

ERRATA SHEET

(Change to Proposed Decision - Raman Singh, dba Primestar Lending

- 1) On page 4, under Violations of the California Finance Lenders Law, Item 5(B), line 1, change "2007" to "2008".
- 2) On page 4, under Violations of the California Finance Lenders Law, Item 5(C), line 6, change "2006" to "2008".
- 3) On page 5, under Legal Conclusions, Item 1, line 2, remove "(b)" and insert "(a)(1)",
- 4) On page 6, under Legal Conclusions, Item 2, line 2, remove "(c)" and insert "(a)(2)".

Decision - Raman Singh, dba Primestar Lending

BEFORE THE
DEPARTMENT OF CORPORATIONS
STATE OF CALIFORNIA

In the Matter of the Accusation of:

THE CALIFORNIA CORPORATIONS
COMMISSIONER,

Complainant,

vs.

RAMAN SINGH,
dba PRIMESTAR LENDING,

and
RAMAN SINGH,
an individual,

Respondents.

Files No. 607-1766

OAH No. L-2008080077

PROPOSED DECISION

This matter was heard by Vincent Nafarrete, Administrative Law Judge of the Office of Administrative Hearings, in Los Angeles on August 26, 2008. Complainant California Corporations Commissioner was represented by Judy L. Hartley, Senior Corporations Counsel. Respondent Raman Singh was not present or represented at the hearing.

Oral and documentary evidence having been received and the matter submitted for decision, the Administrative Law Judge finds as follows:

FACTUAL FINDINGS

1. This matter arises under the California Finance Lenders Law, Financial Code section 22000 et seq. The Department of Corporations (hereinafter Department) is the agency of the State of California that has regulatory and licensing authority over licensees under the California Finance Lenders Law.

2. (A) On September 5, 2002, the Department issued a license to Raman Singh (hereinafter respondent) to engage in the business of a broker under the California Finance Lenders Law at the business location of 3742 South Mooney Boulevard, Visalia, California 93277. The license remains in effect until surrendered, suspended, or revoked as provided by law.

(B) On April 5, 2003, upon written notice from respondent of a proposed change of place of business, the Department granted authority to respondent to engage in the business of a broker at 2230 West Sunnyside Avenue, Suite 3, Visalia, California 93277. On June 9, 2003, the Department authorized respondent to engage in the business of a broker at the South Mooney Boulevard address.

(C) On February 26, 2004, the Department issued a license to respondent Raman Singh, doing business as Primestar Lending, to engage in the business of a broker under the California Finance Lenders Law at the location of 2222 West Sunnyside Avenue, Suite No. 3, Visalia, California 93277. On February 8, 2005, the Department authorized respondent, doing business as Primestar Lending, to engage in the business of a broker at 2222 West Sunnyside Avenue, Suite No. 4, Visalia, California 93277.

(C) On November 9, 2006, upon receipt of a written notice from respondent of a proposed change of his place of business, the Department granted authority to respondent, doing business as Primestar Lending, to engage in the business of a broker at 2139 East Kaweah Court, Visalia, California 93292.

3. (A) On July 15, 2008, the California Corporations Commissioner gave notice to respondent, as an individual and doing business as Primestar Lending, of the intention to issue Orders under Financial Code sections 22714 and 22169 to revoke respondent's broker's license and to bar him from any position of employment, management, or control of any finance lender and/or broker.

(B) On July 15, 2008, Accusation, File No. 607-1766, was made and filed for and on behalf of Preston DuFauchard in his official capacity as California Corporations Commissioner.

(C) On July 18, 2008, the Accusation, Statement to Respondent, Government Code sections, blank Notice of Defense, and Notice of Intention to Issue Order Revoking Finance Lender and/or Broker License were personally served upon respondent at his place of business at 2139 East Kaweah Court, Visalia, California. On or about July 18, 2008, respondent filed a Notice of Defense, acknowledging receipt of the Accusation and Notice of Intention to Issue Order and requesting a hearing. On the Notice of Defense, respondent wrote that his address was 2139 East Kaweah Court, Visalia, California 93292.

(D) On August 11, 2008, the Department served a Notice of Hearing by first class mail upon respondent at his place of business, which was the same address that he provided in his Notice of Defense.

(E) At the noticed hearing on August 26, 2008, respondent did not appear and no official appearance was made for or on behalf of respondent. Respondent was declared to be in default of the proceeding pursuant to Government Code section 11520, subdivision (a). Thereupon, complainant elected to proceed with the hearing as a default matter and presented documentary evidence and the testimony of the following Department employees: Patricia R. Speight, Special Administrator, California Finance Lenders Law; and Kathryn Leou, Corporations Examiner. Jurisdiction exists in this matter.

Application for Licensure

4. (A) On or about June 22, 2002, respondent filed an Application for a License under the California Finance Lenders Law with the Department for issuance of a broker's license. Respondent signed the application under penalty of perjury and certified that the statements in the application and exhibits were true and correct.

(B) With his application, respondent filed Exhibit L, an Affidavit Regarding Law and Rules. Respondent declared under penalty of perjury that he had obtained and read copies of the California Finance Lenders Law and rules thereunder, was familiar with the content of the law and rules, and agreed to comply with all of the provisions of the law and rules. In addition, respondent declared under penalty of perjury that he would keep and maintain for 24 months from the date of final entry the business records and other information required by the law and rules regarding any mortgage loan made or serviced in the course of the conduct of his business; would file any reports required by the Corporations Commissioner; would submit to periodic examinations by the Corporations Commissioner as required by the law; and would maintain a register of all loans made or brokered under his license that would be updated at least monthly.¹ With respect to the information maintained in the register, respondent declared under penalty of perjury that he would include the name and address of each borrower, account number, amount of loan, terms, total of payments, and the annual percentage rate of the loan in the register, and also show the account number, name of borrower, and payoff date of all loans paid in full in the register.

