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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.: 2089159
13)
14 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,)
15) STATEMENT OF ISSUES
Complainant,)
16 v.)
17 KENNETH GEORGE MOORE, JR.,)
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 Kenneth George Moore, Jr. (Moore) 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 May of 2021, Moore applied for a mortgage loan originator (MLO) license with
4 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 Moore’s pending MLO license application because
7 Moore was convicted of a felony involving an act of fraud and dishonesty in 2003, was arrested in
8 2005 for violating the Court’s probation order, and was convicted of a misdemeanor involving theft
9 in 2014, all of which he withheld from the Commissioner. In addition, Moore fails to demonstrate
10 such character and general fitness as to command the confidence of the community and to warrant a
11 determination that he will operate honestly, fairly, and efficiently.

12 **II.**

13 **Statement of Facts**

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

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

25 *MLO License Application*

26 6. On or about May 18, 2021, Moore submitted an MLO license application to the
27 Department of Financial Protection and Innovation (Department) by filing a Form MU4 through the
28 NMLS.

1 7. From May 18, 2021 to June 6, 2021, Moore submitted four Form MU4s. A review of
2 Moore’s MU4 filings from May 18, 2021 to June 6, 2021, revealed “No” responses to all Disclosure
3 Questions, including Criminal Disclosure questions F(1) and H(1):

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

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

14 8. The Department discovered that Moore has a felony conviction for theft with intent
15 to defraud from 2003, and a misdemeanor theft conviction from 2014.

16 *2003 Felony Conviction – Palm Beach County, Florida*

17 9. In August of 2003, Moore was arrested in Palm Beach, Florida for theft of gift
18 certificates valuing \$2,265.00 that had not been turned in at his place of employment. Moore was
19 charged with the felony theft offense of organized scheme to defraud and obtain property in the
20 Criminal Division of the Circuit Court of the Fifteenth Judicial Circuit of Florida, in and for Palm
21 Beach County.

22 10. On or about October 31, 2003, in the Circuit Court of Palm Beach County, Florida,
23 Moore pleaded guilty to, and was convicted of one count of felony organized scheme to defraud.

24 11. The Court sentenced Moore to probation for 24 months, and ordered Moore to pay
25 restitution to his previous employer in the amount of \$3,430.00.

26 *Violating Probation Order*

27 12. In May of 2005, Moore was arrested for, and admitted to, violating his 2003
28 probation order. Moore was ordered to serve 24 days in county jail for the probation violation, and
ordered to remit to the prosecution a money order in the amount of \$3,000.00 payable to the victim.

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1 *2014 Misdemeanor Theft Conviction – Tarrant County, Texas*

2 13. In July of 2014, Moore was charged with the felony offense of theft of property in
3 the Criminal District Court of Tarrant County, Texas. The State of Texas included a lesser offense
4 of misdemeanor theft.

5 14. On or about December 5, 2014, Moore pleaded guilty to, and was convicted of Class
6 A misdemeanor theft of property.

7 *Amended Form MU4 Filings*

8 15. On June 7, 2021, *after* the Department discovered the convictions, Moore submitted
9 an amended Form MU4 changing his answer to Criminal Disclosure Question (F) to “Yes.” On
10 June 16, 2021, Moore submitted an amended Form MU4 changing his answer to Criminal
11 Disclosure Question (H) to “Yes.”

12 **III.**

13 **Failure to Meet Minimum Criteria for Licensure - Felony Fraud Conviction**

14 16. The Commissioner must deny an application for an MLO license unless the
15 Commissioner finds that the applicant has not been convicted of, or pled guilty to, a felony in a
16 domestic, foreign, or military court at any time preceding the date of application, if the felony
17 involved an act of fraud, dishonesty, or a breach of trust, or money laundering. (Fin. Code,
18 § 22109.1, subd. (a)(2)(A), Fin. Code, § 22172, subd. (a)(2), Fin. Code, § 50141, subd. (a)(2)(A),
19 and Fin. Code, § 50513, subd. (a)(2).)

20 17. As described in paragraphs 9-14, above, Moore was convicted of one count of felony
21 organized scheme to defraud in 2003, which involved an act of fraud, dishonesty, or a breach of
22 trust.

23 18. As such, Moore does not meet the minimum criteria for licensure under the CFL and
24 CRMLA, and the Commissioner must deny Moore’s application for an MLO license.

