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

11 In the Matter of:) NMLS NO.: 1436898
12 THE COMMISSIONER OF BUSINESS)
13 OVERSIGHT,) ORDER REVOKING MORTGAGE LOAN
14 Complainant,) ORIGINATOR LICENSE
15 v.)
16 NOAH BEZUAYEHU,)
17 Respondent.)

18
19 The Commissioner of Business Oversight (Commissioner) finds:

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

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

26 **2005 Kansas Registration, Revocation, and Bar**

27 3. On April 22, 2004, Bezuayehu filed an application for MLO registration with the
28 Kansas State Bank Commissioner (KSBC).

1 4. On December 6, 2004, based on a finding that Bezuayehu had engaged in
2 unregistered MLO activity, the KSBC issued a summary order denying his application and ordering
3 him to cease and desist engaging in mortgage business.

4 5. On March 24, 2005, Bezuayehu and the KSBC entered into a Consent and
5 Settlement Agreement, in which the KSBC agreed to withdraw the December 6, 2004 summary
6 order and make a determination on Bezuayehu’s application.

7 6. On April 25, 2005, the KSBC approved Bezuayehu’s application and issued a
8 certificate of registration.

9 7. Several months later, in an order that became final on December 9, 2005, the KSBC
10 revoked Bezuayehu’s MLO registration and barred him from applying for MLO licensure or
11 registration and from associating with a mortgage business or supervised lender in Kansas. In
12 support of the revocation and bar, the KSBC found that Bezuayehu engaged in a transaction,
13 practice, or business conduct that is not in good faith in violation of Kansas Statutes Annotated
14 (K.S.A.) section 9-2212(f), by inducing the KSBC to enter into the March 2005 Consent and
15 Settlement Agreement without informing the KSBC of additional unregistered MLO activity, which
16 he engaged in with a different lender. The KSBC found the additional unregistered MLO activity to
17 be in violation of K.S.A. section 9-2203(b).

18 **2016 California Application**

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

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

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

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

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

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

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

5 . . .

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

8 (5) revoked your registration or license?

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

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

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

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

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

23 13. On February 11, 2016, the Commissioner approved Bezuayehu’s application and
24 issued an MLO license.

25 **2017 Kansas Application, Denial, and California Investigation**

26 14. On February 17, 2017, Bezuayehu applied for MLO registration with the KSBC by
27 filing a Form MU4 through NMLS.

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

1 16. On September 5, 2017, the KSBC reported through NMLS that Bezuayehu’s
2 application was denied.

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

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

14 19. On December 8, 2017, Bezuayehu filed an amended Form MU4, in which he
15 uploaded an initial order dated November 27, 2017, which was issued by the Kansas Office of
16 Administrative Hearings, and provided an explanation for question (K)(6). The November 27, 2017
17 initial order did not contain the KSBC’s findings or other information about the basis for the denial.
18 Bezuayehu did not upload the KSBC’s August 14, 2017 summary order, which contained relevant
19 details and was responsive to the Commissioner’s request. In the event explanation, Bezuayehu
20 stated that he did not know that his MLO registration had been revoked in Kansas because he never
21 received notice of the action. He explained that the KSBC may have sent notices to his old address
22 and that he had moved several times throughout the years, including out of state. He stated that in
23 2005 he went to work for Corbanc Mortgage in Kansas City, Missouri, and that the KSBC approved
24 his application while he was there.

25 20. However, the KSBC sent the 2005 orders not only to Bezuayehu’s address of record
26 in Kansas but also to Corbanc Mortgage in Kansas City, Missouri, and, after receiving a forwarding
27 notice from the United States Postal Service, to Bezuayehu’s address in Kansas City, Missouri.
28

1 Moreover, Bezuayehu requested a hearing on the KSBC’s summary order after it was sent to his
2 Kansas address.

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

5 22. On or around December 27, 2017, the KSBC’s order denying Bezuayehu’s
6 application became final.

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

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

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

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

21 **2019 Illinois Refusal to Renew**

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

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

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

9 30. The IDFPR did not allow Bezuayehu to surrender; it ordered him to surrender.

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

14 **Withheld Information and Material Misstatements**

15 32. The Commissioner may revoke an MLO license if a licensee withholds information
16 or makes a material misstatement in an application for a license or license renewal. (Fin. Code,
17 § 50513, subd. (a)(2).)

