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9
10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) NMLS ID: 2191000
13)
14 THE COMMISSIONER OF FINANCIAL) STIPULATION TO WITHDRAWAL OF
PROTECTION AND INNOVATION,) APPLICATION
15)
16 Complainant,) (California Financial Code section 50513)
17 v.)
18 PATRICK ANDREW JOHNSON,)
Respondent.)
_____)

19
20 This Stipulation to Withdrawal of Application (Stipulation) is entered into between Respondent
21 Patrick Andrew Johnson (Johnson), and Complainant, the Commissioner of Financial Protection and
22 Innovation (Commissioner) (collectively, the Parties), and is made with respect to the following facts:

23 **I.**

24 **Introduction**

25 A. The Commissioner licenses and regulates mortgage loan originators, finance lenders,
26 and brokers under California Financing Law (Fin. Code, § 22000 et seq.) (CFL).¹ The Commissioner
27 also licenses and regulates mortgage loan originators, residential mortgage lenders, and residential
28 _____

¹ All further references are to the Financial Code unless otherwise stated.

1 mortgage loan servicers under the California Residential Mortgage Lending Act (Fin. Code, § 50000
2 et seq.) (CRMLA).

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

8 C. On August 18, 2021, Patrick Andrew Johnson (Johnson) applied for a MLO license
9 with the Commissioner (file number 2191000; hereinafter, Application) by submitting a Form MU4
10 through the NLMS.

11 D. As a prerequisite to having the MLO license, Johnson was required to have a
12 sponsoring company that is a CFL or CRMLA-licensed lender, servicer, or broker, which he currently
13 does not have.

14 E. Sections 22109.1 and 50141, subdivision (a)(3), state that the Commissioner shall deny
15 an MLO application unless the Commissioner finds that:

16 The applicant has demonstrated such financial responsibility, character, and
17 general fitness as to command the confidence of the community and to
18 warrant a determination that the mortgage loan originator will operate
honestly, fairly, and efficiently within the purposes of this division.

19 F. Section 50513, subdivision (a)(2), states that the Commissioner may:

20 Deny, suspend, revoke, condition, or decline to renew a mortgage loan
21 originator license if an applicant or licensee fails at any time to meet the
22 requirements of Section 50141 or 50144, or withholds information or
23 makes a material misstatement in an application for a license or license
renewal.

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26
27 ² NMLS stands for Nationwide Multistate Licensing System & Registry and is the system of record for
28 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 G. In his Application, Johnson responded “yes” to Criminal Disclosure Questions (F)(1)
2 and (H) (1), which state:

3 F (1) Have you ever been convicted of or pled guilty or nolo
4 contendere (“no contest”) in a domestic, foreign, or military court
to any felony?

5 H (1) Have you ever been convicted of or pled guilty or nolo
6 contendere ("no contest") in a domestic, foreign, or military court
7 to committing or conspiring to commit a misdemeanor involving:
8 (i) financial services or a financial services-related business, (ii)
9 fraud, (iii) false statements or omissions, (iv) theft or wrongful
10 taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii)
11 counterfeiting, or (ix) extortion?

12 H. Johnson disclosed four offenses in his Application including, one felony conviction for
13 drug possession and three financial misdemeanors and provided explanations in connection with the
14 four offenses. However, Johnson failed to provide supporting file or adequate documentation as
15 concerning the offenses disclosed in his Application required under the CRMLA.

16 I. The Commissioner conducts independent investigations of the MLO applications filed
17 with the Department of Financial Protection and Innovation (DFPI). The Commissioner’s further
18 review of Johnson’s criminal background disclosed that Johnson was convicted of additional offenses,
19 which he failed to report in his Application, including:

- 20 (a) a 2008 conviction for second-degree felony burglary;
- 21 (b) a 2009 conviction for misdemeanor offense of issuing a NSF check and
22 burglary;
- 23 (c) a 2014 conviction for misdemeanor petty theft;
- 24 (d) a 2014 conviction of misdemeanor receiving known stolen property;
- 25 (e) a 2015 conviction for misdemeanor making false representation to a police
26 officer; and
- 27 (f) a 2017 conviction for felony offense burglary.

28 J. On January 27, 2022, Johnson submitted a request to withdraw his MLO license
application.

1 K. The Commissioner finds that entering into this Stipulation is in the public interest and
2 consistent with the purposes fairly intended by the policy and provisions of the CFL and CRMLA.

3 L. NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions
4 set forth herein, the Parties agree as follows:

5 **II.**

6 **Terms and Conditions**

7 1. Purpose. This Consent Order resolves the issues before the Commissioner in a manner
8 that avoids the expense of a hearing and other possible court proceedings, protects consumer, is in the
9 public interest, and in consistent with the purposes and provisions of the CFL and CRMLA.

