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9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT

10 OF THE STATE OF CALIFORNIA

11 In the Matter of:

CFLC Application No.: 60DBO-44681

12 THE COMMISSIONER OF BUSINESS
13 OVERSIGHT,

14 Complainant,

STATEMENT OF ISSUES IN SUPPORT OF
DENIAL OF CALIFORNIA FINANCE
LENDERS LICENSE

15 v.

16 GREGORY DANIEL BEHRMANN, dba
17 GOLDEN GATE MORTGAGE

18 Respondent.

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20 Complainant, the Commissioner of Business Oversight (“Commissioner”), is informed and
21 believes, and based upon such information and belief, alleges and charges Respondent Gregory
22 Daniel Behrmann, dba Golden Gate Mortgage, (“Behrmann”) as follows:

23 **I. INTRODUCTION**

24 The Commissioner seeks to deny the issuance of a finance lender license to Behrmann
25 pursuant to section 22109, subdivision (a)(3) of the California Finance Lenders Law (“CFL”) (Fin.
26 Code § 22000 et seq.) on the grounds that he violated a California consumer protection regulatory
27 scheme.

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II. THE APPLICATION

On or about May 6, 2015, Behrmann submitted his application for a finance lender license with the Commissioner through the Nationwide Mortgage Licensing System (“NMLS”). Behrmann was required to complete and submit Forms MU1 and MU2 through the NMLS as part of the application process.

In response to Item K(9) of the Form MU2, Behrmann stated that a regulatory agency had entered an order concerning him in connection with license or registration. Public records available from the California Bureau of Real Estate (“BRE”) verify Behrmann’s response to Item K(9). On November 1, 2011, the BRE filed a Statement of Issues (“Statement”) against Behrmann in support of a denial of his application for a real estate salesperson license.

The Statement references Behrmann’s misdemeanor and felony convictions from 2006 and 1995, respectively, as the basis for denial of the license. The BRE found these convictions to be crimes that bear a substantial relationship to the qualifications, functions, or duties of a real estate licensee, and therefore violated the California Code of Regulations, title 10, section 2910.

Behrmann challenged the license denial and on February 20, 2013, the Administrative Law Judge (ALJ) entered a decision (“Decision”) to grant Behrmann a restricted real estate salesperson license. The ALJ found that Behrmann’s convictions were grounds for denying him an unrestricted real estate salesperson license. However, the ALJ found that Behrmann met certain Criteria of Rehabilitation utilized by the BRE in such cases, which would allow the BRE to grant him a restricted license.

The BRE license restrictions allow Behrmann to engage in lending but only under supervision. If the DBO approved Behrmann’s finance lender application, his CFL license would enable him to engage in lending activities without supervision, thereby rendering moot the restrictions imposed by BRE.

Financial Code section 22109, subdivision (a), provides, in pertinent part:

Upon reasonable notice and opportunity to be heard, the commissioner may deny the application for a finance lender or broker license for any of the following reasons:

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(3) The applicant or an officer, director, general partner, person responsible for the applicant’s lending activities in this state, or person owning or controlling, directly or indirectly, 10 percent or more of the outstanding interests or equity securities of the applicant has violated any provision of this division or the rules thereunder or any similar regulatory scheme of the State of California or a foreign jurisdiction.

BRE found that Behrmann’s convictions, which led to the issuance of a restricted license, violated their consumer protection regulatory scheme. Consequently, under Financial Code section 22019, subdivision (a), Behrmann violated a similar consumer protection regulatory scheme of the State of California.

III. CONCLUSION

The Commissioner finds, by reason of the foregoing, that there are grounds under Financial Code section 22109, subdivision (a), to deny the issuance of a finance lender license to Behrmann.

THEREFORE, the Commissioner asserts that she is justified under Financial Code section 22109 in denying the issuance of a finance lender license to Gregory Daniel Behrmann, dba Golden Gate Mortgage.

WHEREFORE, the Commissioner prays that the application for a finance lender license filed by Gregory Daniel Behrmann, dba Golden Gate Mortgage, on May 6, 2015, be denied.

Dated: June 22, 2016
Sacramento, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
JOANNE ROSS
Senior Counsel