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

12 In the Matter of:

NMLS NO.: 1516748

13 THE COMMISSIONER OF BUSINESS
14 OVERSIGHT,

STATEMENT OF ISSUES

15 Complainant,

16 v.

17 CHARLIE TAN,

18 Respondent.
19

20 The Commissioner of Business Oversight (Commissioner) is informed and believes, and based
21 upon such information and belief, alleges and charges Charlie Tan (Tan) 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 conspiring to commit a misdemeanor involving:(i) financial services or a financial services-related
2 business, (ii) fraud, (iii) false statements or omissions, (iv) any theft or wrongful taking of property,
3 (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion.

4 10. Tan answered “Yes” to questions F (1) and H (1).

5 11. In April of 2010, Tan was charged with two counts of identity theft, one count of
6 commercial burglary, and one count of making false financial statements. On or about March 8, 2010,
7 Tan willfully and unlawfully obtained personal identifying information of another and used that
8 information for unlawful purpose and to obtain and attempt to obtain credit, goods, services, real
9 property and medical information without consent. Tan entered a commercial building occupied by
10 Lexus of Cerritos with the intent to commit larceny and any felony and made unlawful and false
11 financial statements by using another’s personal identifying information.

12 12. In June of 2010, Tan pled guilty to one felony count of identity theft in Los Angeles,
13 California. Tan was placed on three years of formal probation and thirty days in county jail. Tan was
14 ordered to pay between \$200.00 and \$10,000.00 to the Victim Restitution Fund, pay actual restitution
15 to any victim, and pay statutory fees and other assessments.

16 13. On or about September 13, 2013, Tan filed a motion to reduce his felony conviction to
17 a misdemeanor. On or about October 16, 2013, the court granted Tan’s motion and reduced the
18 felony offense to a misdemeanor.

19 14. Question K (5) of the Application asks whether any state or federal regulatory agency
20 ever revoked his registration or license. Tan answered “Yes” to this question.

21 15. On August 27, 2010, the Department of Insurance issued an order revoking Tan’s
22 insurance license because of his criminal conviction.

23 16. Question E of the Application asks whether the applicant is delinquent on any court
24 ordered child support payments.

25 17. Tan initially answered “No” to this question. In June of 2019, Tan amended his
26 Application and changed his answer to “Yes.” Tan explained that there is a court order from San
27 Joaquin County, California that requires him to pay \$490.00 a month. Tan claimed to be current in
28 his child support payments, which is inconsistent to his affirmative response to Question E.

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

3 Tan’s MLO license Application reads, in part:

4 I Charlie Tan (1516748) . . . swear (or affirm) that I executed this
5 application on my own behalf, and agree to and represent the
6 following:

7 . . .

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

13 . . .

14 To keep the information contained in this form current and to file
15 accurate supplementary information on a timely basis.

16 19. Tan’s initial Application failed to provide any documentation regarding his affirmative
17 answers. On or about June 20, 2019, Tan was instructed by the Department to upload documents
18 regarding his criminal conviction and license revocation. Tan was also required to update his
19 employment and sponsorship information. In response, Tan only uploaded documentation regarding
20 the criminal conviction. Tan has yet to upload or provide any documentation regarding the
21 Department of Insurance revocation order, explain his inconsistent answer regarding his delinquent
22 child support payments or provide current information regarding his employment and sponsorship.

23 **III.**

24 **Character and General Fitness**

25 20. The Commissioner “shall deny” an application for an MLO license unless he makes,
26 at a minimum, specified findings, including that the applicant has demonstrated such financial
27 responsibility, character, and general fitness as to command the confidence of the community and to
28 warrant a determination that the applicant will operate honestly, fairly, and efficiently as a mortgage
loan originator. (Fin. Code, §§ 22109.1, subd. (a)(3), and 50141, subd. (a)(3).)

 21. As described in paragraphs 8 to 13, Tan was charged with willfully and unlawfully
obtaining personal identifying information of another and using that information for an unlawful

1 purpose to obtain and attempt to obtain credit, goods, services, real property and medical information
2 without consent. Tan entered a commercial building occupied by Lexus of Cerritos with the intent to
3 commit larceny and any felony and made unlawful and false financial statement by using another’s
4 identifying information.

