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

10 In the Matter of:) NMLS ID.: 1429367
11 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,) STATEMENT OF ISSUES IN SUPPORT OF
12) NOTICE OF INTENTION TO ISSUE ORDER
Complainant,) DENYING MORTGAGE LOAN
13) ORIGINATOR APPLICATION
v.) (Financial Code section 50141)
14)
15 RICHARD ANTHONY STEVENS,)
16 Respondent.)

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

19 **I.**
20 **Introduction**

21 The Commissioner seeks to deny the issuance of a mortgage loan originator (MLO) license
22 to Richard Anthony Stevens (Stevens) pursuant to Financial Code section 50141, because Stevens
23 fails to meet the minimum threshold requirement that he demonstrates such financial responsibility,
24 character, and general fitness as to command the confidence of the community and to warrant a
25 determination that the mortgage loan originator will operate honestly, fairly, and efficiently.

26 Specifically, Stevens application for an MLO should be denied because Stevens falsely
27 answered “No” on the criminal disclosure portion of the MU4 Form contained in the MLO
28 application, when, in fact, he had been previously convicted of a convicted of a misdemeanor for

1 second degree commercial burglary in 2010.

2 **II.**
3 **Statement of Facts**

4 1. On June 12, 2019, Stevens filed an application on the Nationwide Mortgage
5 Licensing System & Registry (NMLS)¹ for an MLO license with the Commissioner pursuant to
6 Financial Code section 50140 (Application). The Application was submitted to the
7 Commissioner when Stevens filed a Form MU4 through NMLS.

8 2. In submitting his Application, under the heading “Criminal Disclosure” Stevens
9 answered “No” to question (H)(1) on Form MU4, which specifically asked:

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

17 3. In submitting his Application, Stevens attested that the answers were true and
18 complete to the best of his knowledge.

19 4. Further review by the Department revealed that Stevens had a 2010 conviction for
20 misdemeanor commercial burglary, a violation of California Penal Code section 459-460,
21 subdivision (b). In 2010, Stevens, while in his 20’s, shoplifted four video games from a department
22 store in Southern California. Stevens pled guilty to the charge of misdemeanor commercial burglary,
23 paid fees and penalties to the court and served his court ordered sentence accordingly.

24 5. Based on its review, the Department created “license items”² on NMLS for Stevens,
25 instructing him to amend the Application, provide a detailed explanation of the circumstances
26 surrounding his conviction, and provide any supporting documentation to accompany the

27 ¹ NMLS is the system of record for non-depository, financial services licensing or registration in participating agencies,
28 including the District of Columbia and the 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.

² A “license item” is a request from the Department 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 explanation.

2 6. On July 16, 2019, Stevens submitted an amendment to his Application in which he
3 changed his response to question (H)(1) from “No” to “Yes,” and provided an explanation regarding
4 his criminal past with supporting documents (Amended Application). In submitting the Amended
5 Application, Stevens again attested to and swore that the answers were true and complete to the best
6 of his knowledge.

7 7. On July 24, 2019, Stevens made another amendment to his Application (Second
8 Amended Application). In this Second Amended Application, Stevens stated he did not disclose his
9 criminal past to the Department because the criminal act at issue happened over seven years ago and
10 that he believed it had nothing to do with “any financial fraud or money laundering”. However,
11 Financial Code section 50141 does not mention any criminal act limitation based upon “financial
12 fraud or money laundering”.

13 8. On September 10, 2019, Stevens issued a letter to the Department requesting that his
14 Application, Amended Application, and Second Amended Application be granted. Stevens asserted
15 to the Department in the letter that he simply misread the question and did not realize that his past
16 offense fit within question (H)(1) on Form MU4.

17 **III.**
18 **Applicable Law**

19 9. Financial Code section 50141 provides in relevant part:
20 (a) The commissioner shall deny an application for a mortgage loan
21 originator license unless the commissioner makes at a minimum the
22 following findings:

23 . . .

24 (3) The applicant has demonstrated such financial responsibility,
25 character, and general fitness as to command the confidence of the
26 community and to warrant a determination that the mortgage loan
27 originator will operate honestly, fairly, and efficiently within the
28 purposes of this division.

...

29 **IV.**
30 **Character of the Applicant**

31 10. Stevens’ 2010 shoplifting conviction, and especially his failure to disclose the
32 conviction in his Application establishes that Stevens does not demonstrate the requisite character

1 and general fitness to command the confidence of the community and to warrant a determination by
2 the Commissioner that he will operate honesty, fairly and efficiently within the purposes of the CFL.
3 As such, Steven’s MLO application must be denied.

4 **V.**
5 **Conclusion**

6 The Commissioner finds, by reason of the foregoing, that Stevens’ false response on the
7 application for a mortgage loan originator license fails to demonstrate such character and general
8 fitness as to command the confidence of the community and to warrant a determination that Stevens
9 will operate honestly, fairly, and efficiently as a mortgage loan originator.

10 THEREFORE, Financial Code section 22109.1 mandates that the Commissioner not issue a
11 mortgage loan originator license to Stevens.

12 WHEREFORE IT IS PRAYED that the mortgage loan originator application dated June 12,
13 2019 filed by Richard Anthony Stevens be denied.

14
15 Dated: October 18, 2019
16 Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

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19 By _____
20 MARISA I. URTEAGA-WATKINS
21 Counsel