

1 MARY ANN SMITH  
Deputy Commissioner  
2 DOUGLAS M. GOODING  
Assistant Chief Counsel  
3 JOHN R. DREWS (CA Bar No. 69595)  
Corporations Counsel  
4 One Sansome Street, Suite 600  
San Francisco, CA 94104  
5 Telephone: (415) 972-8570  
Facsimile: (415) 972-8550  
6 Attorneys for Complainant

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

11 In the Matter of the Statement of Issues of ) File No.: 20489  
12 THE COMMISSIONER OF BUSINESS )  
13 OVERSIGHT, ) STATEMENT OF ISSUES IN SUPPORT OF  
14 Complainant, ) DENIAL OF APPLICATION FOR  
15 vs. ) MORTGAGE LOAN ORIGINATOR  
16 ) LICENSE  
17 NJERI CHEATHAM )  
18 )  
19 Respondent. )  
20 )

21 The Commissioner of Business Oversight (“Commissioner”) is informed and believes, and  
22 based upon such information and belief, alleges and charges Respondent as follows:  
23

24 I  
25 INTRODUCTION

26 The proposed order seeks to deny the issuance of a mortgage loan originator license to Njeri  
27 Cheatham (“Respondent”) pursuant to Financial Code section 50141 in that Respondent has been  
28 convicted of a felony involving fraud, dishonesty, or a breach of trust, or money laundering.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

II

THE APPLICATION

On October 18, 2013, Respondent filed an application for a mortgage loan originator license with the Commissioner pursuant to the California Residential Mortgage Lending Act (“CRMLA”) (Fin. Code §§ 50000 et seq.), in particular Financial Code section 50140. The applicant has no sponsor or employer. The application was submitted to the Commissioner by filing Form MU4 through the Nationwide Mortgage Licensing System (“NMLS”).

III

CRIMINAL CONVICTION

Under the Criminal Disclosure section of Form MU4 at question F, the Respondent was asked “Have you ever been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any felony?” The Respondent answered “Yes.” It was further disclosed that Respondent was convicted of felony conspiracy to commit bank fraud pursuant to 18 U.S.C. 371 on February 8, 2005. The Respondent was further sentenced to pay restitution in the amount of \$43,495.78 and five years of probation.

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:
- (2) 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....

IV

CHARACTER OF THE RESPONDENT

Financial Code section 50141 further provides in relevant part:

- (a) The commissioner shall deny an application for a mortgage loan originator

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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.

By having been convicted of the above-mentioned felony, Respondent has failed to demonstrate such character and general fitness as to command the confidence of the community and to warrant a determination that Respondent will operate honestly, fairly, and efficiently as a mortgage loan originator.

THEREFORE, the Commissioner asserts that she is mandated under Financial Code section 50141 to deny Respondent’s mortgage loan originator license application under the California Residential Mortgage Lending Act. The Commissioner further asserts that she is empowered under Financial Code section 50126 to deny same.

WHEREFORE IT IS PRAYED that the mortgage loan originator application filed by Respondent be denied.

Dated: January 23, 2015  
San Francisco, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
John R. Drews  
Corporations Counsel  
Enforcement Division