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

10  
11 In the Matter of: ) NMLS NO.: 1436898  
12 THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, ) ACCUSATION  
13 )  
Complainant, )  
14 v. )  
15 NOAH BEZUAYEHU, )  
16 Respondent. )  
17 \_\_\_\_\_ )

18  
19 The Commissioner of Business Oversight (Commissioner) is informed and believes, and  
20 based upon such information and belief, alleges and charges Respondent as follows:

21 **I.**

22 **Jurisdiction**

23 1. The Commissioner has jurisdiction over the licensing and regulation of persons  
24 engaged in the business of making or servicing residential mortgage loans, including mortgage loan  
25 originators, under the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000  
26 et seq.).

27 2. Respondent Noah Bezuayehu (Bezuayehu) is a mortgage loan originator (MLO)  
28 licensed by the Commissioner under the CRMLA under license number CA-DBO1436898.



1 he engaged in with a different lender. The KSBC found the additional unregistered MLO activity to  
2 be in violation of K.S.A. section 9-2203(b).

3 2016 California application

4 9. To become licensed by the Commissioner as an MLO, an individual must submit a  
5 uniform application form (known as the MU2 or MU4 form) through the Nationwide Mortgage  
6 Licensing System and Registry (NMLS).

7 10. On January 13, 2016, Bezuayehu applied for an MLO license by filing a Form MU4  
8 through NMLS. His application was sponsored by a lender licensed under the CRMLA.

9 11. When Bezuayehu applied, the Commissioner did not know about the 2005 Kansas  
10 revocation and bar.

11 12. Form MU4 question (K) asked, in relevant part:

12 Has any State or federal regulatory agency or foreign financial  
13 regulatory authority or self-regulatory organization (SRO) ever:

14 (1) found you to have made a false statement or omission or been  
dishonest, unfair or unethical?

15 (2) found you to have been involved in a violation of a financial  
16 services-related business regulation(s) or statute(s)?

17 . . .

18 (4) entered an order against you in connection with a financial services-  
related activity?

19 (5) revoked your registration or license?

20 (6) denied or suspended your registration or license or application for  
21 licensure, disciplined you, or otherwise by order, prevented you from  
22 associating with a financial services-related business or restricted your  
activities?

23 (7) barred you from association with an entity regulated by such  
24 commissions, authority, agency, or officer, or from engaging in a  
financial services-related business?

25 (8) issued a final order against you based on violations of any law or  
26 regulations that prohibit fraudulent, manipulative, or deceptive  
conduct?

27 (9) entered an order concerning you in connection with any license or  
28 registration?

1           13.     Bezuayehu answered “No” to questions (K)(1), (K)(2), (K)(4), (K)(5), (K)(6),  
2 (K)(7), (K)(8), and (K)(9).

3           14.     On February 11, 2016, the Commissioner approved Bezuayehu’s application and  
4 issued an MLO license.

5 2017 Kansas application, denial, and California investigation

6           15.     On February 17, 2017, Bezuayehu applied for MLO registration with the KSBC by  
7 filing a Form MU4 through NMLS.

8           16.     On August 14, 2017, the KSBC issued a summary order denying Bezuayehu’s  
9 application. The KSBC found that the 2005 revocation of Bezuayehu’s MLO registration required  
10 the denial of his application under K.S.A. section 9-2207(a)(4)(A). The KSBC also found that  
11 Bezuayehu filed false statements by answering “No” to Form MU4 questions (K)(1), (K)(2), (K)(4),  
12 (K)(5), (K)(7), and (K)(9), which applied to the 2005 revocation and bar.

13           17.     On September 5, 2017, the KSBC reported through NMLS that Bezuayehu’s  
14 application was denied.

15           18.     On September 8, 2017, the Commissioner placed a license item on Bezuayehu’s  
16 NMLS account, noting that Bezuayehu had answered “No” to Form MU4 question (K)(6)—  
17 whether any regulatory agency had denied or suspended his registration, license, or application—  
18 when he should have answered yes and requesting that he provide a detailed explanation of the  
19 circumstances and upload relevant legal documents from Kansas.

20           19.     On November 20, 2017, Bezuayehu filed an amended Form MU4, in which he  
21 changed his answer to question (K)(6) from “No” to “Yes.” In the event explanation, Bezuayehu  
22 stated that the Kansas denial was pending and that he was “currently finalizing” it with Kansas and  
23 would provide an explanation and upload all supporting documentation when it was completed.  
24 However, he did not change his “No” answers to questions (K)(1), (K)(2), (K)(4), (K)(5), (K)(7),  
25 (K)(8), and (K)(9).

