

CLOTHILDE V. HEWLETT
Commissioner
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BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
OF THE STATE OF CALIFORNIA

In the Matter of:) NMLS ID: 937400
THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,) ORDER DENYING MORTGAGE LOAN ORIGINATOR APPLICATION (Financial Code sections 22109.1, and 50141)
Complainant,)
v.)
JOHN KENNETH LAWRENCE GLOVER,)
Respondent.)

The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

I.

The Application

1. On or about May 14, 2021, Respondent John Kenneth Lawrence Glover (Glover) filed an application for a mortgage loan originator license with the Commissioner pursuant to Financial Code sections 22105.1 and 50140 by filing a Form MU4 through the Nationwide

1 Mortgage Licensing System and Registry (NMLS¹). In submitting his application, Glover attested
2 under penalty of perjury that the answers were true and complete to the best of his knowledge.

3 2. Form MU4 question (D) asked: “Do you have any unsatisfied judgments or liens
4 against you?” Glover answered “**no**.”

5 3. Further investigation, however, revealed that Glover had an unsatisfied judgment with
6 creditor Golfside Village Condominium in the amount of \$1,619.00 from May 13, 2011, as well as
7 an unsatisfied judgment with creditor Praise Credit Financial LLC in the amount of \$10,610.00 from
8 April 21, 2017.

9 4. Form MU4 question (H)(1) asked: “Have you ever been convicted of or pled guilty or
10 nolo contendere (‘no contest’) in a domestic, foreign, or military court to committing or conspiring
11 to commit a misdemeanor involving: (i) financial services or a financial services-related business,
12 (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery,
13 (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion?” Glover answered “**yes**” to question
14 (H)(1), explaining that he “took funds from a cash drawer,” his employer fired him, and he agreed to
15 a bar from the financial services industry. Glover further explained that he “went to court and was
16 placed on 9 months [of] probation.”

17 5. The Commissioner’s investigation found that:

18 a. Glover provided a Letter of Acceptance, Waiver and Consent (AWC) from the
19 Financial Industry Regulatory Authority (“FINRA²”) dated July 31, 2017. FINRA’s AWC stated
20 that Glover entered the securities industry in 2012, and in March 2016, Glover registered as a Series
21 6 Investment Company Products/Variable Contracts Representative with Citizens Securities, Inc.
22 (“CSI”), a FINRA regulated broker-dealer.

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25 ¹ The Nationwide Multistate Licensing System and Registry (NMLS) and is the system of record for non-depository,
26 financial services licensing or registration in participating agencies. including the District of Columbia and U.S.
27 Territories of Puerto Rico, the U.S. Virgin Islands, and Guam. In these jurisdictions, NMLS is the official system for
28 companies and individuals seeking to apply for, amend, renew and surrender licenses authorities managed through
NMLS.

² Financial Industry Regulatory Authority (FINRA) is a self-regulatory organization that oversees the licensure and
regulation of broker-dealers and investment advisers in the U.S. securities industry.

1 b. On April 7, 2017, CSI filed a Uniform Termination Notice of Securities Industry
2 Registration ("Form U5") stating that on March 31, 2017, CSI terminated Glover's employment after
3 CSI's affiliated bank discovered that Glover "stole \$1,535 in his role as a banker" from his cash
4 drawer at the affiliated bank. Specifically, Glover stole: \$535 on December 31, 2016; \$100 on
5 February 4, 2017; \$100 on March 4, 2017; \$70 on March 17, 2017; \$30 on March 18, 2017; and
6 \$700 on March 20, 2017.

7 c. FINRA conducted an investigation into CSI's termination of Glover and found that
8 CSI's affiliated bank had not authorized Glover to take the funds for his personal use. FINRA
9 concluded that Glover violated FINRA Rule 2010, which requires associated persons to "observe
10 high standards of commercial honor and just and equitable principles of trade," by an intentional and
11 unauthorized conversion and use of affiliated bank funds which Glover neither owned nor was
12 entitled to possess.

13 d. On July 13, 2017, Glover signed and executed the AWC. FINRA accepted the AWC
14 on July 31, 2017. The AWC stipulated that Glover violated FINRA Rule 2010, and FINRA barred
15 Glover from associating with any FINRA regulated broker-dealer in any capacity.

16 5. Form MU4 question (Q)(1) asked: "Have you ever voluntarily resigned, been
17 discharged, or permitted to resign after allegations were made that accused you of: violating
18 statute(s), regulation(s), rule(s), or industry standards of conduct?" Glover answered "**no**" to
19 question (Q)(1). In fact, as stated in paragraph 4, Glover's employer terminated him for
20 misappropriating funds.

21 6. On June 5, 2021, the Department's special administrator sent Glover a notification
22 through NMLS that a license item³ was placed on the application, requesting an explanation of the
23 unsatisfied judgments, and why Glover did not answer "yes" to Question (Q)(1). Glover did not
24 amend his responses to Form MU4.

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26 _____
27 ³ A "license item" is a request from a regulator such as DFPI on the NMLS website to a licensee or applicant to respond
28 to a question or take an action. The NMLS website automatically generates an email to the licensee or applicant
directing the person to check the NMLS website for the license item.

II.

Applicable Law

7. 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.

8. 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.

9. The Commissioner finds, by reason of the foregoing, that Glover's dishonesty in failing to disclose the unsatisfied judgments against him, his financial history, termination from employment from a financial institution for stealing money, and subsequent FINRA bar fail to demonstrate financial responsibility, and the requisite character and general fitness to command the confidence of the community and to warrant a determination that Glover will operate honestly, fairly, and efficiently as a mortgage loan originator. As such Glover's mortgage loan originator application must be denied.

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III.

Notice of Intention to Deny Application for Mortgage Loan Originator License

10. On October 26, 2022, the Commissioner issued a Notice of Intention to Issue Order Denying Mortgage Loan Originator Application, Statement of Issues in Support of Notice of Intention to Issue Order Denying Mortgage Loan Originator Application and accompanying documents based on the above findings. On or around July 14, 2023, Glover was personally served with those documents at his address of record. Glover did not file a request for a hearing and the time to do so expired.

11. Based on the foregoing findings, pursuant to Financial Code sections 22109.1, subdivision (a)(3) and 50141, subdivision (a)(3), the Commissioner is, therefore, mandated to deny Glover's application for a mortgage loan originator license.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the application for mortgage loan originator license of John Kenneth Lawrence Glover is denied. This order is effective as of the date hereof.

Dated: December 4th, 2023

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division