator application filed by Virydiana Gonzalez be denied.

Dated: August 1, 2019
Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
TAYLOR HERRLINGER
Counsel