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

<p>12 In the Matter of:</p> <p>13 THE COMMISSIONER OF BUSINESS</p> <p>14 OVERSIGHT,</p> <p>15 Complainant,</p> <p>16 v.</p> <p>17 TERRI K. MCALAVY,</p> <p>18 Respondent.</p>	<p>NMLS NO.: 1337342</p> <p>STATEMENT OF ISSUES</p>
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20 The Commissioner of Business Oversight (Commissioner) is informed and believes, and based
21 upon such information and belief, alleges and charges Terri K. McAlavy (McAlavy) as follows:

22 **I.**

23 **Jurisdiction**

24 1. The Commissioner has jurisdiction over the licensing and regulation of persons
25 engaged in the business of making or brokering residential mortgage loans, including mortgage loan
26 originators, under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.) and the California
27 Residential Mortgage Lending Act (Fin. Code § 50000 et seq.) (CRMLA).

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1 involving handling of or accessing funds.

2 10. Question K(6) of the Application asks whether any state or federal regulatory agency
3 ever “denied or suspended your registration or license or application for licensure, disciplined you, or
4 otherwise by order, prevented you from associating with a financial services-related business or
5 restricted your activities.” McAlavy answered “No” to this question.

6 11. When submitting the Form MU4, applicants use an electronic signature to attest, under
7 penalty of perjury, that the information contained in an application is current, complete and accurate.

8 McAlavy’s MLO license Application reads, in part:

9 I Terri K McAlavy (1337342) . . . swear (or affirm) that I executed this
10 application on my own behalf, and agree to and represent the
11 following:

12 . . .

13 That the information and statements contained herein, including
14 exhibits attached hereto, and other information filed herewith, all of
15 which are made a part of this application, are current, true, accurate
16 and complete and are made under the penalty of perjury, or un-sworn
17 falsification to authorities, or similar provisions as provided by law.

18 . . .

19 If an Applicant has made a false statement of a material fact in this
20 application or in any documentation provided to support the foregoing
21 application, then the foregoing application may be denied.

22 12. On or about March 29, 2017, the California Department of Real Estate (DRE) denied
23 McAlavy’s application for an MLO license endorsement because of McAlavy’s felony theft
24 conviction involving dishonesty, breach of trust and fraud.

25 13. On or about February 12, 2016, McAlavy filed an application with the DRE for an
26 MLO license endorsement. On or about September 27, 2016, the DRE filed a Statement of Issues
27 seeking to deny McAlavy’s application for an MLO license endorsement.

28 14. McAlavy requested a hearing, and the matter was heard by the Office of
Administrative Hearings in Los Angeles, California, on or about February 2, 2017.

15. After receiving oral and documentary evidence and hearing McAlavy’s and DRE’s
argument, the Office of Administrative Hearings issued a decision denying McAlavy’s application
for an MLO license endorsement. The decision became effective on March 29, 2017.