5 22. In June of 2010, Tan pled guilty to one count of felony identity theft. Tan was placed
6 on probation, and ordered to pay restitution, statutory fees and other assessments. Although Tan’s
7 felony conviction was reduced to a misdemeanor, Tan committed identity theft, which involved acts
8 of financial fraud, false financial statements, theft and/or wrongful taking of property.

9 23. As described in paragraphs 14 and 15, Tan’s insurance license was revoked because of
10 his criminal conviction.

11 24. Further, as described in paragraph 16 to 19, Tan has failed to provide any supporting
12 documentation of his Department of Insurance license revocation and provided inconsistent
13 information regarding his child support payments. Despite the Department’s requests for supporting
14 documentation regarding the affirmative answers, Tan provided only documents regarding his
15 criminal conviction.

16 25. Tan’s identity theft conviction, insurance license revocation, and failure to provide
17 complete and consistent information regarding his affirmative answers and child support payments
18 cast doubt on Tan’s character and general fitness to command the confidence of the community that
19 he would operate honestly and fairly as a mortgage loan originator, as described in Financial Code
20 sections 22109.1, subdivision (a)(3); and 50141, subdivision (a)(3).

21 **IV.**

22 **Fails to Meet Requirements of Sections 22109.1 and 50141 or Withholds Information**

23 26. The Commissioner may deny an application for an MLO license if the applicant fails
24 at any time to meet the requirements of Financial Code sections 22109.1 and 50141 or withholds
25 information. (Fin. Code, §§ 22172, subd. (a)(2), and 50513, subd. (a)(2).)

26 27. Financial Code sections 22109.1, subdivision (a)(6); and 50141, subdivision (a)(6),
27 require applicants to be employed by, and subject to the supervision of, a residential mortgage lender
28 or servicer that has obtained a license from the Commissioner.

28. As described in paragraphs 6 and 7, American Advisors Group terminated Tan's employment and removed its sponsorship.

29. As described in paragraphs 16 to 19, Tan has failed to provide requested further documentation regarding his Department of Insurance license revocation and has provided inconsistent information regarding his child support payments.

30. Accordingly, under Financial Code sections 22172, subdivision (a)(2), and 50513, subdivision (a)(2), Tan's Application should be denied.

V.

Commissioner's Authority to Deny Application

31. Financial Code sections 22109.1 and 50141 contain substantially similar language and provide 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:

...

(2) (A) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for licensing and registration, or at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, a breach of trust, or money laundering. Whether a particular crime is classified as a felony shall be determined by the law of the jurisdiction in which an individual is convicted.

...

(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, §§ 22109.1 & 50141.)

32. Financial Code sections 22172 and 50513 contain substantially similar language and provide in relevant part:

(a) The commissioner may do one or more of the following:

...

(2) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license if an applicant or licensee fails at any time to

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meet the requirements of Section 22109.1 or 22109.4, or withholds information or makes a material misstatement in an application for a license or license renewal.

(Fin. Code, §§ 22172 & 50513.)

VI.
Prayer

The Commissioner finds, by reason of the foregoing, that Tan’s 2010 criminal conviction involved acts of financial fraud, false financial statements, theft and/or wrongful taking of property. Tan’s identity theft conviction, insurance license revocation, and failure to provide current employment information and consistent information regarding his affirmative answers and child support payments show that Tan lacks the character and general fitness to command the confidence of the community and the Commissioner cannot determine that Tan will be able to operate honestly, fairly, and efficiently within the purposes of the CFL and CRMLA. Tan has also failed to provide requested documentation and has failed to provide any information regarding his current employment and sponsorship.

Financial Code sections 22109.1, 22172, 50141, and 50513 mandate that the Commissioner deny the application for a mortgage loan originator license of Charlie Tan.

WHEREFORE IT IS PRAYED, by reason by the foregoing, pursuant to Financial Code sections 22109.1, 22172, 50141, and 50513, that Charlie Tan’s application for a mortgage loan originator license be denied.

Dated: January 14, 2020
San Diego, California

Manuel P. Alvarez
Commissioner of Business Oversight

By _____
Afsaneh Eghbaldari
Counsel
Enforcement Division