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8 Attorneys for Complainant

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

12 In the Matter of:	) NMLS ID No. 249352
	)
13 THE COMMISSIONER OF FINANCIAL	) ACCUSATION TO REVOKE MORTGAGE
14 PROTECTION AND INNOVATION,	) LOAN ORIGINATOR LICENSE
	) PURSUANT TO FINANCIAL CODE
	) SECTIONS 22714 AND 22172
15 Complainant,	)
16 v.	)
17 ALEX J. YONG.	)
18 Respondent.	)
19	)

20 1. The Commissioner of Financial Protection and Innovation (Commissioner) is  
21 informed and believes and based upon such information and belief, alleges and charges as follows:

22 **I.**

23 **Introduction and Jurisdiction**

24 2. The Commissioner licenses and regulates mortgage loan originators, finance lenders,  
25 and brokers under the California Financing Law (Fin. Code, § 22000 et seq.) (CFL).

26 3. Alex J. Yong (Yong) is licensed as a mortgage loan originator (“MLO”) in California.  
27 He first filed a uniform application form (Form MU4) in 2010, but the Commissioner did not  
28 approve his application until 2015. Yong has been continuously licensed from 2015 to the present.

1 4. Yong previously held a salesperson license with the State of California Department of  
2 Real Estate (DRE), which was revoked in 2013.

3 5. The Commissioner seeks to revoke Yong’s MLO license under the Financial Code  
4 because Yong was the subject of a disciplinary action by the State of California substantially related  
5 the activity regulated under the CFL, because the disciplinary action’s allegations show Yong has  
6 not demonstrated the financial responsibility, character, and general fitness required for MLO  
7 licensure, and because he failed to disclose the disciplinary action.

8 **II.**

9 **Disciplinary Action Taken by the State of California**

10 6. Financial Code section 22705.1, subdivision (a) provides:

11 (a) For any licensee, a disciplinary action taken by the State of  
12 California, another state, an agency of the federal government, or another  
13 country for an action substantially related to the activity regulated under  
14 this division may be ground for disciplinary action by the commissioner.  
15 A certified copy of the record of the disciplinary action taken against the  
16 licensee by the State of California, other state, agency of the federal  
17 government, or other country shall be conclusive evidence of the events  
18 related therein.

17 7. On September 13, 2012, the California DRE issued an Accusation against Yong,  
18 alleging violations, including but not limited to: that Yong solicited and represented borrowers in  
19 negotiating, modifying terms, and obtaining mortgage loans without a brokerage license, and  
20 collected advance fees from borrowers who did not receive any services and did not receive a  
21 refund.

22 8. On May 16, 2013, the DRE issued a stipulation and order (DRE Order) revoking  
23 Yong’s salesperson license effective June 5, 2013. He remained eligible for a restricted real estate  
24 salesperson license (restricted license) pursuant to Business and Professions Code section 10156.5.  
25 Yong stipulated that the conduct, acts, or omissions alleged by the DRE constituted cause to revoke  
26 Yong’s real estate license and licensing rights pursuant to Business and Professions Code Sections  
27 10130, 10137, 10085.5, and 10177(d).

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1 9. The DRE Order is a disciplinary action taken by the State of California within the  
2 meaning of Financial Code section 22705.1. Yong’s DRE license remains revoked at this time.

3 **III.**

4 **Violations**

5 10. From May 20, 2015, to present, Yong submitted numerous “Form MU4s and  
6 amendments (MU4s)” through the Nationwide Mortgage Licensing System (NMLS)<sup>1</sup> as required by  
7 California Code of Regulations, title 10, section 1422.6. In every Form MU4 submitted to the  
8 Commissioner, in response to Regulatory Disclosure Questions (K)(4), (5), (6), and (9), which ask:  
9 “Has any State or federal regulatory agency or foreign financial regulatory authority or self-  
10 regulatory organization (SRO) ever:

11 (4) entered an order against you in connection with a financial services-related activity?

12 (5) revoked your registration or license?

13 (6) denied or suspended your registration or license or application for licensure, disciplined  
14 you, or otherwise by order, prevented you from associating with a financial services-related  
15 business or restricted your activities? . . .

16 (9) entered an order concerning you in connection with any license or registration?”

17 Yong answered “No” to each of these, then signed all Form MU4s attesting that the answers  
18 were true and complete to the best of his knowledge.

19 11. Because the DRE revoked Yong’s salesperson license on June 5, 2013, Yong was  
20 required to respond “yes” to Regulatory Disclosure Questions (K)(4), (5), (6), and (9) in his MU4s.

21 12. Financial Code section 22755 provides in pertinent part:

22 It is a violation of this division for a mortgage loan originator to do any of the  
23 following:

24 (g) Fail to make disclosures as required by this division and any other applicable  
25 state or federal law, including regulations thereunder.

26 <sup>1</sup> 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.

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(h) Fail to comply with this division or rules or regulations promulgated under this division, or fail to comply with any other state or federal law, including the rules and regulations thereunder, applicable to any business authorized or conducted under this division.

...

(j) Negligently make any false statement or knowingly and willfully make any omission of material fact in connection with any information or reports filed with a governmental agency or the Nationwide Mortgage Licensing System and Registry or in connection with any investigation conducted by the commissioner or another governmental agency.

13. Yong committed violations under section 22755 by willfully or negligently making false statements of material fact or knowingly and willfully omitting required material facts from his Form MU4 filings when he signed his Form MU4s under penalty of perjury and filed them on numerous occasions from 2015 to present with false “no” responses to questions (K)(4), (5), (6), and (9).

**IV.**  
**Revocation of License**

14. Financial Code section 22714 provides in pertinent part:
- (a) the commissioner shall suspend or revoke any license. . . if the commissioner finds:
    - (1) when the licensee has failed to comply with any demand, ruling, or requirement of the commissioner,
    - (2) when the licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division, or
    - (3) when a fact or condition exists that reasonably would have warranted the commissioner in refusing to issue the license originally.

15. Yong failed to disclose the DRE Order in violation of California Code of Regulations, title 10, section 1409.1, subdivision (a) and (c), which is grounds under Financial Code section 22714, subdivision (a)(2) to revoke Yong’s MLO license.

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16. Financial Code section 22109.1 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.

17. The allegations in the DRE Order show that Yong has not 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 the CFL. Consequently, the Commissioner would have refused to issue the MLO license originally based on the DRE Order.

18. The Commissioner finds that the DRE Order is a disciplinary action taken by the State of California within the meaning of Financial Code section 22109.1, subdivision (a), and constitutes a fact or condition that, had it existed at the time of the original application for the MLO license, reasonably would have warranted the Commissioner refusing to issue the license originally, and is therefore grounds for revocation of Yong’s MLO license under Financial Code section 22714, subdivision (a)(3).

19. Financial Code section 22172 provides in pertinent part:

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

(1) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license for a violation of this division, or any rules or regulations adopted thereunder.

(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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20. The Commissioner finds that Yong’s failure to disclose the DRE Order in violation of Financial Code section 22755 and Yong’s failure to meet the requirements of Financial Code section 22109.1 are each independent grounds for revocation of Yong’s MLO license under Financial Code sections 22172(a)(1) and (2).

**V.**

**Conclusion**

The foregoing findings constitute grounds under Financial Code sections 22714 and/or 22172 for the Commissioner to revoke Yong’s MLO license.

WHEREFORE the Commissioner prays that the mortgage loan originator license of Alex J. Yong be revoked.

Dated: February 1, 2022

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
STEVEN E. VONG  
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Enforcement Division