

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN ROONEY
Assistant Chief Counsel
3 BLAINE A. NOBLETT (State Bar No. 235612)
4 Senior Counsel
5 Department of Business Oversight
320 W. 4th Street, Suite 750
6 Los Angeles, CA 90013-2344
(213) 576-1396 (213) 576-7181 (Fax)

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8 Attorneys for Complainant

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

12 In the Matter of:) NMLS LICENSE NO. 1093038
13)
14 THE COMMISSIONER OF BUSINESS) STATEMENT OF ISSUES
OVERSIGHT,)
15)
16 Complainant,)
17 v.)
18 GREGORY ADAM HARRIS,)
Respondent.)
19)
20)
21)

22 Manuel P. Alvarez, the Commissioner of Business Oversight (Commissioner), is informed
23 and believes, and based on such information and belief, alleges and charges Respondent Gregory
24 Adam Harris (Harris) as follows:

25 I.

26 **Jurisdiction**

27 1. The Commissioner has jurisdiction over the licensing and regulation of mortgage loan
28

1 originators in the state of California under the California Financing Law (CFL) (Fin. Code, § 22000
2 et seq.). The Commissioner is authorized to administer the CFL and the rules and regulations
3 promulgated in title 10 of the California Code of Regulations.

4 2. Under the provisions of Financial Code section 22109.1 of the CFL, the
5 Commissioner brings this action to deny Harris’ mortgage loan originator license application.

6 **II.**

7 **Statement of Facts**

8 3. On May 10, 2019, Harris submitted an individual MU4 License Form (MU4) to the
9 Department of Business Oversight (department), through the Nationwide Multistate Licensing
10 System (the NMLS), seeking licensure as a mortgage loan originator.

11 4. Athas Capital Group, Inc., which holds CFL lender and broker license number
12 603F869, sponsored Harris’ mortgage loan originator application.

13 5. Harris responded “yes” to question K(5) of the MU4, which asks if any state
14 regulatory agency has ever revoked the applicant’s registration or license.

15 6. In the disclosure explanation section of the MU4, Harris explained that the DRE had
16 revoked his broker’s license for using a post office box as his primary business address on the DRE
17 website, which according to Harris violated DRE requirements.

18 7. The Commissioner’s examiner sent Harris notification, through the NMLS, requesting
19 Harris amend his mortgage loan originator application to include a detailed explanation of the
20 circumstances surrounding the license revocation, and asked Harris to provide copies of any
21 supporting documents.

22 8. On June 25, Harris submitted an amended MU4 through the NMLS. The amended
23 application included Harris’ DRE license revocation documents.

24 9. The records Harris provided disclose that on September 7, 2018, the DRE adopted the
25 administrative law judge’s corrected proposed decision issued in an administrative proceeding against
26 Harris before the Office of Administrative Hearings. Under the adopted decision, the Acting Real
27 Estate Commissioner revoked Harris’ broker’s license, effective October 2, 2018.

28 10. The supporting documents Harris provided show that in the default proceeding against

1 Harris under Government Code section 11520, the administrative law judge found:

2 Cause exists to revoke respondent Harris’s real estate broker license
3 pursuant to section 10165, 10162, subdivision (a), and 10177,
4 subdivisions (d), (g), and California Code of Regulations, title 10,
5 section 2715, on the grounds that [Harris] willfully disregarded or
6 violated the real estate laws, rules, and regulations, and violated section
7 10162, when [Harris] failed to maintain a definite place of business in
8 the State of California that serves as [Harris’] office for the transaction
9 of business, where his license is displayed, and where personal
10 consultations with clients are held.

11 11. Under the corrected proposed decision, the administrative law judge revoked all of
12 Harris’ licenses and licensing rights under the Real Estate Law and ordered Harris pay the DRE its
13 investigative and enforcement costs of \$2,455.50.

14 12. On September 7, 2018, effective October 2, 2018, the Acting Real Estate
15 Commissioner adopted without modification the administrative law judge’s corrected proposed
16 decision.

17 13. Harris has not provided the department with any explanation or documentation
18 demonstrating that the DRE has set aside the adopted decision in whole or in part.

19 14. Harris has not provided the department with any explanation or documentation
20 demonstrating that he paid the DRE’s investigative and enforcement costs under the adopted
21 decision.

22 **III.**

23 **Applicable Statutes**

24 15. Financial Code section 22109.1 provides in pertinent part:

25 (a) The commissioner shall deny an application for a mortgage loan
26 originator license unless the commissioner makes, at a minimum, the
27 following findings:

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

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IV.

Prayer

The Commissioner finds that Harris does not meet at least one of the minimum requirements for the issuance of a mortgage loan originator license as provided by Financial Code section 22109.1, when the DRE revoked Harris’ broker’s license for willful violations of real estate laws, rules and regulations, and therefore Harris has not demonstrated the financial responsibility, character, and general fitness necessary to command the confidence of the community and to warrant a determination that he will operate honestly, fairly, and efficiently as a mortgage loan originator under the CFL and subdivision (a)(3) of section 22109.1 of the Financial Code.

By reason of the foregoing, the revocation of Harris’ DRE-issued broker’s license for willful violations of the real estate laws, the Commissioner shall deny Harris’ application for a mortgage loan originator license.

WHEREFORE IT IS PRAYED that the mortgage loan originator license application filed by Gregory Adam Harris be denied.

Dated: October 4, 2019
Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By: _____
Blaine A. Noblett
Senior Counsel
Enforcement Division