

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN M. ROONEY  
Assistant Chief Counsel  
3 SAMUEL J. PARK (State Bar No. 293902)  
Counsel  
4 Department of Business Oversight  
320 West 4th Street, Suite 750  
5 Los Angeles, California 90013  
Telephone: (213) 576-7683  
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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	)	
13	OVERSIGHT,	)	ORDER DENYING APPLICATION FOR
14	Complainant,	)	MORTGAGE LOAN ORIGINATOR LICENSE
15	v.	)	
16	DIONETTE MONÉ FERGUSON,	)	
17	Respondent.	)	

18  
19 The Commissioner of Business Oversight (Commissioner) finds:

20 1. On March 1, 2019, Respondent Dionette Moné Ferguson (Ferguson) applied to the  
21 Commissioner for a mortgage loan originator (MLO) license under the California Financing Law  
22 (CFL) (Fin. Code, § 22000 et seq.) and California Residential Mortgage Lending Act (CRMLA)  
23 (Fin. Code, § 50000 et seq.).

24 2. Ferguson applied by filing a Form MU4 through the Nationwide Mortgage Licensing  
25 System and Registry (NMLS).

26 3. As described in more detail below, the Commissioner denies the issuance of an MLO  
27 license to Ferguson under Financial Code sections 22109.1, 22172, 50141, and 50513 because  
28 Ferguson: (1) withheld information and made material misstatements in her application for a license

1 and (2) has not demonstrated such financial responsibility, character, and general fitness as to  
2 command the confidence of the community and to warrant a determination that she will operate  
3 honestly, fairly, and efficiently as an MLO.

4 4. On March 1, 2019, Ferguson applied for an MLO license by filing a Form MU4  
5 through NMLS. Her application was sponsored by a lender licensed under the CFL and CRMLA.

6 5. Form MU4 question (A)(3) asked: “Have you been the subject of a foreclosure  
7 action within the past 10 years?”

8 6. Ferguson answered “Yes” to question (A)(3). In the event explanation for question  
9 (A)(3), Ferguson stated that an investment property she owned went into foreclosure after a tenant  
10 who leased the property died.

11 7. Form MU4 question (K) asked, in relevant part:

12 Has any State or federal regulatory agency or foreign financial  
13 regulatory authority or self-regulatory organization (SRO) ever:

14 (1) found you to have made a false statement or omission or been  
dishonest, unfair or unethical?

15 ...

16 (5) revoked your registration or license?

17 ...

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

20 8. Ferguson answered “No” to question (K)(1), “Yes” to question (K)(5), and “No” to  
21 question (K)(9).

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

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

4           11.     On July 30, 2019, Ferguson requested withdrawal of her application. The  
5 Commissioner has not granted the request.

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

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

17           14.     Records obtained from the Commissioner’s investigation show that on September  
18 18, 2014, a notice of default was recorded against Ferguson, thereby formally commencing the  
19 foreclosure process. A notice of sale was recorded on January 22, 2015, and the sale occurred on  
20 March 13, 2015.

21 **Withheld Information and Material Misstatements**

22           15.     The Commissioner may deny an application for an MLO license if the applicant  
23 withholds information or makes a material misstatement in the application. (Fin. Code, §§ 22172,  
24 subd. (a)(2), 50513, subd. (a)(2).)

25           16.     As described in paragraphs 7 to 12, Ferguson withheld information regarding her  
26 2010 DRE revocation. Although Ferguson answered “Yes” to Form MU4 question (K)(5)  
27 concerning revocations, she failed to disclose in her explanation that in addition to finding that she  
28 compensated an unlicensed person, the DRE found that she made substantial misrepresentations in

1 a mortgage loan application and HUD-1 Settlement Statement. Because of this finding, Ferguson  
2 should have answered “Yes” to question (K)(1), which asked whether a regulatory agency had ever  
3 found her to have made a false statement or omission or been dishonest, unfair, or unethical. But  
4 she failed to do so in all her application filings.

5 17. As described in paragraphs 7 to 13, Ferguson failed to disclose the 2014 DRE order  
6 denying reinstatement of her license. Although the order was included in her upload of documents  
7 related to the DRE revocation, Ferguson did not mention the denial of her petition for reinstatement  
8 in the event explanation and failed to answer “Yes” to Form MU4 question (K)(9), which asked  
9 whether a regulatory agency had issued an order concerning Ferguson in connection with a license.

10 18. Thus, Ferguson withheld information and made material misstatements in her  
11 application for a license. Under Financial Code sections 22172, subdivision (a)(2), and 50513,  
12 subdivision (a)(2), Ferguson’s application should be denied.

13 **Financial Responsibility, Character, and General Fitness**

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

19 20. As described in paragraphs 9, 12, and 13, Ferguson’s real-estate broker license was  
20 revoked by the DRE in 2010. Notably, the revocation was based on violations arising from  
21 mortgage loan origination activity, the same activity for which she now seeks a license from the  
22 Commissioner. Moreover, one of the violations was the making of substantial misrepresentations on  
23 loan documents. About four years later, the DRE found that Ferguson was not sufficiently  
24 rehabilitated and denied her petition for reinstatement. Ferguson’s disciplinary history militates  
25 against finding that she has demonstrated the character and general fitness required for licensure as  
26 an MLO.

27 21. Further, as described in paragraphs 16 and 17, Ferguson withheld information  
28 regarding the 2010 revocation of her DRE license by failing to fully explain the circumstances of

1 the revocation and failing to answer “Yes” to an applicable disclosure question. She also failed to  
2 disclose the 2014 denial of reinstatement of her DRE license. Thus, although the DRE revocation  
3 occurred some time ago, Ferguson’s lack of candor in disclosing it and other prior discipline further  
4 weighs against finding the requisite character and fitness.

5 22. As described in paragraphs 5, 6, and 14, Ferguson was the subject of a foreclosure  
6 action in 2014 and 2015. Ferguson’s foreclosure weighs against finding that she has demonstrated  
7 the financial responsibility required for licensure as an MLO.

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

13 24. For the foregoing reasons, the Commissioner finds that Ferguson: (1) withheld  
14 information and made material misstatements in her application for a license and (2) has not  
15 demonstrated such financial responsibility, character, and general fitness as to command the  
16 confidence of the community and to warrant a determination that she will operate honestly, fairly,  
17 and efficiently as an MLO.

18 25. On June 10, 2020, the Commissioner issued a Notice of Intention to Issue Order  
19 Denying Application for Mortgage Loan Originator License, Statement of Issues, and  
20 accompanying documents. The documents were served by certified mail and first-class mail at  
21 Ferguson’s latest address on file on June 15 and July 1, 2020, respectively.

22 26. Ferguson has not requested a hearing, and the time for doing so has expired.

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1           NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the application  
2 of Dionette Moné Ferguson for a mortgage loan originator license is denied. This Order is effective  
3 immediately.

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5 Dated: July 13, 2020  
6           Los Angeles, California

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

7  
8 By: \_\_\_\_\_  
9 MARY ANN SMITH  
10 Deputy Commissioner  
11 Enforcement Division  
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