26           20.     On December 8, 2017, Bezuayehu filed an amended Form MU4, in which he  
27 uploaded an initial order dated November 27, 2017, which was issued by the Kansas Office of  
28 Administrative Hearings, and provided an explanation for question (K)(6). The November 27, 2017

1 initial order did not contain the KSBC’s findings or other information about the basis for the denial.  
2 Bezuayehu did not upload the KSBC’s August 14, 2017 summary order, which contained relevant  
3 details and was responsive to the Commissioner’s request. In the event explanation, Bezuayehu  
4 stated that he did not know that his MLO registration had been revoked in Kansas because he never  
5 received notice of the action. He explained that the KSBC may have sent notices to his old address  
6 and that he had moved several times throughout the years, including out of state. He stated that in  
7 2005 he went to work for Corbanc Mortgage in Kansas City, Missouri, and that the KSBC approved  
8 his application while he was there.

9         21.       However, the KSBC sent the 2005 orders not only to Bezuayehu’s address of record  
10 in Kansas but also to Corbanc Mortgage in Kansas City, Missouri, and, after receiving a forwarding  
11 notice from the United States Postal Service, to Bezuayehu’s address in Kansas City, Missouri.  
12 Moreover, Bezuayehu requested a hearing on the KSBC’s summary order after it was sent to his  
13 Kansas address.

14         22.       In his December 8, 2017 Form MU4, Bezuayehu again failed to change his “No”  
15 answers to questions (K)(1), (K)(2), (K)(4), (K)(5), (K)(7), (K)(8), and (K)(9).

16         23.       On or around December 27, 2017, the KSBC’s order denying Bezuayehu’s  
17 application became final.

18         24.       On November 13, 2018, Bezuayehu filed an amended Form MU4, in which he  
19 changed his answer to question (K)(5)—whether any regulatory agency had ever revoked his  
20 registration or license—from “No” to “Yes.” He provided an event explanation similar to the one he  
21 provided on December 8, 2017. However, he did not upload any documents relating to the 2005  
22 revocation and bar.

23         25.       On November 28, 2018, the Commissioner placed a license item on Bezuayehu’s  
24 NMLS account, noting that Bezuayehu had answered “Yes” to Form MU4 question (K)(5) and  
25 requesting that he provide a detailed explanation of the circumstances and upload relevant legal  
26 documents from Kansas.

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1           26.     On December 6, 2018, Bezuayehu filed an amended Form MU4, in which he  
2 provided an explanation for question (K)(5) similar to those he previously provided. This time, he  
3 uploaded a copy of the 2005 Kansas order revoking and barring.

4           27.     To date, Bezuayehu has not filed an amended Form MU4 with a “Yes” answer to  
5 questions (K)(1), (K)(2), (K)(4), (K)(7), (K)(8), or (K)(9).

6 2019 Illinois refusal to renew

7           28.     On February 23, 2017, Bezuayehu was granted an MLO license by the Illinois  
8 Department of Financial and Professional Regulation (IDFPR).

9           29.     On January 2, 2019, the IDFPR issued a final order refusing to renew Bezuayehu’s  
10 license. In support of its order, the IDFPR found that Bezuayehu failed to disclose the 2005 Kansas  
11 revocation and bar on his license application and, by doing so, “negligently or falsely failed to  
12 disclose crucial disciplines” on his license application “that if disclosed may have led to a denial of  
13 his MLO license.”

14           30.     On January 9, 2019, Bezuayehu filed an amended Form MU4, in which he changed  
15 his answer to question (Q)(1) from “No” to “Yes.” Question (Q)(1) is part of a section entitled  
16 “Termination Disclosure,” meaning termination from employment. Question (Q)(1) asked: “Have  
17 you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made  
18 that accused you of . . . violating statute(s), regulation(s), rule(s), or industry standards of conduct?”  
19 In the explanation for question (Q)(1), Bezuayehu stated, “Illinois did not renew my license and  
20 instead allowed me to Surrender [sic].” Bezuayehu did not upload any documentation of the Illinois  
21 action.

22           31.     The IDFPR did not allow Bezuayehu to surrender; it ordered him to surrender.

23           32.     Although Bezuayehu disclosed the IDFPR refusal to renew in the explanation for  
24 question (Q)(1), he did not change his “No” answers to questions (K)(4) and (K)(9), which asked  
25 whether any regulatory agency ever entered an order against him “in connection with a financial  
26 services-related activity” or “in connection with any license or registration.”

