1	1 PRESTON DuFAUCHARD California Corporations Commissioner		
2	ALAN S. WEINGER Deputy Commissioner JUDY L. HARTLEY (CA BAR NO. 110628) Senior Corporations Counsel Department of Corporations 320 West 4 <sup>th</sup> Street, Ste. 750 Los Angeles, California 90013-2344 Telephone: (213) 576-7604 Fax: (213) 576-7181		
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7	Attorneys for Complainant		
8	8 BEFORE THE DEPARTM	ENT OF CORPORATIONS	
9	OF THE STATE OF CALIFORNIA		
10	0		
11	-	ile No.: 603-6988	
12	2       CALIFORNIA CORPORATIONS       )         2       COMMISSIONER,       )       A	ACCUSATION	
13	3 Complainant,		
14	4    vs. )		
15	5		
16	6 OSCAR SOTO VASQUEZ,		
17	7 Respondent.		
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20	The Complainant is informed and believes, and	d based upon such information and belief,	
21	alleges and charges Respondent as follows:		
22	I		
23	INTRODUC	INTRODUCTION	
24	Respondent Oscar Soto Vasquez ("Vasquez")	was at all times relevant herein, the president,	
25 director and sole shareholder of Quest Home Loans, I		nc. doing business as Quest Mortgage	
26	("Quest"), a lender previously licensed by the California Corporations Commissioner		
27	("Commissioner") pursuant to the California Finance	("Commissioner") pursuant to the California Finance Lenders Law of the State of California	
28	(California Financial Code § 22000 et seq.) ("CFLL")		

Quest held finance lenders license number 603-6988 from October 12, 1999 through August 26, 2008 when its license was revoked for failing to pay the annual assessment as required by the CFLL. Quest had its last licensed location at 251 S B Street, Oxnard, California.

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## FALSE ANNUAL REPORTS

Pursuant to Financial Code section 22159, all CFLL licensees are required to file an annual report with the Commissioner on or before March 15 of each year. On or about March 15, 2004, Quest, by and through Vasquez, filed its annual report for the calendar year 2003. The 2003 annual report stated that Quest had not made or brokered any loans under the CFLL and had made no income from CFLL loans or CFLL brokered loans during 2003. The annual report claimed income of \$2,088,444.00 from loans made under its Department of Real Estate license and further income of \$3,812,701.00 for loans brokered under its Department of Real Estate license. Vasquez executed the 2003 annual report as its preparer and attested to its accuracy under penalty of perjury.

On or about April 13, 2005, Quest, by and through Vasquez, filed its annual report for the calendar year 2004. The 2004 annual report stated that Quest had not made or brokered any loans under the CFLL and had made no income from CFLL loans or CFLL brokered loans during 2004. The annual report claimed income of \$2,805,033 from loans made under its Department of Real Estate license and further income of \$4,563,336.00 for loans brokered under its Department of Real Estate license. The 2004 annual report noted Vasquez as the person preparing the annual report.

On or about May 5, 2006, Quest, by and through Vasquez, filed its annual report for the calendar year 2005. The 2005 annual report stated that Quest had not made or brokered any loans under the CFLL and had made no income from CFLL loans or CFLL brokered loans during 2005. The annual report claimed no income from any other source. Vasquez executed the 2005 annual report as its preparer and attested to its accuracy under penalty of perjury. The 2005 annual report was submitted with a cover letter signed by Vasquez further representing that Quest did not conduct any business under its CFLL license for the calendar year 2005.

On or about March 15, 2007, Quest, by and through Vasquez, filed its annual report for the
calendar year 2006. The 2006 annual report stated that Quest had not made or brokered any loans

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under the CFLL and had made no income from CFLL loans or CFLL brokered loans during 2006. 2 The annual report claimed no income from any other source. Vasquez executed the 2006 annual 3 report as its preparer and attested to its accuracy under penalty of perjury. The 2007 annual report 4 was submitted with a cover letter signed by Vasquez further representing that Quest did not conduct 5 any business under its CFLL license for the calendar year 2006.

