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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

13 In the Matter of:) NMLS No. 281597
14 THE COMMISSIONER OF FINANCIAL) SPONSOR No.: 4131356 and 603K423
15 PROTECTION AND INNOVATION,)
16 Complainant,) STATEMENT OF ISSUES IN SUPPORT OF
17 v.) NOTICE OF INTENTION TO ISSUE ORDER
18 JAMES GUYOUNG PARK,) DENYING MORTGAGE LOAN ORIGINATOR
19 Respondent.) APPLICATION
20)
21)

22 Manuel P. Alvarez, the Commissioner of Financial Protection and Innovation (Commissioner),
23 is informed and believes and based upon such information and belief, alleges and charges as follows:

24 I.

25 **INTRODUCTION**

26 1. The Commissioner licenses and regulates mortgage loan originator(s) (MLO), finance
27 lenders, and brokers residential mortgage lenders, and residential mortgage loan servicers under the
28 Financing Law (CFL) and the Residential Mortgage Lending Act (CRMLA). (Fin. Code, § 22000 et

1 seq., Fin. Code, § 50000 et seq.).

2 2. To become a licensed MLO by the Department of Financial Protection and Innovation
3 (DFPI), applicants must submit a uniform application MU2 or MU4 Form through the Nationwide
4 Mortgage Licensing System & Registry (NMLS)¹. NMLS contains instructions for completing license
5 applications, including a checklist of requirements to be completed by the applicant. The applicant is
6 solely responsible for fulfilling all license application requirements.

7 3. The Commissioner seeks to deny the James Guyoung Park’s (Park) MLO application
8 pursuant to Financial Code sections 22109.1, 50141, 22172, and 50513 because Park fails to meet the
9 minimum threshold requirement that he demonstrates such financial responsibility, character, and
10 general fitness as to command the confidence of the community and to warrant a determination that he
11 will operate honestly, fairly, and efficiently within the purposes of the MLO licensing laws.

12 4. Specifically, the Commissioner finds that Park made a material misstatement in his
13 application by initially stating no regulatory agency had ever issued a regulatory action against him,
14 when in fact, he had been the subject of two previous regulatory actions. Park did not correct this
15 misstatement until after the DFPI alerted Park to it and asked Park to explain the misstatement. The
16 Commissioner further determines that Park’s initial failure to disclose and his subsequent explanation
17 for why he initially failed to disclose do not allow the Commissioner to determine that Park would
18 operate honestly, fairly, and efficiently within the purposes of the MLO licensing laws, thus requiring
19 the denial of the license application.

20 **II.**

21 **PREVIOUS REGULATORY HISTORY**

22 5. On March 1, 2007, the Washington State Department of Financial Institutions, Division
23 of Consumer Services (WDFI), through a consent order, barred Park from applying for a mortgage
24 broker license and participating in the conduct of the affairs of any mortgage broker licensed by the
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27 ¹ NMLS stands for Nationwide Multistate Licensing System & Registry and is the system of record
28 for non-depository, financial services licensing or registration in participating agencies. including the
District of Columbia and U.S. Territories of Puerto Rico, the U.S. Virgin Islands, and Guam. In
these jurisdictions, NMLS is the official system for companies and individuals seeking to apply for,
amend, renew and surrender licenses authorities managed through NMLS.

1 WDFI until March 1, 2022. This consent order was issued because Park engaged in unlicensed
2 mortgage broker activity and forged a WDFI mortgage license. The WDFI found that, in violation of
3 the Washington Mortgage Broker Practices Act, Park (1) employed a scheme, device, or artifice to
4 defraud or mislead borrowers; (2) engaged in unfair or deceptive practices; (3) obtained property by
5 fraud or misrepresentation; and (4) negligently made a false statement or knowingly and willfully
6 made an omission of material fact in connection with reports filed by a mortgage broker or in
7 connection with an investigation conducted by the WDFI.

8 6. On April 29, 2016, the Commonwealth of Virginia State Corporation Commissioner
9 found that Park had engaged in the business of a mortgage loan originator without a license and
10 ordered him to cease and desist.

