

COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE AGENCY ACTION NO. 2016-AH-00022



DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

JOSEPH WIGGINS

RESPONDENT

**FINAL ORDER DENYING APPLICATION FOR MORTGAGE
LOAN ORIGINATOR REGISTRATION**

The Department of Financial Institutions (“DFI”) is responsible for administering the provisions of Kentucky Revised Statutes (“KRS”) Chapter 286.8, as well as any applicable rules, regulations and Orders entered pursuant to KRS 286.8. Pursuant to KRS 286.8-044(1), the Commissioner of the DFI enters this Final Order denying the application of Respondent Joseph Wiggins (“Wiggins”) for registration as a mortgage loan originator.

FINDINGS OF FACT

1. The DFI’s Division of Non-depository Institutions received a completed application from Wiggins for registration as a mortgage loan originator on November 10, 2015. The application process includes completion of an MU2 Filing through the Nationwide Multistate Licensing System and Registry (“NMLS”).

2. Wiggins indicated on his NMLS MU2 Filing that he was unemployed as of November 10, 2015.

3. On the NMLS MU2 Filing, Wiggins indicated that he was President of Cal State Financial Group, Inc. (“CSFG”) from April 2002 to March 2006.

4. A decision from California Department of Real Estate Case No. H-37081 LA, dated December 16, 2011, shows that Wiggins owned and operated CSFG until at least 2010.

5. Wiggins held a real estate broker's license in California from September 14, 1978 to January 10, 2012, when it was revoked.

6. CSFG was licensed in California as a real estate corporation acting by and through Wiggins from April 8, 2006 until January 10, 2012, when the license was revoked.

7. On December 11, 2011, the California Department of Real Estate revoked the licenses of Wiggins and CSFG, effective January 10, 2012, for violations of the California Business and Professions Codes, and the California Code of Regulations, including collecting advance fees without approval, and failing to exercise supervision and control over officers and employees of CSFG.

8. On the MU2 Filing, Wiggins denied having a registration or license revoked by a state or federal regulatory agency.

9. On the MU2 Filing, Wiggins denied that a state regulatory agency had found that Wiggins had made a false statement or omission or had been dishonest, unfair, or unethical.

10. On the MU2 Filing, Wiggins denied that a state regulatory agency had found that Wiggins had been involved in a violation of a financial services-related business regulation(s) or statute(s).

11. On the MU2 Filing, Wiggins denied that a state regulatory agency had found Wiggins to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked, or restricted.

12. On January 14, 2016, counsel for DFI mailed a Notice of Entry of Order of Denial of Mortgage Loan Originator Registration to Wiggins. The notice was sent via certified mail,

return receipt requested to Respondent's business address, 814 State Street, Suite 205, Bowling Green, KY 65256.¹ The notice explained that the Commissioner would enter a Final Order denying the application for registration as a mortgage loan originator unless Wiggins withdrew the application or made a written request for hearing within twenty days of service of the notice.

13. Wiggins signed for the certified mail on January 26, 2016.

14. More than twenty days have passed and Wiggins has not withdrawn his application nor requested a hearing.

STATUTORY AUTHORITY

15. KRS 286.8-090(1)(c) provides that the commissioner may deny registration as a mortgage loan originator if the applicant "does not conduct his business in accordance with the law or the method of business includes or would include activities which are illegal where performed."

16. KRS 286.8-090(1)(h) provides that the commissioner may deny registration as a mortgage loan originator if the applicant has made or caused to be made to the commissioner any false representation of material fact or has suppressed or withheld from the commissioner any information that the person possesses and which, if submitted to the commissioner, would have rendered the person ineligible to be licensed or registered.

17. KRS 286.8-090(1)(l) grants the commissioner the authority to deny registration as a mortgage loan originator if the applicant "has had any license, registration, or claim of exemption related to the financial services industry denied, suspended, or revoked under the laws of this state or any other state of the United States, or has surrendered or terminated any license, registration,

¹ DFI inadvertently put the zip code for Bowling Green, Kentucky as 65256. The correct zip code is 42101. Mr. Wiggins did receive the notice, however, as stated in paragraph 13 of this Order.

or claim of exemption issued by this state or any other jurisdiction under threat of administrative action.”

