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

11 In the Matter of:	) NMLS ID: 254895
	)
12 THE COMMISSIONER OF BUSINESS	)
13 OVERSIGHT,	) ORDER DENYING APPLICATION FOR
	) RESIDENTIAL MORTGAGE LENDER
14 Complainant,	) LICENSE
15 vs.	)
	)
16 GENERAL MORTGAGE CAPITAL	) (FINANCIAL CODE SECTION 50126)
17 CORPORATION,	)
	)
18 Respondent.	)
	)

19  
20 The Complainant, the Commissioner of Business Oversight (Commissioner) of the  
21 Department of Business Oversight (Department) finds that:

- 22 1. General Mortgage Capital Corporation (General Mortgage) is a California  
23 corporation formed on or around February 24, 2005, with a principal place of business located at  
24 1350 Bayshore Highway, Suite 740, Burlingame, California 94010.
- 25 2. At all relevant times, Raymond Chou is the CEO of General Mortgage with a  
26 business address located at 1350 Bayshore Highway, Suite 740, Burlingame, California 94010.
- 27 3. On or around June 6, 2018, General Mortgage submitted an application to the  
28 Commissioner for a California residential mortgage lender license through the Nationwide

1 Mortgage Licensing System and Registry (NMLS) pursuant to Section 50140 of the CRMLA  
2 (Application).

3 4. Question (C)(3) of the Disclosure Questions in the Application under the subsection,  
4 “Regulatory Action Disclosure,” asks in relevant part, “In the past 10 years, has any State or federal  
5 regulatory . . . ever: . . . (5) denied, suspended, or revoked the entity’s or a control affiliate’s  
6 registration or license or otherwise, by order, prevented it from associating with a financial  
7 services-related business or restricted its activities?” General Mortgage answered, “No.”

8 5. On or around January 13, 2017, General Mortgage submitted an application to the  
9 Commissioner for a California finance lender and broker license through NMLS pursuant to the  
10 California Financing Law, commencing at Fin. Code, § 22000 *et seq.* (CFL),<sup>1</sup> file numbers 60DBO-  
11 66060, 60DBO-70284, 60DBO-70285, 60DBO-70511, 60DBO-70512, and 60DBO-70513 (CFL  
12 Application).

13 6. On or around May 15, 2017, General Mortgage’s CFL Application was approved.

14 7. Pursuant to Financial Code section 22159, CFL licensees must file an annual report  
15 with the Commissioner by March 15 of each year (Annual Report).

16 8. General Mortgage failed to file its Annual Report for the year ended December 31,  
17 2017 by the deadline of March 15, 2018.

18 9. On or around March 19, 2018, the Commissioner issued a notice letter to General  
19 Mortgage advising it to file its Annual Report by on or before April 6, 2018 or else its license  
20 would be summarily revoked pursuant to Financial Code section 22715 (Notice Letter). The Notice  
21 Letter also stated in relevant part:

22 If you wish to surrender your license in lieu of filing the annual report,  
23 you may surrender your license(s) by returning it to the DBO . . . To  
24 surrender your license(s) in lieu of filing the Annual Report, execute the  
25 surrender form on the reverse side of this page and return it to the DBO.  
26 You will receive a written confirmation of the surrender of the license(s).  
**NMLS-registered licensees must file their surrender through the  
NMLS and submit the required documents to the DBO . . .** (Emphasis  
in original.)

27  
28 <sup>1</sup> Effective October 4, 2017, the name of the “California Finance Lenders Law” changed to the “California Financing Law.” (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this document, a reference to the California Financing Law means the California Finance Lenders Law before October 4, 2017 and the California Financing Law on and after that date. (Fin. Code, § 22000.)

1           10.     As of April 6, 2018, General Mortgage had not filed its Annual Report with the  
2 Commissioner as directed in the Notice Letter. Thus, on April 11, 2018, the Commissioner issued  
3 an Order Summarily Revoking California Finance Lenders License Pursuant to Financial Code  
4 Section 22715 for the following CFL License Numbers: 60DBO-66060, 60DBO-70284, 60DBO-  
5 70285, 60DBO-70511, 60DBO-70512, and 60DBO-70513 (April 11, 2018 Revocation Orders).

6           11.     On April 12, 2018, the Department received from General Mortgage a copy of the  
7 Notice Letter and an executed surrender form, dated and postmarked April 9, 2018. The surrender  
8 form was not submitted timely nor filed through the NMLS as required.

9           12.     On or around July 25, 2018, General Mortgage amended its Application for a  
10 CRMLA license by uploading to NMLS the following documents under the section, “Certificate of  
11 Authority/Good Standing Certificate:” (i) a letter dated July 9, 2018 from Raymond Chou, CEO,  
12 stating: “General Mortgage Capital Corporation surrendered the CFL license due to non-usage.  
13 Please see attached document to support . . . .” (ii) a copy of the executed surrender form, dated  
14 April 9, 2018; and (iii) a copy of the Notice Letter (July 25, 2018 Amended Application).

15           13.     Despite the April 11, 2018 Revocation Orders, General Mortgage’s July 25, 2018  
16 Amended Application answered “No” to Question (C)(3) of the Disclosure Questions section  
17 regarding past Regulatory Actions.

18           14.     On or around August 29, 2018, General Mortgage amended its Application by  
19 changing its answer from “No,” to “Yes,” in response to Question (C)(3) of the Disclosure  
20 Questions section regarding past Regulatory Actions (August 29, 2018 Amended Application). In  
21 the Disclosure Explanations section of the August 29, 2018 Amended Application, General  
22 Mortgage stated, “GMCC surrendered the CFL license due to non-usage. Supporting  
23 documentation attached in Document Uploads on 7/9/18.” No additional documents were uploaded  
24 to NMLS regarding General Mortgage’s purported surrender other than those previously uploaded  
25 on July 25, 2018 in the section, “Certificate of Authority/Good Standing Certificate.”

26           15.     From at least July 25, 2018 through September 26, 2018, General Mortgage’s  
27 Application stated in the Disclosure Explanations section, that “GMCC surrendered the CFL license  
28 due to non-usage. Supporting documentation attached in Document Uploads on 7/9/18.”

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16. Financial Code section 50126, subdivision (a)(1) provides:

(a) Upon reasonable notice and opportunity to be heard, the commissioner may deny an application for any of the following reasons: ...

(1) A false statement of a material fact has been made in the application...

17. By reason of the foregoing, General Mortgage Capital Corporation made a false statement of a material fact in its Application for a California residential mortgage lender license, which is grounds under Section 50126, subdivision (a)(1) of the CRMLA to deny the Application of General Mortgage Capital Corporation for a California residential mortgage lender license.

18. On April 25, 2019, the Commissioner issued to General Mortgage the Notice of Intent to Issue Order Denying Application for Residential Mortgage Lender License; Statement to Respondent; Statement of Issues in Support of Denial of Residential Mortgage Lender License; Government Code Sections 11507, 11507.6, and 11507.7 relating to discovery; and blank Notice of Defense (collectively, Notice of Intent). The Notice of Intent was mailed via certified mail, return receipt requested, to General Mortgage’s address on file with the Commissioner.

19. On or around May 2, 2019, General Mortgage was served with the Notice of Intent.

20. General Mortgage did not request a hearing regarding the Notice of Intent, and the time to request a hearing has expired.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the Application filed by General Mortgage Capital Corporation for a California residential mortgage lender license on or around June 6, 2018 be denied. This order is effective as of the date hereof.

Dated: May 28, 2019  
Los Angeles, CA

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division