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**III.****Withheld Information and Material Misstatements**

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3 33. The Commissioner may revoke an MLO license if a licensee withholds information  
4 or makes a material misstatement in an application for a license or license renewal. (Fin. Code,  
5 § 50513, subd. (a)(2).)

6 34. As described in paragraphs 9 to 27, Bezuayehu withheld information and made  
7 material misstatements concerning the 2005 Kansas revocation and bar. In his January 13, 2016  
8 application for a California MLO license, Bezuayehu answered “No” to questions (K)(1), (K)(2),  
9 (K)(4), (K)(5), (K)(6), (K)(7), (K)(8), and (K)(9), although they applied to the 2005 Kansas  
10 revocation and bar. Based on Bezuayehu’s disclosures, the Commissioner approved his application  
11 and issued an MLO license. To date, Bezuayehu still has not changed his “No” answers to questions  
12 (K)(1), (K)(2), (K)(4), (K)(7), (K)(8), and (K)(9).

13 35. As described in paragraphs 15 to 27, Bezuayehu withheld information and made  
14 material misstatements concerning the 2017 Kansas denial. Bezuayehu uploaded a document that  
15 disclosed the denial but did not describe the KSBC’s findings supporting the denial. And although  
16 one of those findings was that Bezuayehu filed false statements, Bezuayehu did not change his  
17 “No” answer to Form MU4 question (K)(1), which asked whether a regulatory agency had ever  
18 found him to have made a false statement or omission.

19 36. As described in paragraphs 28 to 32, Bezuayehu withheld information and made  
20 material misstatements concerning the 2019 Illinois refusal to renew. Bezuayehu failed to upload a  
21 copy of the final order or other relevant records and, in describing the circumstances of the Illinois  
22 action, falsely stated that he was allowed to surrender rather than ordered to surrender. Bezuayehu  
23 also misrepresented the nature of the action by changing only his answer to a Form MU4 question  
24 regarding termination from employment rather than to questions regarding regulatory actions.

25 37. Thus, Bezuayehu withheld information and made material misstatements in  
26 applications for a license and license renewal. Under Financial Code section 50513, subdivision  
27 (a)(2), Bezuayehu’s license should be revoked.

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1 IV.

2 **Financial Responsibility, Character, and General Fitness**

3 38. The Commissioner may revoke an MLO license if a licensee fails at any time to  
4 meet the requirements of section 50144. (Fin. Code, § 50513, subd. (a)(2).) Under section 50144, a  
5 licensee must continue to meet the minimum standards for license issuance under section 50141.  
6 (§ 50144, subd. (b)(1).) Under section 50141, a licensed MLO must demonstrate such financial  
7 responsibility, character, and general fitness as to command the confidence of the community and to  
8 warrant a determination that the MLO will operate honestly, fairly, and efficiently. (§ 50141, subd.  
9 (a)(3).)

10 39. As described in paragraphs 4 to 8, in 2005, the state of Kansas revoked Bezuayehu's  
11 MLO registration and barred him from future application for licensure or registration and from  
12 associating with a mortgage business or supervised lender in Kansas. The KSBC found that  
13 Bezuayehu had engaged in conduct that was not in good faith by entering into a settlement  
14 agreement with the KSBC that allowed him to obtain MLO registration, without disclosing other  
15 unregistered MLO activity, which the KSBC later discovered. Despite the revocation and bar,  
16 Bezuayehu applied again in 2017 without disclosing the disciplinary action.

17 40. As described in paragraphs 34 to 36, Bezuayehu withheld information and made  
18 material misstatements in his Form MU4s concerning the 2005 Kansas revocation and bar, 2017  
19 Kansas denial, and 2019 Illinois refusal to renew.

20 41. Thus, Bezuayehu has not demonstrated such financial responsibility, character, and  
21 general fitness as to command the confidence of the community and to warrant a determination that  
22 he will operate honestly, fairly, and efficiently as an MLO. Under Financial Code section 50513,  
23 subdivision (a)(2), Bezuayehu's license should be revoked.

24 V.

25 **Fact or Condition Warranting Denial**

26 42. The Commissioner may revoke any CRMLA license if a fact or condition exists that,  
27 if it had existed at the time of the original application for the license, reasonably would have  
28 warranted the Commissioner's refusing to issue the license originally. (Fin. Code, § 50327, subd.