18. KRS 286.8-090(1)(n) states that the Commissioner may deny registration as a mortgage loan originator if the applicant “has demonstrated incompetence or untrustworthiness to act as a licensee or registrant or to continue a claim of exemption granted by application under this subtitle.”

19. KRS 286.8-090(1)(v) provides that the commissioner may deny registration as a mortgage loan originator if the applicant “has violated any provision of this subtitle, administrative regulation promulgated hereunder, or order issued by the commissioner.”

20. Pursuant to KRS 286.8-220(1), “it shall be unlawful for any person to make or cause to be made, in any document filed with the commissioner, a governmental agency, the Nationwide Mortgage Licensing System and Registry, or in any proceeding under this subtitle, any statement that is, at the time and in light of the circumstances under which it is made, false or misleading in any material respect, including an omission of a material fact.”

21. Pursuant to KRS 286.8-255(9)(c), no applicant for registration as a mortgage loan originator shall be granted a certificate of registration unless “the applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that the loan originator or loan processor will operate honestly, fairly, lawfully, and efficiently within the purposes of the subtitle.”

CONCLUSIONS OF LAW

22. Wiggins had his real estate broker’s license, and CSFG’s real estate broker’s license, revoked in the state of California, effective January 10, 2012. The Commissioner of the

DFI finds that, pursuant to KRS 286.8-090(1)(l), the revocations are grounds for denial of Wiggin's application for registration as a mortgage loan originator.

23. Wiggins failed to disclose the revocations when he applied for registration as a mortgage loan originator in Kentucky on November 10, 2015. The Commissioner of the DFI finds that, pursuant to KRS 286.8-090(1)(h), the failure to disclose the revocations is grounds for denial of Wiggin's application for registration as a mortgage loan originator.

24. Wiggins's failure to disclose the revocations on the MU2 Filing constitutes a false statement and/or omission of material fact in violation of KRS 286.8-220(1). The Commissioner finds that, pursuant to KRS 286.8-090(1)(v), the violation is grounds for denial of Wiggins's application for registration as a mortgage loan originator

25. By having his California real estate broker license, and CSFG's California real estate broker license revoked, Wiggins has demonstrated that he does not conduct his business in accordance with the law, which is grounds for denial of his application for registration as a mortgage loan originator pursuant to KRS 286.8-090(1)(c).

26. By having his California real estate broker license, and CSFG's California real estate broker license revoked, and by failing to disclose the revocations on the MU2 Filing, Wiggins has demonstrated incompetence or untrustworthiness to act as a licensee or registrant, which is grounds for denial of his application for registration as a mortgage loan originator pursuant to KRS 286.8-090(1)(n).

27. Wiggins has not demonstrated, pursuant to KRS 286.8-255(9)(c), financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that he will operate honestly, fairly, lawfully, and efficiently within the purposes of KRS 286.8.

ORDER

28. **THEREFORE**, based upon the foregoing findings of fact and conclusions of law, the Commissioner hereby **ORDERS** that Joseph Wiggins's application for registration as a mortgage loan originator is **DENIED**.

29. This is a **FINAL AND APPEALABLE ORDER**. The **EFFECTIVE DATE** of this order shall be the date reflected on the certificate of service attached to this order.

NOTICE OF APPEAL RIGHTS

Pursuant to KRS 286.8-210, you are hereby notified that any person aggrieved by this Final Order of the Commissioner may obtain a review of the Order by the Franklin Circuit Court. If you choose to appeal, you must file a written petition asking that the order be modified or set aside in whole or in part in the Franklin Circuit Court within sixty (60) days after the date reflected on the certificate of service attached to this Final Order. A copy of the petition must be served upon the Commissioner.

IT IS SO ORDERED on this the 24th day of March 2016.



CHARLES A. VICE
COMMISSIONER

Certificate of Service

I hereby certify that a copy of the foregoing **Final Order** was sent by certified mail return receipt requested on this the 24 day of March, 2016, to the following:

Joseph Wiggins
1419 Dye Ford Road
Alvaton, Kentucky 42122

Joseph Wiggins
814 State Street, Suite 205
Bowling Green, Kentucky 42101

And hand delivered to:

Gary A. Stephens
Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601



Christina Hayden
Department of Financial Institutions