

1 MARY ANN SMITH  
Deputy Commissioner  
2 DOUGLAS M. GOODING  
Assistant Chief Counsel  
3 ERIK BRUNKAL (State Bar No. 166086)  
Senior Counsel  
4 Department of Business Oversight  
5 1515 K Street, Suite 200  
Sacramento, California 95814  
6 Telephone: (916) 322-8782  
7 Facsimile: (916) 455-6985

8 Attorneys for Complainant

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

12 In the Matter of:

NMLS No.: 239770

13 THE COMMISSIONER OF BUSINESS  
14 OVERSIGHT,

ACCUSATION TO REVOKE MORTGAGE  
LOAN ORIGINATOR LICENSE

15 Complainant,

16 v.

17 CRAIG ALLEN BROCK,

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

25 I.

26 STATEMENT OF FACTS

27 1. On April 25, 2011, the Commissioner first issued to Respondent a mortgage loan originator  
28 license pursuant to the California Residential Mortgage Lending Act (“CRMLA”) (Fin. Code, §

1 50140 et seq.).

2 2. On or about December 15, 1992, the Office of Real Estate Appraisers (“OREA”) issued  
3 Residential Real Estate Appraiser License No. AL011972 to Respondent. That license remained in  
4 full force and effect until May 7, 2013.

5 3. In or about September, 2012, Respondent and OREA entered into a Stipulated Settlement and  
6 Disciplinary Order in OREA Case No. C111209-02 (“Stipulated Settlement”). It became effective on  
7 October 15, 2012.

8 4. In the Stipulated Settlement, Respondent admitted to eleven (11) violations of either the  
9 Uniform Standards of Professional Appraisal Practice or the California Business and Professions  
10 Code.

11 5. The Stipulated Settlement resulted in a revocation of Respondent’s Residential Real Estate  
12 Appraisal License, but the revocation was stayed. Instead, Respondent was placed on probation for  
13 two years subject to terms and conditions.

14 6. The terms and conditions of probation included, *inter alia*, monitoring (at Respondent’s  
15 expense), the submission of appraisal logs and work samples, completion of a 15 hour basic course  
16 on Uniform Standards of Professional Appraisal Practice, compliance with continuing education  
17 requirements, and payment of costs of \$1,000.00 and a fine of \$5,000.00.

18 7. On December 6, 2012, Respondent filed with the Commissioner a Mortgage Loan Originator  
19 License renewal application on Form MU4, through the Nationwide Mortgage Licensing System  
20 (“NMLS”) to the Department of Business Oversight (“Department”). In this filing, Respondent  
21 failed to amend his responses to the Disclosure Questions under the Regulatory Action section to  
22 reflect the Stipulated Settlement

23 8. On December 5, 2013, Respondent filed with the Commissioner a Mortgage Loan Originator  
24 License renewal application on Form MU4, through the NMLS, to the Department. In this filing,  
25 Respondent failed to amend his responses to the Disclosure Questions under the Regulatory Action  
26 section to reflect the Stipulated Settlement.

27 9. On November 28, 2014, Respondent filed with the Commissioner a Mortgage Loan  
28 Originator License renewal application on Form MU4, through the NMLS, to the Department. In this

1 filing, Respondent failed to amend his responses to the Disclosure Questions under the Regulatory  
2 Action section to reflect the Stipulated Settlement.

3 10. Each time Respondent filed these annual renewals, in 2012, 2013, and 2014, Respondent's  
4 application contained the following attestation, which provided in relevant part:

5 I Craig Allen Brock (239770), (Applicant) on this date . . . swear (or  
6 affirm) that I executed this application on my own behalf, and agree to and  
7 represent the following:

8 (1) That the information and statements contained herein, including  
9 exhibits attached hereto, and other information filed herewith, all of which  
10 are made a part of this application, are current, true, accurate and complete  
11 and are made under the penalty of perjury, or un-sworn falsification to  
12 authorities, or similar provisions as provided by law;

13 (2) To the extent any information previously submitted is not amended  
14 and hereby, such information remains accurate and complete;

15 . . .  
16 (4) To keep the information contained in this form current and to file  
17 accurate supplementary information on a timely basis.

18 11. On or about November 5, 2015, Respondent filed with the Commissioner a Mortgage Loan  
19 Originator License renewal application on Form MU4, through the NMLS, to the Department. In this  
20 filing, for the first time, Respondent disclosed the October, 2012, OREA Stipulated Settlement. In  
21 this filing Respondent amended his application to answer "Yes" to Regulatory Action Disclosure  
22 Questions (K)(5), which asks:

23 (K) Has any State or federal regulatory agency or foreign financial regulatory  
24 authority or self-regulatory organization (SRO) ever:

25 . . .  
26 (5) revoked your registration or license?

