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

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13 In the Matter of the Statement of Issues of THE ) NMLS ID: 613306  
CALIFORNIA COMMISSIONER OF )  
14 BUSINESS OVERSIGHT, )  
15 Complainant, ) **STATEMENT OF ISSUES IN SUPPORT OF**  
16 vs. ) **DENIAL OF MORTGAGE LOAN**  
17 YONG SHIK CHOI, ) **ORIGINATOR LICENSE APPLICATION**  
18 Respondent. )  
19 )  
20 )

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

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**I.****INTRODUCTION**

Complainant hereby determines not to issue a mortgage loan originator license to YONG SHIK CHOI (“Respondent” or “Choi”) pursuant to California Financial Code section 50141 because Respondent has not demonstrated financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the applicant will operate honestly, fairly, and efficiently within the purposes of the Mortgage Loan Originator Law of California.

**II.****THE APPLICATION**

On or about October 9, 2013, YONG SHIK CHOI (“Respondent” or “Choi”), filed an application for a mortgage loan originator license with the Commissioner pursuant to the California Residential Mortgage Lending Act (“CRMLA”)(Financial Code sections 50000 *et. seq.*), in particular, Financial Code section 50140. The application was for employment with or working on behalf of Paramount Residential Mortgage Company, Inc., Nationwide Mortgage Licensing System (“NMLS”) ID No.75243, as a mortgage loan originator. The application was submitted to the Commissioner by filing Form MU4 application through the Nationwide Mortgage Licensing System. Respondent signed the Form MU4 swearing that the answers were true and complete to the best of Respondent’s knowledge.

On or about November 26, 2013, Respondent filed an addendum disclosure to his original application of October 9, 2013. NMLS Form MU4 at Section K(1), K(2), and K(5) “Regulatory Action” of this November 26, 2013 disclosure specifically asked:

*“Has any state or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever:*  
*(1) found you to have made a false statement or omission or been dishonest, unfair, or unethical?*  
*(2) found you to have been involved in a violation of a financial services-related business regulation(s) or statute(s)?*  
*(5) revoked your registration or license?”*

1 Respondent answered “Yes” to each of these questions. The documentation received by the  
2 Commissioner during the application process disclosed that Respondent was previously licensed by  
3 the California Bureau of Real Estate (“CBRE”) as a real estate salesperson (“CBRE License”) from  
4 February 21, 1995 to November 5, 2001. The CBRE revoked the CBRE License on or about  
5 August 27, 2001, effective September 26, 2001, pursuant to California Business and Professions  
6 Code section 10177. The CBRE License was revoked subsequent to: (1) The CBRE issuing an  
7 Accusation and First Amended Accusation setting forth allegations against Respondent on or about  
8 December 26, 2000 and June 27, 2001, (collectively, “Accusation”); (2) Respondent being granted  
9 an opportunity to be heard at an administrative hearing on the merits; and (3) a proposed decision  
10 and decision dated August 27, 2001, effective September 26, 2001 (“Order”). True and correct  
11 copies are attached hereto collectively as “**Exhibit 1.**”

12 Pursuant to the Accusation, and Order, the CBRE License was revoked because Respondent  
13 was found to have engaged in activity (1) in violation of California Business and Professions Code  
14 Section 10137; and (2) constituting fraud and/or dishonest dealing and/or making a substantial  
15 misrepresentation. Specifically, in or about May 1999, Respondent was employed in a real estate  
16 capacity with an employer to perform acts requiring a real estate license. Respondent was engaged  
17 in a real estate transaction regarding a parcel located in Southern California whereby the borrowers  
18 of a real estate loan entered into a contract to purchase real property. During this transaction,  
19 Respondent delivered a check from escrow to certain parties of this transaction. At that time,  
20 Respondent solicited this party for an additional \$900.00. Respondent insisted he deserved the  
21 extra money because he “worked more than normal” on the matter. The party asked Respondent if  
22 the additional payment would be shown on the paperwork in order that it may be claimed as a  
23 deduction for income tax purposes. Respondent asserted “not to worry, that it would be  
24 deductible.” Respondent also stated “but don’t tell my boss.” In reliance on Respondent’s  
25 statements, the party to the transaction gave Respondent a check in the amount of \$900.00, made  
26 payable to the Respondent. Respondent cashed this check and did not give the proceeds to his  
27 employing broker. Respondent stated that he “did not get paid so [he] decided to charge the  
28 \$900.00.”

1 Also, in or about September 2000, in the course of investigating the above-stated actions,  
2 the CBRE Deputy Commissioner wrote a letter to Respondents’ employer and to Respondent.  
3 When Respondent received his letter, Respondent proceeded to intercept his employer’s letter.  
4 Respondent’s employer never knew that the letters were sent by the CBRE. Respondent then  
5 replied to the CBRE letter as Respondent’s employer. Respondent’s letter included an undated  
6 letter, printed on plain paper, addressed to the CBRE which contained a signature line which  
7 asserted that the letter was from Respondent’s employer when in fact the letter was not and was a  
8 forgery. Respondent eventually admitted to his employer that Respondent: “covered up this  
9 violation by corresponding with the [CBRE] and illegally forging [employer’s] name. . .”

10 **III.**

11 **APPLICABLE LAW**

12 California Financial Code section 50141 provides in pertinent part:

- 13 (a) The commissioner shall deny an application for a mortgage loan  
14 originator license unless the commissioner makes, at a minimum,  
15 the following findings:  
16 (3) The applicant has demonstrated such financial responsibility,  
17 character, and general fitness as to command the confidence of  
18 the community and to warrant a determination that the mortgage  
19 loan originator will operate honestly, fairly, and efficiently  
20 within the purposes of this division.

19 **IV.**

20 **CONCLUSION**

21 Complainant finds, by reason of the foregoing, that Respondent has failed to demonstrate  
22 such financial responsibility, character, and general fitness as to command the confidence of the  
23 community and warrant a determination that he will operate honestly, fairly, and efficiently as a  
24 mortgage loan originator in light of his actions under the meaning of Financial Code section 50141.  
25 Complainant finds that each and every above stated act by Respondent Yong Shik Choi is sufficient  
26 grounds to not issue a California mortgage loan originator license to Respondent Yong Shik Choi,  
27 pursuant to California Financial Code section 50141.

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THEREFORE, Complainant asserts that Financial Code section 50141 mandates that the Commissioner deny Respondent’s application for a mortgage loan originator license. WHEREFORE IT IS PRAYED that the determination of the Commissioner to deny Respondent’s application for a mortgage loan originator license be upheld.

Dated: November 4, 2014

JAN LYNN OWEN  
California Commissioner of Business Oversight

By: \_\_\_\_\_  
MARISA I. URTEAGA-WATKINS  
Corporations Counsel