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

11 In the Matter of:	) NMLS NO.: 1804501
12 THE COMMISSIONER OF BUSINESS	)
OVERSIGHT,	) STATEMENT OF ISSUES
13	)
Complainant,	)
14 v.	)
15 DIONETTE MONÉ FERGUSON,	)
16 Respondent.	)
17	)

18  
19 The Commissioner of Business Oversight (Commissioner) is informed and believes, and  
20 based upon such information and belief, alleges and charges Respondent as follows:

21 **I.**

22 **Jurisdiction**

23 1. The Commissioner has jurisdiction over the licensing and regulation of persons  
24 engaged in the business of making or brokering residential mortgage loans, including mortgage loan  
25 originators, under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.). The  
26 Commissioner also has jurisdiction over the licensing and regulation of persons engaged in the  
27 business of making or servicing residential mortgage loans, including mortgage loan originators,  
28 under the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.).



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

3 9. Ferguson answered “No” to question (K)(1), “Yes” to question (K)(5), and “No” to  
4 question (K)(9).

5 10. In the event explanation for question (K)(5) concerning license revocation, Ferguson  
6 stated that she previously owned and operated a “mortgage company that had a real estate division  
7 as well as an escrow office.” She explained that her real-estate broker license was revoked because  
8 of violations arising from one real-estate transaction, including “wrongfully compensat[ing]” an  
9 “office processor.” Ferguson uploaded supporting documents related to the DRE action. One of  
10 these documents was an order denying reinstatement of license dated January 2, 2014.

11 11. On March 5, March 29, April 4, and April 11, 2019, Ferguson filed amended Form  
12 MU4s with minor clerical changes. Her answers to the disclosure questions, including those  
13 described above, remained unchanged.

14 12. On July 30, 2019, Ferguson requested withdrawal of her application. The  
15 Commissioner has not granted the request.

16 13. Records obtained from Ferguson and the Commissioner’s investigation show that the  
17 DRE revoked Ferguson’s real-estate broker license in a decision dated June 17, 2010. The DRE  
18 found cause to revoke Ferguson’s license based on violations of the Real Estate Law arising in part  
19 from mortgage loan origination activity. In particular, the DRE found that Ferguson made  
20 substantial misrepresentations in a loan application regarding the borrower’s intention to occupy the  
21 property and in the HUD-1 Settlement Statement regarding a lien on the property that did not exist.  
22 The DRE also found that Ferguson compensated an unlicensed person for acting as a loan officer.

23 14. Records obtained from Ferguson and the Commissioner’s investigation show that  
24 about two years later, on May 3, 2012, Ferguson filed a petition for reinstatement of her DRE  
25 license. In an order dated January 2, 2014, the DRE denied her petition, finding that she had failed  
26 to demonstrate that she was sufficiently rehabilitated to warrant reinstatement.

27 15. Records obtained from the Commissioner’s investigation show that on September  
28 18, 2014, a notice of default was recorded against Ferguson, thereby formally commencing the

1 foreclosure process. A notice of sale was recorded on January 22, 2015, and the sale occurred on  
2 March 13, 2015.

### 3 III.

#### 4 **Withheld Information and Material Misstatements**

5 16. The Commissioner may deny an application for an MLO license if the applicant  
6 withholds information or makes a material misstatement in the application. (Fin. Code, §§ 22172,  
7 subd. (a)(2), 50513, subd. (a)(2).)

8 17. As described in paragraphs 8 to 13, Ferguson withheld information regarding her  
9 2010 DRE revocation. Although Ferguson answered “Yes” to Form MU4 question (K)(5)  
10 concerning revocations, she failed to disclose in her explanation that in addition to finding that she  
11 compensated an unlicensed person, the DRE found that she made substantial misrepresentations in  
12 a mortgage loan application and HUD-1 Settlement Statement. Because of this finding, Ferguson  
13 should have answered “Yes” to question (K)(1), which asked whether a regulatory agency had ever  
14 found her to have made a false statement or omission or been dishonest, unfair, or unethical. But  
15 she failed to do so in all her application filings.

