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9
 10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
 11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) NMLS No. 284414
)
 13 THE COMMISSIONER OF BUSINESS) ACCUSATION TO REVOKE MORTGAGE
 OVERSIGHT,) LOAN ORIGINATOR LICENSE
 14)
 15 Complainant,)
 v.)
 16)
 17 CHRISTOPHER TODD BARTON,)
)
 18 Respondent.)
)
 19)
 20)

21 The Complainant, the Commissioner of Business Oversight (Commissioner), files this
 22 Accusation to revoke the mortgage loan originator license of Christopher Todd Barton (Respondent).
 23 The Commissioner is informed and believes and, based upon that information and belief, alleges and
 24 charges as follows:

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I.

STATEMENT OF FACTS

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3 1. On January 20, 2012, the Commissioner approved Respondent's application for a mortgage
4 loan originator license pursuant to section 22109.1 of the California Finance Lenders Law (CFL
5 (Fin. Code, § 22000 et seq.).

6 2. During the period of January 2012 to March 2014, Respondent was sponsored by various
7 mortgage companies registered through the Nationwide Mortgage Licensing System and Registry
8 (NMLS).

9 3. On March 13, 2014, the Commissioner approved the sponsorship request of RMK Financial
10 Corp. (NMLS No. 173946) to employ Respondent as a mortgage loan originator. RMK Financial
11 Corp. does business under the trade name Majestic Home Loans.

12 4. On April 2, 2014, the Commissioner approved the request of RMK Financial Corp. to remove
13 its sponsorship of Respondent.

14 5. On or about May 1, 2014, Respondent sent a "Pre-Approval Letter" to a California resident
15 (Borrower A) on letterhead containing a logo purportedly authorized by "Home&Loanfinders.com: A
16 Division of Finley Properties Corporation." The "Pre-Approval Letter" informed Borrower A that a
17 \$1.5 million residential mortgage loan application had been approved by "Majestic Home Loans (A
18 Direct Lender)" with a 30-year fixed interest rate of 4.375%. The sender of the letter was identified
19 as "Christopher Barton, NMLS#284414, Home and Loan Finders, 2530 Red Hill Ave Suite 250,
20 Santa Ana, CA 92705."

21 6. On or about May 10, 2014, Respondent sent a different "Pre-Approval Letter" on
22 "Home&Loanfinders.com" letterhead to another California resident (Borrower B). This letter
23 informed Borrower B that a \$1 million residential mortgage loan application was approved by
24 "Majestic Home Loans (A Direct Lender)" for a 30-year fixed interest rate of 4.375%. The letter
25 bore the same signature block identifying the sender as "Christopher Barton, NMLS#284414, Home
26 and Loan Finders, 2530 Red Hill Ave Suite 250, Santa Ana, CA 92705."

1 7. Subsequently, Borrowers A and B discovered that Respondent was not authorized to represent
2 either Majestic Home Loans or Home and Loan Finders (NMLS No. 308085). Unable to procure the
3 residential mortgage loans promised by Respondent, Borrowers A and B were compelled to secure
4 alternative funding.

5 8. On July 22, 2014, the Commissioner approved Respondent’s application seeking sponsorship
6 with a new mortgage company. On this application, Respondent reported that he was “unemployed”
7 during the period of April 2014 through July 2014.

8 II.

9 KNOWING MISREPRESENTATION, THROUGH SUBTERFUGE OR DEVICE, OF MATERIAL
10 INFORMATION; ACT CONSTITUTING FRAUD OR DISHONEST DEALINGS

11 9. Financial Code section 22013 defines a “mortgage loan originator” as “an individual who, for
12 compensation or gain, or in the expectation of compensation or gain, takes a residential mortgage
13 loan application or offers or negotiates terms of a residential mortgage loan.”

14 10. Financial Code section 22161 provides in pertinent part:
15 No person subject to this division shall do any of the following:

16 . . .

17 (e) Knowingly misrepresent, circumvent, or conceal, through subterfuge or device, any
18 material aspect or information regarding a transaction to which the person is a party.

19 (f) Commit an act that constitutes fraud or dishonest dealings.

20 11. During the period commencing on or after April 2, 2014 and extending through at least May
21 10, 2014, Respondent engaged in the business of a “mortgage loan originator,” as such term is
22 defined by section 22013 of the CFLL, when he took residential mortgage loan applications from
23 Borrowers A and B, and offered or negotiated the terms of residential mortgage loans with respect to
24 dwellings located in this state, in the expectation of compensation or gain.

25 12. The Commissioner finds that Respondent, while engaged in business as a “mortgage loan
26 originator” and, thus, being subject to the CFLL, violated Financial Code section 22161, subdivision
27 (e), by knowingly misrepresenting, circumventing, or concealing, though subterfuge or device, a
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1 material aspect or information regarding a transaction to which the person was a party when
2 Respondent distributed a "Pre-Approval Letter" to Borrowers A and B falsely stating their loan
3 applications had been approved by Majestic Home Loans and misrepresenting that Respondent was
4 authorized to represent Home and Loan Finders.

5 13. The Commissioner further finds that Respondent committed an act that constitutes fraud or
6 dishonest dealings in violation of Financial Code section 22161, subdivision (f), when he falsely
7 represented to Borrowers A and B that their loan applications had been approved by Majestic Home
8 Loans and misrepresented that he was authorized to represent Home and Loan Finders.

9 III.

10 CHARACTER OF THE RESPONDENT

11 14. Financial Code section 22109.1, subdivision (a)(3), requires that the Commissioner deny an
12 application for a mortgage loan originator license unless the Commissioner makes, at a minimum, the
13 following findings:
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15 The applicant has demonstrated such financial responsibility, character, and general fitness as
16 to command the confidence of the community and to warrant a determination that the
17 mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of
18 [the CFLL].

19 IV.

20 REVOCATION AUTHORITY

21 15. Financial Code section 22172 provides in pertinent part:

22 (a) The commissioner may do one or more of the following:

23 (1) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license
24 for a violation of this division, or any rules or regulations adopted thereunder.

25 (2) Deny, suspend, revoke, condition, or decline to renew a mortgage loan originator license if
26 an applicant or licensee fails at any time to meet the requirements of Section 22109.1 or
27 22109.4, or withholds information or makes a material misstatement in an application for a
28 license or license renewal.

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V.

CONCLUSION

16. Based on the foregoing, the Commissioner finds that Respondent (1) knowingly misrepresented, circumvented, or concealed through subterfuge or device any material aspect or information regarding a transaction to which the person is a party in violation Financial Code section 22161, subdivision (e), and (2) committed an act that constitutes fraud or dishonest dealings in violation of Financial Code section 22161, subdivision (f). These violations of the CFLL are grounds for revoking Respondent’s mortgage loan originator license under Financial Code section 22172, subdivision (a)(1).

17. Moreover, due to the foregoing violations of the CFLL, the Commissioner cannot find, as required by Financial Code section 22109.1, subdivision (a)(3), that Respondent has demonstrated the 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 as a mortgage loan originator within the purposes of the CFLL; and, the Commissioner is authorized to revoke Respondent’s mortgage loan originator license pursuant to Financial Code section 22172, subdivision (a)(2).

WHEREFORE IT IS PRAYED that the mortgage loan originator license issued to Christopher Todd Barton be revoked.

DATED: March 15, 2016
Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MIRANDA LEKANDER
Senior Counsel
Enforcement Division