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

<p>12 In the Matter of:</p> <p>13 THE COMMISSIONER OF BUSINESS</p> <p>14 OVERSIGHT,</p> <p>15 Complainant,</p> <p>16 v.</p> <p>17 CHARLIE TAN,</p> <p>18 Respondent.</p>	<p>NMLS NO.: 1516748</p> <p>ORDER DENYING APPLICATION FOR</p> <p>MORTGAGE LOAN ORIGINATOR</p> <p>LICENSE</p>
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20 The Commissioner of Business Oversight (Commissioner) finds:

- 21 1. On June 7, 2019, Charlie Tan (Tan) applied to the Commissioner for a mortgage loan
- 22 originator (MLO) license under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.) and
- 23 the California Residential Mortgage Lending Act (Fin. Code § 50000 et seq.) (CRMLA).
- 24 2. As described in more detail below, the Commissioner denies the issuance of an MLO
- 25 license to Tan under Financial Code sections 22109.1, 22172, 50141, and 50513 because Tan: (1)
- 26 failed to meet the minimum threshold requirement that he demonstrates such financial responsibility,
- 27 character, and general fitness as to command the confidence of the community and to warrant a
- 28 determination that the mortgage loan originator will operate honestly, fairly, and efficiently; and (2)

1 failed to meet the requirements of Financial Code sections 22109.1 and 50141 or withheld
2 information in his MLO application.

3 3. Tan applied for an MLO license by filing a uniform application form MU4
4 (Application) through the Nationwide Mortgage Licensing System and Registry (NMLS).

5 4. Tan listed American Advisors Group as his employer on his Application. American
6 Advisors Group initially sponsored Tan, however it terminated Tan’s employment and removed its
7 sponsorship of Tan’s MLO Application in July of 2019.

8 5. On July 12, 2019, the Department of Business Oversight (Department) requested Tan
9 to update his employment and sponsorship information. Tan was also notified that an MLO license
10 would not be approved without a sponsorship request from a licensed residential mortgage lender or
11 servicer. Tan failed to respond or update his employment or sponsorship information.

12 6. Question F (1) of the Application asks whether the applicant has ever been convicted
13 of or pled guilty or nolo contendere in a domestic, foreign, or military court to any felony.

14 7. Question H (1) of the Application asks whether the applicant has ever been convicted
15 of or pled guilty or nolo contendere in a domestic, foreign, or military court to committing or
16 conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related
17 business, (ii) fraud, (iii) false statements or omissions, (iv) any theft or wrongful taking of property,
18 (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion.

19 8. Tan answered “Yes” to questions F (1) and H (1).

20 9. In April of 2010, Tan was charged with two counts of identity theft, one count of
21 commercial burglary, and one count of making a false financial statement. On March 8, 2010, Tan
22 willfully and unlawfully obtained personal identifying information of another. Tan used that
23 information for unlawful purposes and to obtain and attempt to obtain credit, goods, services, real
24 property and medical information without consent. Tan entered a commercial building occupied by
25 Lexus of Cerritos with the intent to commit larceny and any felony, and made an unlawful and false
26 financial statement by using another’s personal identifying information.

27 10. In June of 2010, Tan pled guilty to one felony count of identity theft in Los Angeles,
28 California. Tan was placed on three years of formal probation and thirty days in county jail. Tan was

1 ordered to pay between \$200.00 and \$10,000.00 to the Victim Restitution Fund, pay actual restitution
2 to any victim, and pay statutory fees and other assessments.

3 11. On September 13, 2013, Tan filed a motion to reduce his felony conviction to a
4 misdemeanor. On October 16, 2013, the court granted Tan’s motion and reduced the felony offense
5 to a misdemeanor.

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

8 13. On August 27, 2010, the Department of Insurance issued an order revoking Tan’s
9 insurance license because of his criminal conviction.

10 14. Question E of the Application asks whether the applicant is delinquent on any court
11 ordered child support payments.

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

16 16. When submitting the form MU4, applicants use an electronic signature to attest, under
17 penalty of perjury, that the information contained in an application is current, complete, and accurate.
18 Tan’s MLO license Application reads, in part:

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

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

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

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1 17. Tan’s initial Application failed to provide any documentation regarding his affirmative
2 answers.

3 18. On June 20, 2019, Tan was instructed by the Department to upload documents
4 regarding his criminal conviction and license revocation. Tan was also required to update his
5 employment and sponsorship information. In response, Tan only uploaded documentation regarding
6 the criminal conviction.

7 19. Tan failed to upload or provide any documentation regarding the Department of
8 Insurance revocation order, failed to explain his inconsistent answer regarding his delinquent child
9 support payments, and failed to provide current information regarding his employment and
10 sponsorship.

11 **Character and General Fitness**

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

17 21. As described in paragraphs 6 to 11, Tan was charged with willfully and unlawfully
18 obtaining personal identifying information of another and using that information for an unlawful
19 purpose to obtain and attempt to obtain credit, goods, services, real property and medical information
20 without consent. Tan entered a commercial building occupied by Lexus of Cerritos with the intent to
21 commit larceny and any felony and made an unlawful and false financial statement by using
22 another’s identifying information.

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

27 23. As described in paragraphs 12 and 13, Tan’s insurance license was revoked because of
28 his criminal conviction.

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

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

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

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

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

18 28. As described in paragraphs 4 and 5, American Advisors Group terminated Tan’s
19 employment and removed its sponsorship.

20 29. As described in paragraphs 12 to 19, Tan has failed to provide requested further
21 documentation regarding his Department of Insurance license revocation and has provided
22 inconsistent information regarding his child support payments.

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

25 31. For the foregoing reasons, the Commissioner denies the issuance of an MLO license to
26 Tan under Financial Code sections 22109.1, 22172, 50141, and 50513 because Tan: (1) failed to meet
27 the minimum threshold requirement that he demonstrates such financial responsibility, character, and
28 general fitness as to command the confidence of the community and to warrant a determination that

1 the mortgage loan originator will operate honestly, fairly, and efficiently; and (2) failed to meet the
2 requirements of Financial Code sections 22109.1 and 50141 or withheld information in his
3 application for a mortgage loan originator license.

4 32. On January 14, 2020, the Commissioner issued and served on Tan a Notice of
5 Intention in Support of Order Denying Mortgage Loan License Application, Statement of Issues and
6 accompanying documents.

7 33. The Commissioner has received no request for a hearing and the time to request a
8 hearing has expired.

9 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the Application
10 for a mortgage loan originator license of Charlie Tan is denied. This Order is effective immediately.

11 Dated: February 10, 2020
12 Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

13 By _____
14 Mary Ann Smith
15 Deputy Commissioner
16 Enforcement Division
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