On or about March 19, 2008, Quest, by and through Vasquez, filed its annual report for the calendar year 2007. The 2007 annual report stated that Quest had not made or brokered any loans under the CFLL and had made no income from CFLL loans or CFLL brokered loans during 2007. The annual report claimed no income from any other source. Vasquez executed the 2007 annual report as its preparer and attested to its accuracy under penalty of perjury. The 2007 annual report was submitted with a cover letter signed by Vasquez further representing that Quest did not conduct any business under its CFLL license for the calendar year 2006.

Additionally, on or about January 8, 2003, Quest submitted a letter to the Department of Corporations ("Department") stating that the last loan it made under its CFLL license was on April 27, 2001. This letter was in response to Department requests for information during a regulatory examination. A further letter signed by Vasquez was submitted to the Department on or about March 6, 2007, stating that Quest was not doing business under its CFLL license after a request for a list of loans made under its CFLL license for the years 2004-2006 had been made to Quest during a subsequent regulatory examination.

20 On or about June 29 and 30, 2009, Vasquez was deposed in regards to a civil action brought by the Ventura County District Attorney's Office for violations of Sections 17200 and 17500 of the 22 Business and Professions by having committed violations of the California Real Estate Law. During 23 that deposition, Vasquez testified under oath that the majority of the loans made and/or brokered by 24 Quest from May 1, 2001 through to at least June 2005, along with numerous other loans from June 25 2005 through at least June 2007, were done under its CFLL license.

26 Again, on or about September 3, 2009, Vasquez, in a letter to the Grievance Committee of 27 the Ventura County Coastal Association of Realtors represented that most of the loans 28 made/brokered by Quest were under its CFLL license.

1	Accordingly, Quest's 2003, 2004, 2005, 2006 and 2007 annual reports submitted and attested		
2	to by Vasquez representing that Quest was not engaging in any CFLL activity were false in that		
3	almost all the loan activity engaged in by Quest during these time periods was under its CFLL		
4	license in violation of Financial Code sections 22161 and 22170.		
5	III		
6	California Financial Code section 22161 provides in pertinent part:		
7	(b) No person shall distribute, or or cause or permit to be		
8	distributed in any manner, any statement or representation with		
9	regard to the business subject to the provisions of this division, that is false, misleading, or deceptive		
10	California Financial Code section 22170 provides in pertinent part:		
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12	(a) It is unlawful for any person to knowingly conceal, cover up, falsify, or make a false entry in any record, document,		
13	or tangible object with the intent to impede, obstruct, or influence the administration or enforcement of any provision of this division.		
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15	(b) It is unlawful for any person to knowingly make an untrue statement to the commissioner during the course of licensing,		
16	investigation, or examination, with the intent to impede, obstruct, or		
17	influence the administration or enforcement of any provision of this division.		
18	IV		
19	California Financial Code section 22169 provides in pertinent part:		
20	(a) The commissioner may, after appropriate notice and opportunity		
21	for hearing, by order, bar from any position of employment, management, or control any finance lender, broker, or any other person, if the commissioner		
22	finds either of the following:		
23	(1) That the censure, suspension, or bar is in the public interest and that		
24	the person has committed or caused a violation of this division or rule or order of the commissioner, which violation was either known or should		
25	have been known by the person committing or causing it or has caused		
26	material damage to the finance lender, or to the public.		
27	V		
28	The Commissioner finds that, by reason of the foregoing, Respondent has violated California		
	Financial Code sections 22161 and 22170 and it is in the best interests of the public to bar		

1	Respondent from any position of employment, management or control of any finance lender and/or		
2	broker.		
3	WHEREFORE, IT IS PRAYED that Respondent Oscar Soto Vasquez be barred from any		
4	position of employment, management or control of any finance lender and/or broker.		
5	Dated: October 29, 2009	PRESTON DuFAUCHARD	
6	6 Los Angeles, California California Corporations Commi	California Corporations Commissioner	
7		By Judy L. Hartley	
8		Senior Corporations Counsel	
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