1 (a)(2).) A disciplinary action taken by California, another state, the federal government, or another  
 2 country “for any action substantially related to the activity regulated under [the CRMLA]” may be a  
 3 ground for disciplinary action” under the CRMLA. (§ 50316, subd. (a).) A certified copy of any  
 4 such disciplinary action “shall be conclusive evidence of the events related therein.” (*Ibid.*)

5 43. When Bezuayehu applied for a license in 2016, if the Commissioner had known that  
 6 the 2005 Kansas revocation and bar existed and that Bezuayehu failed to disclose the disciplinary  
 7 action on his application, such a condition would have warranted denial of the application. The  
 8 Commissioner also could have denied Bezuayehu’s application if the facts and conditions that arose  
 9 after Bezuayehu received his license—including the 2017 Kansas denial, the 2019 Illinois refusal to  
 10 renew, and Bezuayehu’s withholding of information and material misstatements concerning those  
 11 actions—had existed when Bezuayehu applied.

12 44. Thus, under Financial Code section 50327, subdivision (a)(2), Bezuayehu’s license  
 13 should be revoked.

14 **VI.**

15 **Commissioner’s Authority to Revoke**

16 45. Financial Code section 50141, subdivision (a) provides in relevant part:

17 (a) The commissioner shall deny an application for a mortgage loan  
 18 originator license unless the commissioner makes at a minimum the  
 following findings:

19 (1) The applicant has never had a mortgage loan originator license  
 20 revoked in any governmental jurisdiction, except that a subsequent  
 formal vacation or set aside of such revocation shall not be deemed a  
 21 revocation.

22 . . .

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

26 46. Financial Code section 50144 provides in relevant part:

27 (a) A mortgage loan originator shall comply with the requirements of  
 this section on or before December 31 of every year.

28 (b) The minimum standards for license renewal for mortgage loan  
 originators shall include the following:

1 (1) The mortgage loan originator continues to meet the minimum  
2 standards for license issuance under Section 50141.

3 47. Financial Code section 50316 provides:

4 (a) For any licensee, a disciplinary action taken by the State of  
5 California, another state, any agency of the federal government, or  
6 another country for any action substantially related to the activity  
7 regulated under this law may be a ground for disciplinary action by the  
8 commissioner. A certified copy of the record of the disciplinary action  
9 taken against a licensee by the State of California, another state, any  
10 agency of the federal government, or another country shall be  
11 conclusive evidence of the events related therein.

12 (b) Nothing in this section shall preclude the commissioner from  
13 applying a specific statutory provision in this division providing for  
14 discipline against a licensee as a result of disciplinary action taken  
15 against a licensee by the State of California, another state, an agency of  
16 the federal government, or another country.

17 48. Financial Code section 50327, subdivision (a) provides in relevant part:

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

21 . . .

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

25 49. Financial Code section 50512, subdivision (b) provides:

26 It is unlawful for any person to knowingly make an untrue statement to  
27 the commissioner during the course of licensing, investigation, or  
28 examination, with the intent to impede, obstruct, or influence the  
administration or enforcement of any provision of this division.

50. Financial Code section 50513, subdivision (a) provides in relevant part:

(a) The commissioner may do one or more of the following:

(1) Deny, suspend, revoke, condition, or decline to renew a mortgage  
loan originator license for a violation of this division, or any rules or  
regulations adopted thereunder.

(2) Deny, suspend, revoke, condition, or decline to renew a mortgage  
loan originator license if an applicant or licensee fails at any time to  
meet the requirements of Section 50141 or 50144, or withholds  
information or makes a material misstatement in an application for a  
license or license renewal.

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**VII.**

**Prayer**

For the foregoing reasons, the Commissioner finds that Noah Bezuayehu withheld information and made material misstatements in applications for a license and license renewal under Financial Code section 50513, subdivision (a)(2). The Commissioner also finds that Bezuayehu has not demonstrated the financial responsibility, character, and general fitness required under Financial Code section 50141, subdivision (a)(3). The Commissioner also finds that facts and conditions exist that, if they had existed at the time of Bezuayehu’s original application for his license, reasonably would have warranted the Commissioner’s refusing to issue the license originally under Financial Code section 50327, subdivision (a)(2). Accordingly, the Commissioner has grounds for revoking Bezuayehu’s mortgage loan originator license.

WHEREFORE, IT IS PRAYED that Bezuayehu’s mortgage loan originator license be revoked.

Dated: June 20, 2019  
Los Angeles, California

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

By: \_\_\_\_\_  
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