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

12 In the Matter of:) NMLS NO.: 1102575
13)
14 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,)
15) STATEMENT OF ISSUES
Complainant,)
16 v.)
17 WILLIAM RASHAD JACKSON,)
18)
Respondent.)
19 _____)

20 Clothilde V. Hewlett, the Commissioner of Financial Protection and Innovation
21 (Commissioner), is informed and believes, and based on such information and belief, alleges and
22 charges Respondent William Rashad Jackson (Jackson) as follows.

23 **I.**

24 **Jurisdiction**

25 1. The Commissioner has jurisdiction over the licensing and regulation of persons and
26 entities engaged in the business of making, brokering or servicing residential mortgage loans,
27 including mortgage loan originators, under the California Financing Law (CFL) (Fin. Code,
28 § 22000 et seq.), and California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000

1 et seq.). The Commissioner is authorized to administer the CFL, CRMLA, and the rules and
2 regulations promulgated in title 10 of the California Code of Regulations (CCR).

3 2. In January of 2020, Jackson applied for a mortgage loan originator (MLO) license
4 with the Commissioner.

5 3. Under the provisions of Financial Code sections 22109.1, 22172, 50141, and 50513,
6 the Commissioner brings this action to deny Jackson’s pending MLO license application because
7 Jackson pleaded guilty to, and was convicted of, a misdemeanor theft in 2019, and withheld
8 information by failing to initially disclose the theft conviction, by failing to disclose an outstanding
9 judgment, and by failing to amend his application to disclose MLO license application denials by
10 other state agencies. As such, Jackson does not meet the minimum criteria to hold an MLO license.

11 **II.**

12 **Statement of Facts**

13 4. To become licensed by the Commissioner as a mortgage loan originator (MLO), an
14 individual must submit a uniform application form (Form MU4) through the Nationwide Mortgage
15 Licensing System & Registry (NMLS). The NMLS contains a detailed set of instructions for filing
16 license applications, including answering the Disclosure Questions, and a checklist of items to be
17 completed and uploaded by the applicant, who is fully responsible for meeting all the requirements
18 of the license.

19 5. The Disclosure Questions in the Form MU4 must be answered truthfully and
20 correctly. Further clarification in the Disclosure Explanations section is required for any “Yes”
21 responses and certain “No” responses. All MLO applicants and licensees are required to promptly
22 amend or update their responses when material changes occur by submitting an amended Form
23 MU4.

24 *MLO License Application*

25 6. On or about January 7, 2020, Jackson submitted an MLO license application to the
26 Department of Financial Protection and Innovation (Department) by filing a Form MU4 through the
27 NMLS.

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1 7. A review of Jackson’s Form MU4 filings dated January 7, 2020 and January 16,
2 2020, revealed that the only “Yes” response was to the Termination Disclosure Question Q(2),
3 which asks: “Have you ever voluntarily resigned, been discharged, or permitted to resign after
4 allegations were made that accused of fraud, dishonesty, theft, or the wrongful taking of property?”

5 8. Jackson vaguely explained the “Yes” response and stated, “[e]mployer discussion on
6 company policy.”

7 9. The Department subsequently discovered that Jackson has a misdemeanor conviction
8 for theft from 2019, which he failed to initially disclose, and an outstanding judgment and MLO
9 license application denials from other state agencies, which he failed to entirely disclose.

10 *2019 Misdemeanor Theft Conviction*

11 10. Jackson submitted and attested to two Form MU4 filings dated January 7, 2020 and
12 January 16, 2020, in which he answered “No” to Criminal Disclosure Question (H)(1), which asks:
13 “Have you ever been convicted of or pled guilty to . . . misdemeanor involving: (i) financial
14 services or financial services-related business, . . . (iv) theft or wrongful taking of property?”

15 11. In 2019, Jackson was charged with First Degree theft in the Superior Court of the
16 District of Columbia.

17 12. Court documents show that Jackson stole \$1,155.00 from his teller drawer while
18 employed at the BB&T Capitol Hill Bank branch in Washington, DC in July of 2019. Jackson
19 admitted to the theft to the bank personnel during a surprise audit.

20 13. In August of 2019, Jackson pleaded guilty to, and was convicted of, a misdemeanor
21 theft for wrongful taking of property in the Superior Court of the District of Columbia.

22 14. Jackson was sentenced to six months of unsupervised probation, and ordered to pay
23 restitution in the amount of \$1,155.00 to the victim.

24 15. On January 21, 2020, Jackson submitted an amended Form MU4 disclosing his theft
25 conviction. But Jackson did not change his answer to Criminal Disclosure Question (H)(1) to “Yes”
26 until January 30, 2020.

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1 *Outstanding Judgment*

2 16. Jackson submitted and attested to about ten Form MU4 filings from January 7, 2020
3 and February 20, 2020, in which he answered “No” to Financial Disclosure Question (D), which
4 asks: “Do you have any unsatisfied judgments or liens against you?”