25 **IV.**

26 **Failure to Meet Minimum Criteria for Licensure - Character and General Fitness**

27 19. The Commissioner must deny an application for an MLO license if the application
28 fails to demonstrate such financial responsibility, character, and general fitness as to command the

1 confidence of the community and to warrant a determination that the mortgage loan originator will
2 operate honestly, fairly, and efficiently within the purposes of this division.. (Fin. Code, § 22109.1,
3 subd. (a)(3), Fin. Code, § 22172, subd. (a)(2), Fin. Code, § 50141, subd. (a)(3), 50513, subd.
4 (a)(2).).

5 20. As described in paragraphs 4-15, above, Moore failed to truthfully answer the
6 Criminal Disclosure Questions and failed to disclose his felony and misdemeanor convictions by
7 withholding information in his Form MU4 filings from May 18, 2021 to June 6, 2021.

8 21. Moore disclosed the convictions on June 7, 2021, and June 16, 2021, *after* the
9 Department discovered the convictions and prompted Moore to amend his application.

10 22. The 2003 felony theft conviction involved defrauding his former employer, which
11 shows a deceitful and dishonest character. In addition, Moore violated the Court’s probation order,
12 which reflects poorly on his character, and shows a disregard and disrespect for law and order.

13 23. The 2014 theft conviction shows a pattern of dishonesty and further reflects poorly
14 on his character.

15 24. The theft and fraud convictions and probation violation, and failure to disclose the
16 convictions show that Moore lacks the necessary character and general fitness to operate honestly
17 and truthfully, as required by Financial Code sections 22109.1, subdivision (a)(3), and 50141,
18 subdivision (a)(3).

19 25. As such, Moore does not meet the minimum criteria for licensure under the CFL and
20 CRMLA, and the Commissioner must deny Moore’s application for an MLO license.

21 **V.**

22 **Withheld Information**

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

26 27. As described in paragraphs 4-15, above, Moore failed to truthfully answer the
27 Criminal Disclosure Questions by withholding information about his felony and misdemeanor
28 convictions in his Form MU4 filings from May 18, 2021 to June 6, 2021. Moore amended his

1 response and disclosed the convictions *after* the Department discovered the convictions and
2 prompted him to disclose the convictions.

3 28. As such, the Commissioner is authorized to deny Moore’s application for an MLO
4 license.

5 **VI.**

6 **Applicable Statutes**

7 29. Financial Code section 22109.1 provides in pertinent part:

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

11 . . .

12 (2) (A) The applicant has not been convicted of, or pled guilty
13 or nolo contendere to, a felony in a domestic, foreign, or
14 military court during the seven-year period preceding the date
15 of the application for licensing and registration, or at any time
16 preceding the date of application, if the felony involved an act
17 of fraud, dishonesty, or a breach of trust, or money laundering.
18 Whether a particular crime is classified as a felony shall be
19 determined by the law of the jurisdiction in which an
20 individual is convicted.

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

27 30. Financial Code section 22172 provides in pertinent part:

28 (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.

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1 31. Financial Code section 50141 provides in pertinent part:

2 (a) The commissioner shall deny an application for a mortgage loan
3 originator license unless the commissioner makes, at a minimum, the
4 following findings:

5 . . .

6 (2) (A) The applicant has not been convicted of, or pled guilty
7 or nolo contendere to, a felony in a domestic, foreign, or
8 military court during the seven-year period preceding the date
9 of the application for licensing and registration, or at any time
10 preceding the date of application, if the felony involved an act
11 of fraud, dishonesty, or a breach of trust, or money laundering.
12 Whether a particular crime is classified as a felony shall be
13 determined by the law of the jurisdiction in which an
14 individual is convicted.

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

20 32. Financial Code section 50513 provides in pertinent part:

21 (a) The commissioner may do one or more of the following:

22 . . .

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

28 VII.

Prayer

For the reasons set forth above, pursuant to Financial Code sections 22109.1, 22172, 50141, and 50513, the Commissioner finds that Kenneth George Moore, Jr. fails to meet the minimum criteria for licensure because he was convicted of a felony involving fraud, 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 Kenneth George Moore, Jr. be denied.

Dated: February 9, 2022
San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By: _____
Afsaneh Eghbaldari
Senior Counsel
Enforcement Division