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7
8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA
10

11 In the Matter of the Statement of Issues of) NMLS ID: 276361
12 THE CALIFORNIA COMMISSIONER OF)
BUSINESS OVERSIGHT,) **STATEMENT OF ISSUES IN SUPPORT**
13) **OF NON-ISSUANCE OF MORTGAGE**
Complainant,) **LOAN ORIGINATOR LICENSE**
14 v.)
15 RAUL FIERROS SANDOVAL,)
Respondent.)
16)
17)
18)
19)

20 The Complainant, Jan Lynn Owen, the California Commissioner of Business Oversight
21 (“Commissioner”), is informed and believes and, based upon that information and belief, alleges and
22 charges Respondent as follows:

23 **I.**
24 **INTRODUCTION**

25 1. Complainant will deny the mortgage loan originator license application of Raul
26 Fierros Sandoval (“Respondent” or “Sandoval”) pursuant to Financial Code section 50141 in that
27 Sandoval has not met at least one of the six minimum requirements for issuance of a mortgage loan
28 originator license.

II.**THE APPLICATION**

2. On or about July 1, 2013, Raul Fierros Sandoval (“Sandoval”) filed an application for a mortgage loan originator license with the Commissioner pursuant to the California Residential Mortgage Lending Act (“CRMLA”) (Financial Code sections 50000 *et seq.*), in particular, Financial Code section 50140 (the “MLO Application”). The application was submitted to the Commissioner by filing a Form MU4 through the Nationwide Mortgage Licensing System.

3. In the MLO Application, Sandoval answered “no” to Question (K), which requests that an applicant disclose whether “any State . . . regulatory agency [has] . . . ever . . . revoked your registration or license [or] . . . entered an order concerning you in connection with any license or registration”

4. In the MLO Application, Sandoval also answered “no” to Question (N), which requests that an applicant disclose whether there is any “pending regulatory action proceeding against you for any alleged violation” described in Question (K) of the Application.

5. In his Application, Sandoval attested to the accuracy of his disclosures and agreed to “keep the information contained in the [Application] current and to file accurate supplementary information on a timely basis”

III.**NON-DISCLOSURE OF REAL ESTATE LICENSE REVOCATION**

6. Sandoval was issued a real estate broker license (License #01460017) by the California Bureau of Real Estate (“BRE”) on October 19, 2004.

7. On July 29, 2013, shortly after Sandoval submitted his Application to the Commissioner, the BRE issued an accusation (No. H-38974 LA) against Sandoval and others (the “Accusation”). The Accusation alleged that Sandoval violated sections 10137, 10148, and 1059.2 of the California Business and Professions Code for employing and/or compensating unlicensed individuals, for failing to retain required records, and for failing to supervise a business as Sandoval was required under the law. In short, the Accusation alleged that Sandoval was responsible for supervising and controlling a real estate brokerage firm that had defrauded four clients and had

1 intended to convert over \$266,000 from those clients. As a consequence of these violations, the
2 Accusation sought to suspend or revoke Sandoval's real estate broker license.

3 9. On September 10, 2013, 43 days after the BRE issued the Accusation, a representative
4 of the Commissioner reviewed Sandoval's Application and noticed that Sandoval had not disclosed
5 the Accusation in any response to of his Application. Consequently, on September 10, 2013, the
6 Commissioner requested that Sandoval amend his answer to Question (N) supported by a detailed
7 explanation and documentation. On September 20, 2013, Sandoval amended his Application,
8 providing an explanation of the Accusation and attaching supporting documentation.

9 10. On Mach 10, 2014, a hearing was held on the Accusation in which Sandoval
10 represented himself. On May 13, 2014, the California Bureau of Real Estate adopted a proposed
11 decision issued by an Administrative Law Judge and revoked Sandoval's real estate broker license.

12 11. As of September 23, 2014, 133 days after his real estate broker license was revoked,
13 Sandoval had not further amended his Application to disclose the revocation of this real estate
14 license.

15 IV.

16 APPLICABLE LAW

17 Financial Code section 50141 provides in relevant part:

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

21 . . .

22 (3) The applicant has demonstrated such financial responsibility,
23 character, and general fitness as to command the confidence of the
24 community and to warrant a determination that the mortgage loan
25 originator will operate honestly, fairly, and efficiently within the
26 purposes of this division.

27 V.

28 GROUNDS FOR DENYING THE APPLICATION

12. Respondent has twice failed to provide timely and accurate disclosure as required in a
mortgage loan originator license application. First, Respondent failed to reveal the fact that the BRE
had issued the Accusation until first prompted by the Commissioner. Second, Respondent has failed
to disclose the fact that his real estate broker license was revoked. This lack of prompt and accurate

1 disclosure by the Respondent demonstrates a lack of honesty that is inconsistent with the purposes of
2 the CRMLA. In addition, the fact that Respondent had a professional license revoked on the grounds
3 outlined in the Accusation also demonstrates a lack of honesty that is inconsistent with the purposes
4 of the CRMLA and a lack of general fitness as to command the confidence of the community.

5 **V.**

6 **CONCLUSION**

7 10. Complainant finds, by reason of the foregoing, that Sandoval does not meet at least
8 one of the six minimum requirements for issuance of a mortgage loan originator license, namely,
9 Financial Code section 50141, subdivision (a)(3), requiring that Sandoval demonstrate such financial
10 responsibility, character, and general fitness as to command the confidence of the community and to
11 warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently
12 within the purposes of this division.

13 THEREFORE, Complainant asserts that Financial Code section 50141 mandates that
14 Complainant deny the mortgage loan originator license application of Respondent under the
15 CRMLA.

16 WHEREFORE IT IS PRAYED that the determination of the Complainant to deny a mortgage
17 loan originator license to Respondent, in connection with Respondent’s application dated July 1,
18 2013, and all subsequent amendments, be upheld.

19 Dated: December 16, 2014

20 JAN LYNN OWEN
21 California Commissioner of Business Oversight

22 By: _____
23 ADAM J. WRIGHT
24 Corporations Counsel