1				
2	MARY ANN SMITH			
3	Deputy Commissioner SEAN M. ROONEY			
4	Assistant Chief Counsel DANIELLE A. STOUMBOS (State Bar No. 264784) Senior Counsel Department of Business Oversight 320 West 4 th Street, Suite 750 Los Angeles, California 90013			
5				
6				
7	Telephone: (213) 576-7591 Facsimile: (213) 576-7181			
8	Attorneys for Complainant			
9	BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT			
10	OF THE STATE OF CALIFORNIA			
11				
12	In the Matter of:) NMLS NO.: 1853489		
13	THE COMMISSIONER OF BUSINESS)		
14	OVERSIGHT,) STATEMENT OF ISSUES		
15	Complainant,)		
16	v.)		
17	KELLY THUY LE,))		
18	Respondent.)		
19	Respondent.)		
20		<u> </u>		
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 Residential			
28	Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.) and the rules and regulations			
		1		

promulgated thereunder.

2. Under the provisions of Financial Code section 50141, the Commissioner brings this action to deny Kelly Thuy Le's (Le) Mortgage Loan Originator (MLO) license application. Le misrepresented, on her application, that she was unemployed from November through December of 2016, that she had never been terminated from employment, and did not have any misdemeanor theft convictions. To the contrary, Le worked at a medical spa from January through December of 2016. She was terminated from employment and arrested in December of 2016 for stealing from her employer, and subsequently convicted of misdemeanor grand theft. Le therefore has not demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and warrant a determination that she will operate honestly, fairly, and efficiently, and her application should be denied.

II. Statement of Facts

A. Le's December 2016 employment termination and misdemeanor grand theft conviction

- 3. From January through December of 2016, Le worked at a medical spa in Orange County, California.
- 4. On December 12, 2016, the medical spa terminated Le, and she was arrested for grant theft for stealing from her employer.
- 5. On February 2, 2018, Le plead guilty to, and was convicted of, misdemeanor grand theft under Penal Code sections 487, subdivisions (a) and (b)(3). She was sentenced to three years of informal probation and ordered to pay \$7,500.00 in restitution and serve 10 days in jail. The court stayed the jail time pending successful completion of eight days of Cal Trans community service by August 2, 2018.
- 6. Le failed to complete the Cal Trans service. Le was arrested and ordered to serve one day in Orange County jail on October 26, 2018.

B. <u>Le misrepresented that she had never been terminated from employment and did not have any theft misdemeanors on her May 22, 2019 MLO application</u>

7. On or about May 22, 2019, Le submitted an individual MU4 License Form (MU4) to the Department through the Nationwide Multistate Licensing System (NMLS), seeking licensure as

an MLO.

- 8. Applicants must disclose prior employment. Le represented that she was unemployed from November 2016 through December 2016.
- 9. This statement was false. Le failed to disclose her employment at the medical spa from January 2016 through December of 2016, to conceal her employment termination and misdemeanor grand theft conviction.
 - 10. Le answered "No" to the following questions on the application:
 - a. Question H(1) "Have you ever been convicted of or pled guilty or nolo contendere ('no contest') in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion?"
 - b. Question Q1 "Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made that accused you of . . . fraud, dishonesty, theft or the wrongful taking of property?"
- 11. 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."
- 12. Le verified, under penalty of perjury, that the application was correct on May 21, 2019, and submitted the application to the Department for review on May 22, 2019.
- 13. On May 31, 2019, Le amended her application to change her response to criminal misdemeanor disclosure question H(1) from "no" to "yes." Le stated that the misdemeanor occurred because she was "at the wrong place at the wrong time."
- 14. On June 4, 2019, the Commissioner's examiner created a licensing item in NMLS, instructing Le to: correct the responses to the disclosure questions; explain, in detail, the previous misdemeanor; upload any applicable legal documentation to the system; and explain why the

October 26, 2018 arrest was	not disclosed.
15. On June 14, 2	2019, Le amen

15. On June 14, 2019, Le amended her application. Le admitted that she stole from her employer, was convicted of a misdemeanor grand theft, and was terminated from employment.

III.

Applicable Law

- 16. Financial Code section 50141 provides in relevant 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.

(b) Before denying a license under this section, the commissioner shall proceed as prescribed by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code and shall have all the powers granted under that chapter.

IV.

Conclusion

The Commissioner finds that Le 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 50141. Le made numerous misrepresentations on her licensing application and was convicted of grand theft for stealing from her employer. Le 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 CRMLA and Financial Code section 50141, subdivision (a)(3).

Therefore, Financial Code section 50141 mandates that the Commissioner must deny Kelly Thuy Le's request for a mortgage loan originator license.

///

///

1	1		
2	2		
3	WHEREFORE IT IS PRAYED that the mortgage loan originator license application filed		
4	4 by Kelly Thuy Le be denied.		
5		LD ALMADEZ	
6		L P. ALVAREZ ioner of Business Oversight	
7	7		
8			
9	9 By Danie	lle A. Stoumbos	
10	Senion	Counsel	
11	1		
12	$2 \parallel$		
13	3		
14	4		
15	5		
16	6		
17	7		
18	8		
19	9		
20	0		
21	1		
22	$2 \parallel$		
23	3		
24	4		
25	5		
26	6		
27	7		
28	8		
		5	