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

11 In the Matter of the Accusation of THE ) FILE NO. CA-DBO969388  
12 CALIFORNIA COMMISSIONER OF )  
BUSINESS OVERSIGHT, ) **ACCUSATION**  
13 )  
Complainant, )  
14 v. )  
15 JUAN CARLOS VEGA, as an individual, )  
16 Respondent. )  
17 )  
18 )  
19 )  
20 )

21 The Complainant, the California Commissioner of Business Oversight (“Commissioner”), is  
22 informed and believes, and based upon such information and belief, alleges and charges Respondent  
23 as follows:

24 **I.**

25 On or about November 25, 2013, under the California Residential Mortgage Lending Act  
26 (Fin. Code, § 50000 et seq.), Respondent Juan Carlos Vega (“Vega”) received a mortgage loan  
27 originator (“MLO”) license from the Department of Business Oversight (“Department”).

28 Vega submitted his application, a Form MU4, through the Nationwide Mortgage Licensing

1 System (“NMLS”) on or about October 21, 2013. At all times since the filing of his Form MU4, Vega  
2 was employed by Digital Risk Mortgage Services, LLC, a California-licensed mortgage lender based  
3 in Maitland, Florida.

## 4 II.

5 In his October 21, 2013 Form MU4, Vega answered “no” to Regulatory Action Disclosure  
6 question (K)(3), which asks whether any self-regulatory organization has ever taken disciplinary  
7 action against the applicant for violations of financial-services related laws.

8 On or about November 25, 2013, the Commissioner reviewed Vega’s MU4 application and,  
9 on the basis of his responses to the application questionnaire, issued Vega a MLO license.

10 After receiving his license, on or about December 18, 2013, Vega filed an amended Form  
11 MU4 in which he changed his answer to question (K)(3) from “no” to “yes.” As required, Vega  
12 provided a written explanation, stating that in or about February 2001 he consented to a sixty-day  
13 suspension from associating with any National Association of Securities Dealers (“NASD”)<sup>1</sup> member  
14 in any capacity and a monetary sanction of \$15,000. NASD found Vega had engaged in securities  
15 trading activities that were designed to deceive or defraud investors by controlling and artificially  
16 affecting the price of a particular stock. Vega failed to disclose the NASD suspension and fine when  
17 he originally submitted his Form MU4 to the Department on October 21, 2013.

## 18 III.

19 Financial Code section 50141 provides in pertinent part:

20 The commissioner shall deny an application for a mortgage loan  
21 originator license unless the commissioner makes a minimum of the  
22 following findings:

23 . . .

24 The applicant has demonstrated such financial responsibility, character,  
25 and general fitness as to command the confidence of the community  
26 and to warrant a determination that the mortgage loan originator will  
27 operate honestly, fairly, and efficiently within the purposes of this  
28 division.

The Commissioner has found that Vega misrepresented his qualification for licensure when

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<sup>1</sup> NASD is now known as the Financial Industry Regulatory Authority or “FINRA.”

1 he failed to disclose the NASD suspension and, as a result, the Department’s decision to license Vega  
2 was based on false and incomplete information. Furthermore, based on the conduct underlying the  
3 NASD suspension action, Vega has not demonstrated the responsibility, character, and fitness  
4 necessary to command the confidence of the community and to warrant a determination that he will  
5 operate honestly, fairly, and efficiently as a mortgage loan originator.

6 Financial Code section 50327 provides in pertinent part:

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

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

12 **IV.**

13 The Commissioner finds that, by reason of the foregoing, a fact or condition exists that  
14 reasonably would have warranted the Commissioner in refusing to issue the MLO license to Vega  
15 originally and this constitutes grounds for the revocation of Vega’s MLO license.

16 WHEREFORE, IT IS PRAYED Juan Carlos Vega’s MLO license be revoked under section  
17 50327 of the Financial Code.

18 Dated: November 17, 2014  
19 Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

21 By: \_\_\_\_\_  
22 Blaine A. Noblett  
23 Senior Corporations Counsel  
24 Enforcement Division  
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