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

14 In the Matter of: ) NMLS ID.: 1235844  
15 THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, ) ORDER DENYING MORTGAGE LOAN  
16 ) ORIGINATOR APPLICATION  
Complainant, ) (Financial Code section 22109.1)  
17 )  
v. )  
18 SHEILA BENNETT, )  
19 )  
Respondent. )  
20 )  
21 )

22 Complainant, the Commissioner of Business Oversight (Commissioner) finds that:

23 I.

24 **The Application**

25 1. On or about February 25, 2019, Respondent Sheila Bennett (Bennett) filed an  
26 application for a mortgage loan originator license with the Commissioner pursuant to Financial  
27 Code section 22105.1. The application was for approval of employment as a mortgage loan  
28 originator with, or working on behalf of, Summit Funding Inc., located at 2241 Harvard Street,

1 Suites 200 and 300, Sacramento, California 95815 working out of its branch location located at  
2 9250 Laguna Springs Blvd., Suite 101, Elk Grove, California 95758. The application was  
3 submitted to the Commissioner by filing Form MU4 through the Nationwide Mortgage Licensing  
4 System and Registry (NMLS<sup>1</sup>).

5 2. In submitting her application, under the heading “Regulatory Action” Bennett answered  
6 “yes” to questions (K) (2)-(5), (9) on Form MU4, which specifically asked:

7 (K) Has any State or federal regulatory agency or foreign financial  
8 regulatory authority or self-regulatory organization (SRO) ever:

9 ...

10 (2) found you to have been involved in a violation of a financial  
11 services-related business regulation(s) or statute(s)?

12 (3) found you to have been a cause of a financial services-related  
13 business having its authorization to do business denied,  
14 suspended, revoked or restricted?

15 (4) entered an order against you in connection with a financial  
16 services-related activity?

17 (5) revoked your registration or license?

18 (9) entered an order concerning you in connection with any license  
19 or registration?

20 3. Form MU4 at Regulatory Action Question (M) asked: “Based upon activities that  
21 occurred while you exercised control over an organization, has any State or federal regulatory  
22 agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever taken any  
23 of the actions listed in (K) through (L) above against any organization?” Bennet answered “yes.”

24 4. Bennett also answered “yes” to Financial Disclosure Question (A)(1) on the Form MU4,  
25 which asked: Have you filed a personal bankruptcy petition or been the subject of an involuntary  
26 bankruptcy petition within the past 10 years?”

27 5. Bennett provided copies of her bankruptcy discharge order and supporting documentation  
28 in case number H-6513SAC by the DRE revoking Bennett’s real estate broker license.

6. In submitting her application, Bennett attested that the answers were true and complete to

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<sup>1</sup> The Nationwide Multistate Licensing System and Registry (NMLS) and is the system of record for non-depository, 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 the best of her knowledge.

2 **II.**

3 **DRE Regulatory Action**

4 7. Documentation obtained by the Commissioner during the application process revealed  
5 that the DRE entered a Stipulation and Agreement and Decision After Rejection (Decision) against  
6 Bennett on November 28, 2018, in case number H-6513-SAC, revoking Bennett’s real estate broker  
7 license and licensing rights for multiple violations of the Real Estate Law (Bus. & Prof. Code,  
8 §10000 et seq.).

9 8. The DRE Decision adopted in full the Findings of Fact and Legal Conclusions in a  
10 Proposed Decision by an Administrative Law Judge (ALJ) dated July 31, 2018. Specifically, the  
11 ALJ Proposed Decision found, by clear and convincing evidence, that Bennett 1) caused a trust fund  
12 shortage totaling \$44,295.57, without obtaining prior written consent from the owners; 2) failed to  
13 maintain accurate written control records of all trust funds received and disbursed from the Trust  
14 Account; and 3) failed to perform accurate monthly reconciliations of the Trust Account. Therefore,  
15 the ALJ found that, as such, respondent’s broker license was subject to discipline.

16 9. The DRE rejected the ALJ’s proposed order to discipline Bennett by issuing a restricted  
17 broker license. Instead, the DRE revoked Bennett’s real estate *broker* license and licensing rights  
18 and issued her a restricted real estate *salesperson* license subject to many limitations, conditions and  
19 restrictions pursuant to the provisions of the Business and Professions Code. Further, the DRE  
20 Decision ordered as follows:

21 Respondent shall not be eligible to apply for the issuance of an  
22 unrestricted real estate license nor remove any of the limitations,  
23 conditions, or restrictions of a restricted license until four (4) years  
24 have elapsed from the date of the issuance of the restricted license to  
Respondent. Respondent shall not be eligible to apply for any  
unrestricted license until all restrictions attaching to the licenses have  
been removed.”

25 10. Bennett stipulated to the Findings of Facts and the discipline ordered in the DRE  
26 Decision.

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**III.**

**Personal Bankruptcy**

11. Bennett stated in the Form MU4 that she filed Chapter 7 Bankruptcy in 2013 and was discharged in May of 2013. In providing details about the bankruptcy, Bennett stated that she filed for bankruptcy because she lost her job, went through marriage separation and was unable to pay her bills.

**III.**

**Applicable Law**

12. Section 22109.1 of the California Financing Law (Fin. Code §22000 et seq.) (CFL) 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.

(Fin. Code §22019.1)

13. The Commissioner finds, by reason of the foregoing, that Bennett’s financial history and conduct while licensed as a real estate broker fail to demonstrate financial responsibility, and the requisite character and general fitness to command the confidence of the community and to warrant a determination that she will operate honesty, fairly and efficiently within the purposes of the CFL. Bennett mistreated property owners’ funds when she caused a trust account shortage of \$44,295.57, failed to maintain accurate written control records and failed to accurately reconcile the trust account. Bennett also filed a voluntary petition for bankruptcy. As such, Bennett’s mortgage loan originator application must be denied.

**VI.**

**Notice of Intention to Deny Application for Mortgage Loan Originator License**

14. On September 20, 2019, the Commissioner issued a Notice of Intention to Issue Order Denying Mortgage Loan Originator License Application, Statement of Issues in Support of

1 Order Denying Mortgage Loan Originator Application and accompanying documents based on the  
2 above findings. On or around October 11, 2019, Bennett was personally served with those  
3 documents at her address of record. Bennett did not file a request for hearing and the time to do so  
4 has expired.

5 15. Based on the foregoing findings, pursuant to Financial Code section 22109.1, the  
6 Commissioner is, therefore, mandated to deny Bennett’s application for a mortgage loan originator  
7 license.

8 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the application  
9 for a mortgage loan originator license of Sheila Bennett is denied. This order is effective as of the  
10 date hereof.

11 Dated: November 8, 2019

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

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By: \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
California Department of Business Oversight

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