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California Corporations Commissioner
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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Statement of Issues of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, vs. KENNETH DALE BELDING, Respondent.	NMLS No. 245991 Sponsor File No.: 413-0360 STATEMENT OF ISSUES IN SUPPORT OF NON-ISSUANCE OF MORTGAGE LOAN ORIGINATOR LICENSE

The Complainant is informed and believes, and based upon such information and belief, alleges and charges Respondent as follows:

I

INTRODUCTION

On or about November 4, 2010, Complainant determined not to issue a mortgage loan originator license to Kenneth Dale Belding ("Respondent") pursuant to Financial Code section 50141 in that Respondent has been convicted in a domestic court of a felony involving an act of fraud, dishonesty, or a breach of trust, or money laundering.

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II

THE APPLICATION

On or about May 5, 2010, Respondent filed an application for a mortgage loan originator license with the California Corporations Commissioner ("Complainant" or "Commissioner") pursuant to the California Residential Mortgage Lending Act ("CRMLA")(Financial Code sections 50000 et. seq.), in particular, Financial Code section 50401. The application was for employment or working on behalf of Golden Empire Mortgage, Inc. at 16790 E. Pacific Coast Highway, Suite 200, Huntington Beach, California 92647. The application was submitted to the Commissioner by filing Form MU4 through the Nationwide Mortgage Licensing System ("NMLS"). Respondent signed the Form MU4 swearing that the answers were true and complete to the best of Respondent's knowledge.

Form MU4 at Question 8. (D)(1) specifically asked: "Have you ever been convicted of or pled nolo contendere ("no contest") in a domestic, foreign, or military court to any felony? Respondent answered no. However, documentation obtained by the Commissioner during the application process disclosed that Respondent had been convicted of felony second degree burglary on or about June 21, 1979. It is a violation of Financial Code section 50502 to make an untrue statement in any document filed with the commissioner.

III

CRIMINAL CONVICTION

As stated above, documentation obtained by the Commissioner during the application process revealed that Respondent, on or about June 21, 1979 in Orange County Superior Court, had been convicted of California Penal Code section 459 (second degree burglary), a felony.

On or about July 13, 2010, Respondent was sent a letter asking him to explain his criminal background, which he had failed to disclose in his application, and to also send in certified copies of the final disposition. In reply thereto, Respondent stated in part that "In filling out my mu4 I answered no instead of yes to a question that asks 'have you *ever* been convicted ect (sic) ect (sic) ect (sic)'. I was in no way making an effort to deceive anyone with this answer. In one of the previous question (sic) it had asked 'in the last 10 years ect (sic) ect (sic) ect (sic)'. I mistakenly

thought that the 10 year window applied to all the questions pertaining to legal issues. It was simply an oversight. . . ." (emphasis added) Documentation submitted by Respondent concerning the conviction further disclosed that the burglary was with the intent to commit larceny.

III

LICENSING REQUIREMENTS

Financial Code section 50141 provides in relevant part:

> The commissioner shall not issue a mortgage loan originator license unless the commissioner makes at a minimum the following findings:
> . . .
> (b) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for licensing and registration, or at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, a breach of trust, or money laundering. . . .

IV

CONCLUSION

Complainant finds, by reason of the foregoing, that Respondent has been convicted of California Penal Code section 459, second degree burglary, which constitutes a felony involving an act of dishonesty or breach of trust.

THEREFORE, Complainant asserts that Financial Code section 50141 mandated that Complainant not issue a mortgage loan originator license to Respondent under the California Residential Mortgage Lending Act.

WHEREFORE IT IS PRAYED that the determination of Complainant to not issue a mortgage loan originator license to Respondent in connection with Respondent's May 5, 2010 application be upheld.

Dated: December 15, 2010
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Judy L. Hartley
Senior Corporations Counsel

State of California – Department of Corporations