10 2. Withdrawal of Application. Johnson hereby withdraws his application for a MLO
11 license, made on or around August 18, 2021. The Commissioner hereby consents to Johnson's request
12 to withdraw his MLO license application. In consideration of the Commissioner's consent to the
13 application withdrawal, Johnson agrees that he will not apply for a further MLO license through the
14 DFPI for a period of 72 months from the Effective Date of this Stipulation, as defined in paragraph 15.

15 3. Waiver of Hearing Rights. Johnson acknowledges that the Commissioner is ready,
16 willing and able to proceed with the administrative enforcement action described above in Paragraphs
17 A-J, and Johnson hereby waives the right to a hearing, and to any reconsideration, appeal, or other
18 right to review which may be afforded pursuant to the CFL; the California Administrative Procedure
19 Act, the California Code of Civil Procedure, or any other provision of law; and by waiving such rights,
20 Johnson effectively consents to this Stipulation becoming final.

21 4. Stipulation Coverage. The Parties further acknowledge that this Stipulation is intended
22 to constitute a full, final, and complete resolution of the matter set forth herein.

23 5. Independent Legal Advice. Each of the Parties represents, warrants, and agrees that it
24 has received independent advice from their attorneys or representatives with respect to the advisability
25 of executing this Stipulation.

26 6. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
27 Stipulation it has relied solely on the statements set forth herein and the advice of their own counsel.
28 Each of the Parties further represents, warrants, and agrees that in executing this Stipulation it has

1 placed no reliance on any statement, representation, or promise of any other party, or any other person
2 or entity not expressly set forth in this Stipulation, or on the failure of any party or any other person or
3 entity to make any statement, representation or disclosure of anything whatsoever. The Parties have
4 included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to
5 execute this Stipulation; and (2) to preclude the introduction of parol evidence to vary, interpret,
6 supplement, or contradict the terms of the Stipulation.

7 7. Full Integration. This Stipulation is the final written expression and the complete and
8 exclusive statement of all agreements, conditions, promises, representations, and covenants between
9 the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous
10 agreements, negotiations, representations, understandings, and discussions between and among the
11 parties, their respective representatives, and any other person or entity, with respect to the subject
12 matter covered by the Stipulation.

13 8. No Presumption from Drafting. In that the Parties have had the opportunity to draft,
14 review and edit the language of this Stipulation, no presumption for or against any party arising out of
15 drafting all or any part of this Stipulation will be applied in any action relating to, connected to, or
16 involving this Stipulation. Accordingly, the Parties waive the benefit of Civil Code section 1654 and
17 any successor or amended statute, providing that in cases of uncertainty, language of a contract should
18 be interpreted most strongly against the party who caused the uncertainty to exist.

19 9. Headings and Governing Law. The headings to the paragraphs of this Stipulation are
20 inserted for convenience only and will not be deemed a part hereof or affect the construction or
21 interpretation of the provisions of the Stipulation.

22 10. Voluntary Agreement. Johnson enters into this Stipulation voluntarily and without
23 coercion and acknowledges that no promises, threats, or assurances have been made by the
24 Commissioner or any officer, or agent thereof, about this Stipulation.

25 11. Waiver. The waiver of any provision of this Stipulation shall not operate to waive any
26 other provision set forth herein, and any waiver, amendment, or change to the terms of this Stipulation
27 must be in writing and signed by the parties.

28 12. Counterparts. The Parties agree that this Stipulation may be executed in one or more

1 counterparts, each of which, when so executed shall be deemed an original. A facsimile or scanned
2 signature shall be deemed the same as an original signature. Such counterparts together constitute one
3 document.

4 13. Capacity. Each signatory hereto covenants that he or she possesses all necessary
5 capacity and authority to sign and enter into this Stipulation.

6 14. Public Record. Johnson hereby acknowledges that this Stipulation is and will be a
7 matter of public record.

8 15. Effective Date. This Stipulation shall become final and effective when signed by all
9 Parties and delivered by the Commissioner’s agent via e-mail to Patrick Andrew Johnson at
10 pandrewjo@gmail.com.

11 16. Notice. Any notices required under the Stipulation shall be provided to each party at the
12 following addresses:

13 If to Respondent: Patrick Andrew Johnson
14 109 Orange Blossom Circle
15 Ladera Ranch California 92694

16 If to the Commissioner: Uche Enenwali, Senior Counsel
17 DFPI
18 320 W. 4th Street, Suite 750
Los Angeles, California 90013-2344

19 IN WITNESS WHEREOF, the parties hereto have approved and executed the Stipulation on
20 the dates set forth opposite their respective signatures.

21 Dated: February 18, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



22 By _____
23 MARY ANN SMITH
24 Deputy Commissioner
25 Enforcement Division

26
27 Dated: February 18, 2022

28 By _____
PATRICK ANDREW JOHNSON, an Individual,
Respondent