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

11
12 In the Matter of:) NMLS ID.: 1720519
13 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) ORDER DENYING MORTGAGE LOAN
14) ORIGINATOR LICENSE APPLICATION
Complainant,) (Financial Code section 50141)
15)
v.)
16)
17 VIRYDIANA GONZALEZ,)
Respondent.)

18
19 Manuel P. Alvarez, the Commissioner of the Department of Business Oversight (DBO) finds
20 that:

21 1. On January 4, 2019, Virydiana Gonzalez (Gonzalez) filed an application on the
22 Nationwide Multistate Licensing System (NMLS¹) for a mortgage loan originator (MLO) license
23 with the Commissioner pursuant to Financial Code section 50140. Upon filing the Form MU4
24 through the NMLS & Registry the application was submitted to the Commissioner.

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

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

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

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

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

15 5. On January 15, 2019, after a review of Gonzalez’s application, DBO created a
16 “license item”² on NMLS for Gonzalez, instructing her to amend the MU4 application and provide a
17 detailed explanation of the circumstances surrounding her arrest and conviction and provide any
18 supporting documentation to accompany the explanation.

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

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

23 8. In her amended response, Gonzalez explained she was “wrongfully accused” and
24 claimed that a “friend” of hers fell on hard times and Gonzalez opened the door to him with the
25 understanding it would only be for a short time to allow this person to hunt for a job and get back on
26 their feet. Buena Park Police Officers arrived at her residence approximately one month after she
27 invited this person to live with her and asked to have a look around. During that search law

28 ² A “license item” is a request from a regulator such as DBO on the NMLS website to a licensee or 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 enforcement found counterfeit credit cards and arrested Gonzalez. Gonzalez stated that unbeknownst
2 to her, the individual temporarily living with her had stowed away in her living room a “box” of
3 counterfeit credit cards. Gonzalez wanted to fight the charges, but after incurring legal expenses of
4 more than \$10,000 she begrudgingly agreed to a plea deal for a misdemeanor violation of unlawful
5 use of counterfeit credit cards. Gonzalez submitted to DBO a copy of the Superior Court of Orange
6 County minute order and transcript detailing the procedural history of the case through the withdraw
7 of her not guilty plea and ultimate plea deal for the misdemeanor.

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

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

26 11. There are notable differences in the MLO application narrative provided by Gonzalez
27 and the police report. First, Gonzalez claimed a “friend” of hers fell on hard times and she trustingly
28 let that person into her home for a month. The police report states that Gonzalez was in a two-year

1 dating relationship with this person. Second, Gonzalez stated that the police officers found only a
 2 “box” hidden in the living room which contained counterfeit credit cards. However, the police report
 3 details many items associated with counterfeiting credit cards strewn about the entire home. The
 4 items were in practically every single room. Third, Gonzalez stated in her application that she was
 5 “wrongfully accused” and unaware of the events that were ongoing in her home. The police report
 6 details a much greater involvement and awareness including the fact that one of the counterfeit credit
 7 cards had Gonzalez’s name embossed on it. Moreover, Gonzalez admitted to police that she knew
 8 how the process of manufacturing counterfeit credit cards works including how to use cleaning
 9 agents to strip the information off the cards and how to use the machinery. In summary, Gonzalez’s
 10 MLO application narrative she provided to DBO was less than truthful than what Gonzalez told
 11 police the day of the arrest.

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

13 (a) The commissioner shall deny an application for a mortgage loan
 14 originator license unless the commissioner makes at a minimum the
 15 following findings:

16 ...

17 (3) The applicant has demonstrated such financial responsibility,
 18 character, and general fitness as to command the confidence of the
 19 community and to warrant a determination that the mortgage loan
 20 originator will operate honestly, fairly, and efficiently within the
 21 purposes of this division.

22 ...

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

1 14. On August 1, 2019, the Commissioner issued a Notice of Intention to Issue Order
2 Denying Mortgage Loan Originator Application, Statement of Issues in Support of Notice of
3 Intention to Issue Order Denying Mortgage Loan Originator Application, and accompanying
4 documents based on the above findings. On or about August 5, 2019, Gonzalez was served with
5 those documents at her address of record. Gonzalez did not file a request for hearing and the time
6 to do so has expired.

7 15. Based on the foregoing findings, pursuant to Financial Code section 22109.1, the
8 Commissioner is, therefore, mandated to deny Gonzalez’s application for an MLO license.

9 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the
10 application for a mortgage loan originator license of Virydiana Gonzalez is denied. This order is
11 effective as of the date thereof.

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13 Dated: October 29, 2019
14 Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

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17 By _____
18 MARY ANN SMITH
19 Deputy Commissioner
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