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8 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
9 OF THE STATE OF CALIFORNIA

10	In the Matter of:)	NMLS NO.: 1931698
11	THE COMMISSIONER OF FINANCIAL)	ORDER DENYING APPLICATION FOR
12	PROTECTION AND INNOVATION,)	MORTGAGE LOAN ORIGINATOR LICENSE
13	Complainant,)	
14	v.)	
15	DERRICK TRENTON BREW,)	
16	Respondent.)	

17
18 The Commissioner of Financial Protection and Innovation (Commissioner) finds:

19 1. On February 3, 2020, Respondent Derrick Trenton Brew (Brew) applied to the
20 Commissioner for a mortgage loan originator (MLO) license under the California Financing Law
21 (CFL) (Fin. Code, § 22000 et seq.) and California Residential Mortgage Lending Act (CRMLA)
22 (Fin. Code, § 50000 et seq.).

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

25 3. As described in more detail below, the Commissioner denies the issuance of an MLO
26 license to Brew under Financial Code sections 22109.1 and 50141 because Brew: (1) was convicted
27 of two felonies involving an act of fraud, dishonesty, a breach of trust, or money laundering and (2)
28 has not demonstrated such financial responsibility, character, and general fitness as to command the

1 confidence of the community and to warrant a determination that he will operate honestly, fairly,
2 and efficiently as an MLO.

3 4. On February 3, 2020, Brew applied for an MLO license by filing a Form MU4
4 through NMLS. His application was sponsored by a lender licensed under the CFL and CRMLA.

5 5. Form MU4 question (A)(1) asked: “Have you filed a personal bankruptcy petition or
6 been the subject of an involuntary bankruptcy petition within the past 10 years?”

7 6. Brew answered “Yes” to question (A)(1). In the event explanation for question
8 (A)(1), Brew stated that in 2012 he filed for chapter 7 bankruptcy because of financial and
9 employment difficulties stemming from his 2010 felony conviction. Brew provided supporting
10 documents for his explanation.

11 7. Form MU4 question (F)(1) asked: “Have you ever been convicted of or pled guilty
12 or nolo contendere (‘no contest’) . . . to any felony?”

13 8. Brew answered “Yes” to question (F)(1). In the event explanation for question
14 (F)(1), Brew stated that in 2006 he engaged in a check-kiting scheme and was convicted in 2010
15 after pleading guilty to “two checks.” Brew provided supporting documents for his explanation,
16 including the indictment, which was filed on April 1, 2009; the judgment, which was filed on
17 January 12, 2010; and an unsigned, undated plea agreement. The first page of the indictment and
18 judgment, however, were missing.

19 9. On February 6, 19, and 27, 2020, Brew filed amended Form MU4s with minor
20 clerical changes.

21 10. On March 25, 2020, the Commissioner placed a license item on Brew’s NMLS
22 account, noting that Brew had answered “Yes” to Form MU4 question (F)(1) and requesting that he
23 upload applicable documents relating to payment of the restitution ordered by the court.

24 11. On March 25, 2020, Brew filed an amended Form MU4 in which he uploaded a copy
25 of the case docket showing monthly restitution payments since 2010.

26 12. On April 14 and May 22, 2020, Brew filed amended Form MU4s with minor clerical
27 changes.

28 13. Records obtained from Brew and the Commissioner’s investigation show that on

1 October 6, 2009, in the U.S. District Court for the Eastern District of Missouri, Brew pleaded guilty
2 to two counts of felony bank fraud in violation of title 18 United States Code sections 1344 and 2.
3 The indictment, filed on April 1, 2009, contained eight counts. A superseding indictment, filed on
4 June 25, 2009, contained 13 counts.

5 14. Records obtained from Brew and the Commissioner’s investigation show that Brew
6 voluntarily filed for chapter 7 bankruptcy on June 21, 2012, in the U.S. Bankruptcy Court for the
7 Eastern District of Missouri and received a discharge of his debts on September 12, 2012.