11 III.

12 APPLICATION FOR MLO LICENSE

13 7. On September 10, 2020, Park filed an application for MLO license with the
14 Commissioner (NMLS No. 281597) by submitting a Form MU4 through NMLS pursuant to Financial
15 Code sections 22109.6 and 50140.

16 8. Park's initial MU4 filing dated September 10, 2020, revealed a "No" response to
17 Regulatory Disclosure Question K (1) through (9) which states:

18 *(K) Has any State or federal regulatory agency or foreign financial regulatory*
19 *authority or self-regulatory organization (SRO) ever: (1) found you to have*
20 *made a false statement or omission or been dishonest, unfair, or unethical?; (2)*
21 *found you to have been involved in a violation of a financial services-related*
22 *business regulation(s) or statute(s)?; (3) found you to have been a cause of a*
23 *financial services-related business having its authorization to do business*
24 *denied, suspended, revoked or restricted?; (4) entered an order against you in*
25 *connection with a financial services-related activity?; (5) revoked your*
26 *registration or license?; (6) denied or suspended your registration or license or*
27 *application for licensure, disciplined you, or otherwise by order, prevented you*
28 *from associating with a financial services-related business or restricted your*
activities?; (7) barred you from association with an entity regulated by such
commissions, authority, agency, or officer, or from engaging in a financial
services-related business?; (8) issued a final order against you based on
violations of any law or regulations that prohibit fraudulent, manipulative, or
deceptive conduct?; and (9) entered an order concerning you in connection
with any license or registration?

1 9. In submitting his application, Park attested that the answers were true and complete to
2 the best of his knowledge.

3 10. On November 6, 2020, the DFPI created a license deficiency item² in NMLS informing
4 Park that his licensing history revealed that he should have answered “Yes” to, at minimum, question
5 (K)(9). The DFPI requested that Park file an amendment with a detailed explanation of the
6 circumstances surrounding these license actions and any applicable legal documentation.

7 11. On December 23, 2020, Park filed an amendment to his original MU4 Form changing
8 his answer from “No” to “Yes” in response to Regulatory Action Disclosure Question (K)(9), and
9 attached the WDFI Consent Order and the Commonwealth of Virginia Cease and Desist Order in
10 NMLS.

11 **IV.**

12 **GROUND TO DENY PARK’S MLO APPLICATION**

13 12. The Commissioner is authorized under the CFL and CRMLA to deny a MLO license
14 application if an applicant withholds information or makes a material misstatement in an application
15 for a license. (Fin. Code, §§ 22172, subd. (a)(2), 50513, subd. (a)(2).)

16 13. The Commissioner finds, for the foregoing reasons, that Park made a material
17 misrepresentation or withheld information in an application for a license and that this constitutes
18 grounds to deny Park’s MLO license application, pursuant to Financial Code sections 22172,
19 subdivision (a)(2), and 50513, subdivision (a)(2).

20 14. Park failed to disclose that he consented to a 15-year bar order in the State of
21 Washington, an order that is still in effect and that included allegations of forging documents. Park
22 also failed to disclose a fairly recent 2016 cease and desist order from the State of Virginia for
23 engaging in business as an unlicensed MLO. Park’s failure to disclose these material, detrimental and
24 significant regulatory actions establishes that Park failed to prove he has the requisite financial
25 responsibility, character, and general fitness as to command the confidence of the community and to
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28 ² A “license item” is a request from a regulator such as DFPI on the NMLS website to a licensee or
applicant to respond to a question or take an action. The NMLS website automatically generates an
email to the licensee or applicant directing the person to check the NMLS website for the license item.

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warrant a determination that he will operate honestly, fairly, and efficiently within the purposes of the CFL and CRMLA.

V.

CONCLUSION

The Commissioner finds, for the foregoing reasons, that Park fails to demonstrate such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that Park will operate honestly, fairly, and efficiently within the purposes of the CFL and CRMLA.

THEREFORE, the Commissioner is mandated under Financial Code sections 22109.1 and 50141 to deny the issuance of a MLO license to Park.

WHEREFORE IT IS PRAYED, the mortgage loan originator application filed by James Guyoung Park on September 21, 2020, and as subsequently amended, be denied.

Dated: March 22, 2021

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

By _____
MARISA I. URTEAGA-WATKINS
Counsel
Enforcement Division