¹ For the years 2003 through 2007, respondent did file Annual Reports and schedules (Exh. 6) required of licenses engaged in business under the California Finance Lenders Law.

Violations of the California Finance Lenders Law

5. (A) On or about February 25, 2008, the Department commenced a regulatory examination of respondent as a licensed broker and doing business as Primestar Lending. According to annual reports previously filed with the Department, respondent brokered loans in the preceding years as follows: 41 loans in 2003, 117 loans in 2004, 231 loans in 2005, 80 loans in 2006, and 16 loans in 2007. On February 25, 2008, a Corporations Examiner (examiner) called respondent and requested that he produce books and records for the regulatory examination.

(B) On March 11, 2007, respondent sent a loan report for 2007 to the examiner and explained that his records for 2006 were not yet complete. The loan report was entitled "List of Loans in 2007" and did not meet the regulatory requirements as a loan registry.

(C) On March 13, 2008, the examiner conducted field work at respondent's office and audited or reviewed the loans that he had brokered in 2007. Respondent did not have a loan report for 2006 available for examination. He explained that he was having difficulty in preparing the loan report because he had relocated his office and had lost employees. Respondent promised to forward his 2006 loan report and any files to the examiner. On March 18, 2006, the examiner sent an electronic message to respondent, reiterating that the Department needed a "loan list of business activity (brokered loans) for the year 2006." Thereafter, respondent did not submit a loan list for 2006 to the Department.

(D) On May 5, 2008, the examiner sent a written demand to respondent under the authority of Finance Code section 22701, demanding that he produce the following books and records: (1) a complete loan register for all loans brokered within the past three years; (2) current financial statement and general ledger; (3) audited financial statements for the years 2006 and 2007; (4) list of all investors; (5) list of all current employees and/or independent contractors with description of titles and functions; and (6) list of all former employees and/or independent contractors within the past three years. In this demand, the examiner asked respondent to produce these books and records no later than May 8th and indicated that the Department was concerned about his ability to comply with the California Finance Lenders Law with respect to "providing free access to its books and records." The written demand for the production of records was sent to respondent by certified mail at his business address. On May 7, 2008, respondent received the written demand of the Department.

(E) On May 9, 2008, respondent sent an electronic mail message to the examiner, stating that he had sent a request to the Department on March 30th that he be allowed to surrender his broker's license. The examiner replied that the surrender of his license would not affect the status of the regulatory examination. The Department did not receive any further communications or submittals from

respondent. As of June 17, 2008, the Department had not received a request from respondent that he be allowed to surrender his broker's license.

(F) At no time relevant herein did respondent, as an individual or doing business as Primestar Lending, produce or provide the Department with any of the books and records requested in its written demand. As such, the Department did not receive documents or books and records from respondent that were necessary to complete its regulatory examination.

6. Based on Findings 2 and 4 - 5 above, respondent failed to comply with the written demand of the Corporations Commissioner for the production of books and records made pursuant to Financial Code section 22701.

7. Based on Findings 2 and 4 - 5 above, in his loan brokerage business, respondent failed to keep and use books, accounts, and records which would enable the Corporations Commissioner to determine if he is complying with the provisions of the California Finance Lenders Law in violation of Financial Code section 22156.

8. Based on Findings 2 and 4 - 5 above, by failing to produce requested books and records, respondent failed to provide free access to the Corporations Commissioner to his books, accounts, papers, records, and files of his business as a finance lender or broker and thereby prevented the Corporations Commissioner from examining his books, accounts, records, and files in violation of Financial Code section 22701.

9. No evidence of mitigation, rehabilitation, or explanation was presented on behalf of respondent at the hearing.

* * * * *

Based on the foregoing findings of fact, the Administrative Law Judge makes the following determination of issues:

LEGAL CONCLUSIONS

1. Grounds exist to revoke or suspend respondent's broker license pursuant to Financial Code section 22714, subdivision (b), in that respondent failed to comply with the written demand of the Corporations Commissioner for the production of books and records under Financial Code section 22701, as set forth in Findings 1 - 9 above.

2. Grounds exist to revoke or suspend respondent's broker license pursuant to Financial Code section 22714, subdivision (c), in that respondent violated provisions of California Finance Lenders Law to wit: Financial Code section 22156 and section 22701, as set forth in Findings 1 - 9 above.

3. Grounds exist to bar respondent from any position of employment, management, or control of any finance lender, broker, or other person under Financial Code section 22169, subdivision (a)(1), in that respondent knowingly committed or caused violations of the California Finance Lenders Law and the bar is in the public interest, as set forth in Conclusions of Law 1 and 2 above.

* * * * *

Wherefore, the Administrative Law Judge makes the following Order:

ORDER

1. The licenses and licensing rights previously issued by the California Corporations Commissioner to respondent Raman Singh as an individual and doing business as Primestar Lender to engage in the business of a broker under the California Finance Lenders Law are revoked, based on Conclusions of Law 1 and 2 above, jointly and for all.

2. Respondent Raman Singh shall be barred from any position of employment, management, or control of any finance lender, broker, or any other person licensed and doing business under the California Finance Lenders Law, based on Conclusions of Law 3 above.

Dated: Sept. 22, 2008

Vincent Nafarrete
Administrative Law Judge
Office of Administrative Hearings