5 17. In or about February of 2017, Crouse Health Hospital, Inc. (Crouse Health) obtained
6 a judgment against Jackson in the amount of \$12,302.25.

7 18. Jackson failed to disclose the Crouse Health judgment, or change his answer to
8 Financial Disclosure Question (D) to “Yes.”

9 19. In January of 2020, Jackson uploaded to the NMLS a letter about negative credit
10 information and a page tracking an outstanding balance at Capital One. Jackson did not disclose the
11 Crouse Health judgment.

12 *MLO License Application Denials*

13 20. Regulatory Action Disclosure Question (K)(6), asks: “Has any State or federal
14 regulatory agency . . . denied or suspended your . . . application for licensure . . .?”

15 21. According to the NMLS, Jackson submitted MLO license applications in other
16 states.

17 22. On or about March 12, 2020, State of Nebraska, Department of Banking and Finance
18 (Nebraska Dept. of Banking and Finance) denied Jackson’s application for an MLO license because
19 of Jackson’s misdemeanor theft conviction and because he withheld information from his
20 application. Nebraska Dept. of Banking and Finance determined that Jackson failed to demonstrate
21 such financial responsibility, character, and general fitness as to command the confidence of the
22 community and to warrant a determination that he would operate honestly, fairly, and efficiently.

23 23. On April 24, 2020, August 5, 2020, and August 17, 2020, Jackson’s MLO license
24 applications were denied by regulatory agencies in Hawaii, Washington, and Kansas for the similar
25 reasons as the denial by the Nebraska Dept. of Banking and Finance.

26 24. Jackson has yet to submit an amended Form MU4 to the Commissioner to disclose
27 the Nebraska, Hawaii, Washington and Kansas MLO license application denials, and change his
28 answer to Question (K)(6) to a “Yes.”

1 33. As such, Jackson does not meet the minimum criteria for licensure under the CFL
 2 and CRMLA, and the Commissioner must deny Jackson’s application for an MLO license.

3 **IV.**
 4 **Withheld Information**

5 34. The Commissioner may deny an MLO license application if the applicant withholds
 6 information or makes a material misstatement in an application for a license or license renewal.
 7 (Fin. Code, §§ 22172, subd. (a)(2), and 50513, subd. (a)(2).)

8 35. As described in paragraphs 4-15, above, Jackson failed to truthfully answer the
 9 Criminal Disclosure Question by withholding information about his misdemeanor conviction in his
 10 Form MU4 filings dated January 7, 2020 and January 16, 2020.

11 36. As described in paragraphs 16-19, above, Jackson failed to truthfully answer the
 12 Financial Disclosure Question and disclose his judgment in his Form MU4 filings from January 7,
 13 2020 to February 20, 2020.

14 37. As described in paragraphs 20-25, above, Jackson was required to, but failed to
 15 update his NMLS and disclose the MLO license denials in his Form MU4.

16 38. As such, the Commissioner is authorized to deny Jackson’s application for an MLO
 17 license.

18 **V.**
 19 **Applicable Statutes**

20 39. Financial Code section 22109.1 provides in pertinent part:

21 (a) The commissioner shall deny an application for a
 22 mortgage loan originator license unless the commissioner
 23 makes, at a minimum, the following findings:

23 ...

24 (3) The applicant has demonstrated such financial
 25 responsibility, character, and general fitness as to command
 26 the confidence of the community and to warrant a
 27 determination that the mortgage loan originator will operate
 28 honestly, fairly, and efficiently within the purposes of this
 division.

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- 40. Financial Code section 22172 provides in pertinent part:
 - (a) The commissioner may do one or more of the following:
 - ...
 - (2) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license if an applicant or licensee fails at any time to meet the requirements of Section 22109.1 or 22109.4 , or withholds information or makes a material misstatement in an application for a license or license renewal.

- 41. Financial Code section 50141 provides in pertinent part:
 - (a) The commissioner shall deny an application for a mortgage loan originator license unless the commissioner makes, at a minimum, the following findings:
 - ...
 - (3) The applicant has demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division.

- 42. Financial Code section 50513 provides in pertinent part:
 - (a) The commissioner may do one or more of the following:
 - ...
 - (2) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license if an applicant or licensee fails at any time to meet the requirements of Section 50141 or 50144, or withholds information or makes a material misstatement in an application for a license or license renewal.

VI.
Prayer

For the reasons set forth above, pursuant to Financial Code sections 22109.1, 22172, 50141, and 50513, the Commissioner finds that William Rashad Jackson fails to meet the minimum criteria for licensure because he was convicted of misdemeanor theft, he withheld information in his Form MU4 filings, and has not demonstrated the character and general fitness required under Financial Code sections 22109.1, subdivision (a)(3), and 50141, subdivision (a)(3).

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WHEREFORE IT IS PRAYED that the mortgage loan originator license application filed by William Rashad Jackson be denied.

Dated: February 15, 2022
San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By: _____
Afsaneh Eghbaldari
Senior Counsel
Enforcement Division