8 **Felony Convictions**

9 15. The Commissioner “shall deny” an application for an MLO license unless he makes,
10 at a minimum, specified findings, including that the applicant has not been convicted of, or pleaded
11 guilty or no contest to, a felony during the seven-year period preceding the date of the application,
12 or at any time preceding the date of the application, if such felony involved an act of fraud,
13 dishonesty, a breach of trust, or money laundering. (Fin. Code, §§ 22109.1, subd. (a)(2), 50141,
14 subd. (a)(2).)

15 16. As described in paragraph 13, Brew was convicted in 2009 of two counts of felony
16 bank fraud in violation of title 18 United States Code sections 1344 and 2.¹ Each felony involved an
17 act of fraud and dishonesty. (See Black’s Law Dict. (7th ed. 1999) p. 670 [defining fraud as “[a]
18 knowing misrepresentation of the truth or concealment of a material fact to induce another to act to
19 his or her detriment”].)

20 17. Accordingly, before the date of his application, Brew was convicted of two felonies
21 involving an act of fraud, dishonesty, a breach of trust, or money laundering. Under Financial Code
22 sections 22109.1, subdivision (a)(2), and 50141, subdivision (a)(2), the Commissioner must deny
23 Brew’s application.

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

25 18. The Commissioner “shall deny” an application for an MLO license unless he makes,
26

27 _____
28 ¹ Title 18 United States Code section 1344 provides that whoever knowingly executes or attempts to execute a
scheme or artifice “to defraud a financial institution” or “to obtain any of the moneys, funds, credits, assets, securities, or
other property owned by, or under the custody or control of, a financial institution, by means of false or fraudulent
pretenses, representations, or promises” is guilty of a felony.

1 at a minimum, specified findings, including that the applicant has demonstrated such financial
2 responsibility, character, and general fitness as to command the confidence of the community and to
3 warrant a determination that the applicant will operate honestly, fairly, and efficiently as a mortgage
4 loan originator. (Fin. Code, §§ 22109.1, subd. (a)(3), 50141, subd. (a)(3).) The finding of financial
5 responsibility, character, and general fitness “relates to any matter, personal or professional, that
6 may impact upon an applicant’s propensity to operate honestly, fairly, and efficiently” as an MLO.
7 (Cal. Code Regs., tit. 10, § 1950.122.5.2, subd. (a).)

8 19. As described in paragraphs 13 and 16, Brew was convicted in 2009 of two counts of
9 felony bank fraud. Brew’s criminal history militates against finding that he has demonstrated the
10 character and general fitness required for licensure as an MLO.

11 20. As described in paragraph 14, Brew voluntarily filed for chapter 7 bankruptcy in
12 2012 and received a discharge of his debts. Brew’s bankruptcy weighs against finding that he has
13 demonstrated the financial responsibility required for licensure as an MLO.

14 21. For all these reasons, Brew has not demonstrated such financial responsibility,
15 character, and general fitness as to command the confidence of the community and to warrant a
16 determination that he will operate honestly, fairly, and efficiently as an MLO. Under Financial
17 Code sections 22109.1, subdivision (a)(3), and 50141, subdivision (a)(3), Brew’s application must
18 be denied.

19 22. For the foregoing reasons, the Commissioner finds that Brew (1) was convicted of
20 two felonies involving an act of fraud, dishonesty, a breach of trust, or money laundering and (2)
21 has not demonstrated such financial responsibility, character, and general fitness as to command the
22 confidence of the community and to warrant a determination that he will operate honestly, fairly,
23 and efficiently as an MLO.

24 23. On January 4, 2021, the Commissioner issued a Notice of Intention to Issue Order
25 Denying Application for Mortgage Loan Originator License, Statement of Issues, and
26 accompanying documents. The documents were served by certified mail at Brew’s latest address on
27 file on January 14, 2021.

28 24. Brew has not requested a hearing, and the time for doing so has expired.

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

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5 Dated: February 2, 2021
6 Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation



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