16 18. As described in paragraphs 8 to 14, Ferguson failed to disclose the 2014 DRE order  
17 denying reinstatement of her license. Although the order was included in her upload of documents  
18 related to the DRE revocation, Ferguson did not mention the denial of her petition for reinstatement  
19 in the event explanation and failed to answer “Yes” to Form MU4 question (K)(9), which asked  
20 whether a regulatory agency had issued an order concerning Ferguson in connection with a license.

21 19. Thus, Ferguson withheld information and made material misstatements in her  
22 application for a license. Under Financial Code sections 22172, subdivision (a)(2), and 50513,  
23 subdivision (a)(2), Ferguson’s application should be denied.

### 24 IV.

#### 25 **Financial Responsibility, Character, and General Fitness**

26 20. The Commissioner “shall deny” an application for an MLO license unless he makes,  
27 at a minimum, specified findings, including that the applicant has demonstrated such financial  
28 responsibility, character, and general fitness as to command the confidence of the community and to

1 warrant a determination that the applicant will operate honestly, fairly, and efficiently as a mortgage  
2 loan originator. (Fin. Code, §§ 22109.1, subd. (a)(3), 50141, subd. (a)(3).)

3 21. As described in paragraphs 10, 13, and 14, Ferguson’s real-estate broker license was  
4 revoked by the DRE in 2010. Notably, the revocation was based on violations arising from  
5 mortgage loan origination activity, the same activity for which she now seeks a license from the  
6 Commissioner. Moreover, one of the violations was the making of substantial misrepresentations on  
7 loan documents. About four years later, the DRE found that Ferguson was not sufficiently  
8 rehabilitated and denied her petition for reinstatement. Ferguson’s disciplinary history militates  
9 against finding that she has demonstrated the character and general fitness required for licensure as  
10 an MLO.

11 22. Further, as described in paragraphs 17 and 18, Ferguson withheld information  
12 regarding the 2010 revocation of her DRE license by failing to fully explain the circumstances of  
13 the revocation and failing to answer “Yes” to an applicable disclosure question. She also failed to  
14 disclose the 2014 denial of reinstatement of her DRE license. Thus, although the DRE revocation  
15 occurred some time ago, Ferguson’s lack of candor in disclosing it and other prior discipline further  
16 weighs against finding the requisite character and fitness.

17 23. As described in paragraphs 6, 7, and 15, Ferguson was the subject of a foreclosure  
18 action in 2014 and 2015. Ferguson’s foreclosure weighs against finding that she has demonstrated  
19 the financial responsibility required for licensure as an MLO.

20 24. For all these reasons, Ferguson has not demonstrated such financial responsibility,  
21 character, and general fitness as to command the confidence of the community and to warrant a  
22 determination that she will operate honestly, fairly, and efficiently as an MLO. Under Financial  
23 Code sections 22109.1, subdivision (a)(3), and 50141, subdivision (a)(3), Ferguson’s application  
24 must be denied.

25 **V.**

26 **Commissioner’s Authority to Deny Application**

27 25. Financial Code section 22109.1, subdivision (a), provides in relevant part:

28 The commissioner shall deny an application for a mortgage loan

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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.

26. Financial Code section 22172, subdivision (a), provides in relevant part:

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 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.

27. Financial Code section 50141, subdivision (a), 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.

28. Financial Code section 50513, subdivision (a), provides 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 meet the requirements of Section 50141 or 50144, or withholds information or makes a material misstatement in an application for a license or license renewal.

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**VI.**

**Prayer**

For the foregoing reasons, the Commissioner finds that Dionette Moné Ferguson withheld information and made material misstatements in her application within the meaning of Financial Code sections 22172, subdivision (a)(2), and 50513, subdivision (a)(2).

The Commissioner also finds that Ferguson has not demonstrated the financial responsibility, character, and general fitness required under Financial Code sections 22109.1, subdivision (a)(3), and 50141, subdivision (a)(3).

Accordingly, the Commissioner must deny Ferguson’s application for a mortgage loan originator license.

WHEREFORE, IT IS PRAYED that Ferguson’s application for a mortgage loan originator license be denied.

Dated: June 10, 2020  
Los Angeles, California

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

By: \_\_\_\_\_  
SAMUEL J. PARK  
Counsel  
Enforcement Division