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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA
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11 In the Matter of the Statement of Issues of THE) NMLS ID: 1144081
12 THE CALIFORNIA COMMISSIONER OF)
BUSINESS OVERSIGHT,)
13 Complainant,) STATEMENT OF ISSUES IN SUPPORT OF
14 v.) ORDER DENYING APPLICATION FOR
TODD LEE LOOP) MORTGAGE LOAN ORIGINATOR LICENSE
15 Respondent.) (FINANCIAL CODE SECTION 50141)
16)
17)
18)
19)
20)

21 The California Commissioner of Business Oversight (“Commissioner”) is informed and
22 believes, and based upon such information and belief, alleges and charges Todd Lee Loop (“Loop”
23 or “Respondent”) as follows:

24 I.

25 INTRODUCTION

26 1. The proposed order seeks to deny the issuance of a mortgage loan originator license
27 to Loop under Financial Code section 50141¹ in that Loop has twice been convicted of a felony

28 ¹ All further statutory references are to the California Financial Code unless otherwise indicated.

1 involving an act of fraud, dishonesty, a breach of trust, or money laundering, by pleading guilty to
2 misapplication of funds from a federally funded mortgage institution under title 18 of the United
3 States Code section 657, and by pleading guilty to grand theft by embezzlement, a felony, under
4 California Penal Code section 487. In addition, records from the Riverside County Recorder
5 disclose the filing of two federal tax liens against Respondent, one in the amount of \$107,751.93 and
6 the other for \$1,505.25. Furthermore, public records also show that Loop had been in arrears with
7 his child support payments.

8 II.

9 THE APPLICATION

10 On or about June 20, 2014, Respondent filed an application for a mortgage loan originator
11 license with the Commissioner under the California Residential Mortgage Lending Act (“CRMLA”)
12 (Financial Code, § 50000 et seq.), in particular Code section 50140. Respondent submitted his
13 application to the Commissioner by filing a Form MU4 through the Nationwide Mortgage Licensing
14 System (“NMLS”). Respondent is currently employed by Movement Mortgage located at 19318
15 Jesse Lane, Riverside, California.

16 Form MU4 at Question (D) asked: “Do you have any unsatisfied judgments or liens against
17 you?” Respondent answered “Yes.”

18 Form MU4 at Question (E) asked: “Are you delinquent on any court ordered child support
19 payments?” Respondent answered “Yes.”

20 Form MU4 at Question (F) (1) asked: “Have you ever been convicted or pled guilty or nolo
21 contendere (“no contest”) in a domestic, foreign, or military court to any felony?” Respondent
22 answered “Yes.”

23 III.

24 GUILTY PLEAS

25 Documents obtained by the Commissioner in connection with the application disclosed that
26 Respondent had pleaded guilty to the following:

27 1. Misapplication of funds from a federally funded mortgage institution in violation of title 8
28 of the United States Code section 657 on December 20, 1989 (*United States of America vs. Todd Lee*

1 *Loop*, Case No. CR 89-593-WDK); and

2 2. Grand theft by embezzlement, in violation of California Penal Code section 487,
3 subdivision (1), a felony, on or about November 6, 1990 (*People v. Loop, Todd Lee*, Case No. SCR
4 52634).

5 **IV.**

6 **FINANCIAL RESPONSIBILITY**

7 Records from the Riverside County Recorder disclose the filing of two federal tax liens
8 against Respondent, one in the amount of \$107,751.93 filed on March 22, 2011 and the other in the
9 amount of \$1,505.25 filed on September 19, 2012. In addition, public records disclose unsatisfied
10 child support payments against Respondent in the amount of \$13,920.00 beginning in 2006, and
11 while he has paid down the balance, records indicate a history of failure to timely pay his
12 obligations.

13 **V.**

14 **LAW**

15 Section 50141 provides in relevant part:

16 (a) The commissioner shall deny an application for a mortgage loan
17 originator license unless the commissioner makes at a minimum the
18 following findings:

19 . . .

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

28 . . .

(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.

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VI.
CONCLUSION

The Commissioner finds, by reason of the foregoing, that Respondent does not meet two of the six minimum requirements for issuance of a mortgage loan originator license, namely, section 50141, subdivision (a)(2)(A) and (a)(3), as follows: (1) Respondent has, on two occasions preceding the date of the Application, pleaded guilty to a felony involving an act of fraud, dishonesty, a breach of trust, or money laundering, and (2) based on a history of failure to timely pay federal taxes and the existence of unsatisfied child support payments, Respondent has not demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that he will operate honestly, fairly, and efficiently within the purposes of this division. Therefore, under section 50141, subdivision (a), the Commissioner shall deny Respondent’s application for a mortgage loan originator license.

WHEREFORE IT IS PRAYED that the mortgage loan originator application filed by Respondent be denied.

Dated: November 14, 2014

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARLOU de LUNA
Sr. Corporations Counsel
Enforcement Division