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12 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
13 OF THE STATE OF CALIFORNIA

14 In the Matter of:) NMLS ID NO.: 2052882
15)
16 THE COMMISSIONER OF FINANCIAL) STATEMENT OF ISSUES IN SUPPORT OF
17 PROTECTION AND INNOVATION,) NOTICE OF INTENTION TO ISSUE ORDER
18) DENYING MORTGAGE LOAN ORIGINATOR
19 Complainant,) APPLICATION
20)
21 v.) (Financial Code section 22109.1)
22)
23 CHRISTOPHER OCASIO,)
24)
25 Respondent.)
26)
27)
28)

29 Christopher S. Shultz, the Acting Commissioner of the Department of Financial Protection
30 and Innovation (Commissioner), is informed and believes, and based on such information and belief,
31 alleges and charges Respondent Christopher Ocasio (Ocasio) as follows.

32 **I.**

33 **Jurisdiction**

34 1. The Commissioner has jurisdiction over the licensing and regulation of persons
35 engaged in the business of making or brokering or servicing residential mortgage loans, including

1 mortgage loan originators (MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, §
2 22000 et seq.).

3 2. To become licensed by the Commissioner as an MLO, an individual must submit a
4 uniform application form (known as the MU2 or MU4 Form) through the Nationwide Mortgage
5 Licensing System & Registry (NMLS)¹. The NMLS contains a detailed set of instruction for filing
6 license applications, including a checklist of items to be completed by the applicant, who is fully
7 responsible for all the requirements of the license.

8 3. Ocasio applied for an MLO license with the Commissioner on December 1, 2020.

9 4. Based on his review of Ocasio’s application, the Commissioner determined that
10 Ocasio falsified information in customer auto insurance applications to qualify them for better
11 products and rates. The Commissioner therefore intends to deny the issuance of an MLO license to
12 Ocasio pursuant to Financial Code sections 22109.1 because Ocasio fails to meet the minimum
13 threshold requirement that he demonstrate such financial responsibility, character, and general fitness
14 as to command the confidence of the community and to warrant a determination that he will operate
15 honestly, fairly, and efficiently within the purposes of the MLO licensing laws.

16 **II.**

17 **Statement of Facts**

18 *Disciplinary Action by the North Carolina Department of Insurance*

19 5. On March 30, 2020, the North Carolina Department of Insurance (NCDOI) sent
20 Ocasio a letter via email demanding a written response and documents related to Ocasio’s alleged
21 termination for cause by his former employer for falsifying customer information in their auto
22 insurance applications.

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26 ¹ NMLS stands for Nationwide Multistate Licensing System & Registry and is the system of record for non-depository,
27 financial services licensing or registration in participating agencies. including the District of Columbia and U.S.
28 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 6. On July 13, 2020, Ocasio signed a document drafted by the NCDOI titled “Voluntary
2 Surrender of License or Licenses.”

3 7. In signing the Voluntary Surrender, Ocasio agreed to surrender all licenses issued by
4 the NCDOI for 10 years, agreed to waive his rights to an administrative hearing and judicial review,
5 acknowledged that the Voluntary Surrender constituted “the taking of a regulatory action by
6 NCDOI,” and acknowledged that the Voluntary Surrender would be a non-confidential public record.

7 8. The NCDOI considers the license status “surrendered with prejudice” effective July
8 13, 2020.

9 *2020 California MLO Application*

10 9. To become licensed by the Commissioner as an MLO, an individual must submit a
11 uniform application form (known as the MU4 or Form MU4) indicating application for a California
12 MLO license through the NMLS.

13 10. On December 1, 2020, Ocasio applied for a California MLO license by filing a Form
14 MU4 through the NMLS. Ocasio’s application is sponsored by his employer, Forward Mortgage
15 Lending Inc. – a CFL-licensed lender.

16 11. Form MU4 question (K) asks, in relevant part:

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

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

21 (2) found you to have been involved in a violation of a financial
22 services-related business regulation(s) or statute(s)?

23 12. Form MU4 question (Q) asks:

24 Have you ever voluntarily resigned, been discharged, or permitted to
25 resign after allegations were made that accused you of:

26 (1) violating statute(s), regulation(s), rule(s), or industry standards of
27 conduct?
28

1 (2) fraud, dishonesty, theft, or the wrongful taking of property?
2

3 13. On his December 1, 2020 MU4, Ocasio answered “Yes” to questions (K)(1), (K)(2),
4 (Q)(1), and (Q)(2), and provided a signed copy of the Voluntary Surrender. In a Disclosure
5 Explanation section, he also admitted that he falsified address and insurance histories on customers’
6 auto insurance applications from April 2019 to March 2020 “so they would qualify for better
7 products and rates.”

8 14. On December 1, 2020, Ocasio executed his MU4 under penalty of perjury that his
9 responses were “current, true, accurate, and complete[.]”

10 15. Ocasio amended his MU4 on December 2, 2020, December 30, 2020, January 12,
11 2021, and March 17, 2021, and in each case, answered “Yes” to questions (K)(1), (K)(2), (Q)(1), and
12 (Q)(2), attached the Voluntary Surrender, and provided the same acknowledgement in the Disclosure
13 Explanation that he had falsified address and insurance histories on customers’ auto insurance
14 applications.

15 16. On each of his amended MU4 filings between December 1, 2020 and March 17, 2021,
16 Ocasio executed the amended MU4 under penalty of perjury that his responses were “current, true,
17 accurate, and complete[.]”

18 **III.**

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

20 17. The Commissioner must deny an MLO license if the licensee fails to meet the
21 minimum criteria for licensure, which includes a requirement that the applicant “has demonstrated
22 such financial responsibility, character and general fitness as to command the confidence of the
23 community and to warrant a determination that the [MLO] will operate honestly, fairly, and
24 efficiently within the purposes of [the CFL].” (Fin. Code, § 22109.1, subd. (a)(3).)

25 18. As described in paragraphs 13.-16., under penalty of perjury, on five separate
26 occasions Ocasio admitted to repeatedly falsifying address and insurance histories on customers’ auto
27 insurance applications for almost a full year.

1 19. In each of the MU4 filings, the information Ocasio provided shows that he repeatedly
2 committed acts demonstrating a lack of the “character and general fitness” required of an MLO
3 license applicant under Financial Code section 22109.1, subdivision (a)(3).

4 20. Thus, Ocasio does not meet the minimum criteria for licensure under the CFL, and his
5 application must be denied.

6 **IV.**

7 **Applicable Statutes**

8 21. Financial Code section 22109.1 provides in pertinent part:

9 (a) The commissioner shall deny an application for a mortgage loan
10 originator license unless the commissioner makes, at a minimum, the
11 following findings:

12 (3) The applicant has demonstrated such financial responsibility,
13 character, and general fitness as to command the confidence of the
14 community and to warrant a determination that the [MLO] will operate
15 honestly, fairly, and efficiently within the purposes of this division.

16 **V.**

17 **Prayer**

18 For the reasons set forth above, the Commissioner finds that Ocasio has not demonstrated the
19 financial responsibility, character, and general fitness required under Financial Code section 22109.1,
20 subdivision (a)(3), because he repeatedly falsified customer information on auto insurance
21 applications to get them better products and rates.

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Accordingly, the Commissioner has grounds for denying Ocasio’s MLO license application.

WHEREFORE IT IS PRAYED that the MLO license application filed by Christopher Ocasio be denied.

Dated: September 22, 2021
Sacramento, California



CHRISTOPHER S. SHULTZ
Acting Commissioner
Department of Financial Protection and Innovation

By: _____
Noah M. Bean
Senior Counsel
Enforcement Division