27 12. After the Department asked for clarification, Respondent filed an amendment on November  
28 20, 2015, wherein he attached documentation evidencing the Stipulated Settlement.

II.

VIOLETIONS OF THE CRMLA

13. Financial Code section 50316, subdivision (a), provides in pertinent part:

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(a) For any licensee, a disciplinary action taken by the State of California . . . for any action substantially related to the activity regulated under this law may be a ground for disciplinary action by the commissioner. . . .

14. Financial Code section 50513, subdivision (a), subsection (2), provides in pertinent part:

- (a) The commissioner may do one or more of the following: . . .
- (2) Deny, suspend, revoke, condition or decline to renew a mortgage loan originator license if . . . [a] licensee fails to meet the requirements of Section 50141 or . . . withholds information . . . in an application for a license or a license renewal.

III.

CHARACTER OF THE RESPONDENT

15. Financial Code section 50141, subdivision (a)(3) provides:

- (a) The commissioner shall deny an application for a mortgage loan originator license unless the commissioner makes at a minimum the following findings:
  - . . .
  - (3) The applicant has demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division.

IV.

MINIMUM STANDARDS FOR LICENSE RENEWAL

16. Financial Code section 50144, subdivision (b)(1), provides:

- (b) The minimum standards for license renewal for mortgage loan originators shall include the following:
  - (1) The mortgage loan originator continues to meet the minimum standards for license issuance under Section 50141.

V.

REVOCAATION AUTHORITY

17. Financial Code section 50327 provides in pertinent part:

- (a) The commissioner may, after notice and a reasonable opportunity to be heard, deny, decline to renew, suspend, or revoke any license if the commissioner finds that:

1 (1) The licensee has violated any provision of this division or any rule or  
2 order of the commissioner thereunder.

3 (2) Any fact or condition exists that, if it had existed at the time of the original  
4 application for the license, reasonably would have warranted the commissioner in  
5 refusing to issue the license originally.

6 VI.

7 CONCLUSION

8 18. The Commissioner finds that the Stipulated Settlement and Disciplinary Order in OREA Case  
9 No. C111209-02, effective October 15, 2012, is a disciplinary action taken by the State of California  
10 substantially related to the residential mortgage loan originator activity regulated under the CRMLA.  
11 The Commissioner further finds that such action constitutes grounds under Financial Code section  
12 50316, subdivision (a), for disciplinary action by the Commissioner against Respondent.

13 19. The Commissioner further finds that by waiting over three years to disclose the OREA Action  
14 in the Regulatory Action Disclosure section of his mortgage loan originator application, Respondent  
15 failed to keep the information contained in his application current and file accurate supplementary  
16 information on a timely basis in violation of Financial Code section 50513.

17 20. Due to the issuance of the Stipulated Settlement and Disciplinary Order in OREA Case No.  
18 C111209-02 and Respondent's failure to timely and accurately update the Regulatory Action  
19 questions in his annual applications for renewal, the Commissioner finds that Respondent has failed  
20 to demonstrate the financial responsibility, character, and general fitness as to command the  
21 confidence of the community and to warrant a determination that he will operate honestly, fairly, and  
22 efficiently as a mortgage loan originator within the purposes of the CRMLA, as required by Financial  
23 Code section 50141, subdivision (a)(3).

24 21. Based on the Commissioner's finding that Respondent fails to meet the minimum standards  
25 for issuance of a mortgage loan originator license under Financial Code section 50141, subdivision  
26 (a)(3), the Commissioner cannot make the determination that Respondent satisfies the minimum  
27 standards for license renewal under Financial Code section 50144, subdivision (b)(1).

28 22. Moreover, if at the time of the original application for the mortgage loan originator license  
Respondent had been subject to the Stipulated Settlement and Disciplinary Order in OREA Case No.  
C111209-02, such fact or condition reasonably would have warranted the Commissioner in refusing

1 to issue the license originally and provides present grounds to revoke the license under Financial  
2 Code section 50327, subdivision (a)(2).

3 WHEREFORE IT IS PRAYED that the mortgage loan originator license issued to Craig  
4 Allen Brock be revoked.

5 DATED: May 26, 2016  
6 Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

8 By \_\_\_\_\_  
9 ERIK BRUNKAL  
10 Senior Counsel  
11 Enforcement Division  
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