18 33. As described in paragraphs 8 to 26, Bezuayehu withheld information and made
19 material misstatements concerning the 2005 Kansas revocation and bar. In his January 13, 2016
20 application for a California MLO license, Bezuayehu answered “No” to questions (K)(1), (K)(2),
21 (K)(4), (K)(5), (K)(6), (K)(7), (K)(8), and (K)(9), although they applied to the 2005 Kansas
22 revocation and bar. Based on Bezuayehu’s disclosures, the Commissioner approved his application
23 and issued an MLO license. To date, Bezuayehu still has not changed his “No” answers to questions
24 (K)(1), (K)(2), (K)(4), (K)(7), (K)(8), and (K)(9).

25 34. As described in paragraphs 14 to 26, Bezuayehu withheld information and made
26 material misstatements concerning the 2017 Kansas denial. Bezuayehu uploaded a document that
27 disclosed the denial but did not describe the KSBC’s findings supporting the denial. And although
28 one of those findings was that Bezuayehu filed false statements, Bezuayehu did not change his

1 “No” answer to Form MU4 question (K)(1), which asked whether a regulatory agency had ever
2 found him to have made a false statement or omission.

3 35. As described in paragraphs 27 to 31, Bezuayehu withheld information and made
4 material misstatements concerning the 2019 Illinois refusal to renew. Bezuayehu failed to upload a
5 copy of the final order or other relevant records and, in describing the circumstances of the Illinois
6 action, falsely stated that he was allowed to surrender rather than ordered to surrender. Bezuayehu
7 also misrepresented the nature of the action by changing only his answer to a Form MU4 question
8 regarding termination from employment rather than to questions regarding regulatory actions.

9 36. Thus, Bezuayehu withheld information and made material misstatements in
10 applications for a license and license renewal. Under Financial Code section 50513, subdivision
11 (a)(2), the Commissioner has grounds to revoke Bezuayehu’s license.

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

13 37. The Commissioner may revoke an MLO license if a licensee fails at any time to
14 meet the requirements of section 50144. (Fin. Code, § 50513, subd. (a)(2).) Under section 50144, a
15 licensee must continue to meet the minimum standards for license issuance under section 50141.
16 (§ 50144, subd. (b)(1).) Under section 50141, a licensed MLO must demonstrate such financial
17 responsibility, character, and general fitness as to command the confidence of the community and to
18 warrant a determination that the MLO will operate honestly, fairly, and efficiently. (§ 50141, subd.
19 (a)(3).)

20 38. As described in paragraphs 3 to 7, in 2005, the state of Kansas revoked Bezuayehu’s
21 MLO registration and barred him from future application for licensure or registration and from
22 associating with a mortgage business or supervised lender in Kansas. The KSBC found that
23 Bezuayehu had engaged in conduct that was not in good faith by entering into a settlement
24 agreement with the KSBC that allowed him to obtain MLO registration, without disclosing other
25 unregistered MLO activity, which the KSBC later discovered. Despite the revocation and bar,
26 Bezuayehu applied again in 2017 without disclosing the disciplinary action.

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28 ///

1 39. As described in paragraphs 33 to 35, Bezuayehu withheld information and made
2 material misstatements in his Form MU4s concerning the 2005 Kansas revocation and bar, 2017
3 Kansas denial, and 2019 Illinois refusal to renew.

4 40. Thus, Bezuayehu has not demonstrated such financial responsibility, character, and
5 general fitness as to command the confidence of the community and to warrant a determination that
6 he will operate honestly, fairly, and efficiently as an MLO. Under Financial Code section 50513,
7 subdivision (a)(2), the Commissioner has grounds to revoke Bezuayehu’s license.

8 **Fact or Condition Warranting Denial**

9 41. The Commissioner may revoke any CRMLA license if a fact or condition exists that,
10 if it had existed at the time of the original application for the license, reasonably would have
11 warranted the Commissioner’s refusing to issue the license originally. (Fin. Code, § 50327, subd.
12 (a)(2).) A disciplinary action taken by California, another state, the federal government, or another
13 country “for any action substantially related to the activity regulated under [the CRMLA]” may be a
14 ground for disciplinary action” under the CRMLA. (§ 50316, subd. (a).) A certified copy of any
15 such disciplinary action “shall be conclusive evidence of the events related therein.” (*Ibid.*)

16 42. When Bezuayehu applied for a license in 2016, if the Commissioner had known that
17 the 2005 Kansas revocation and bar existed and that Bezuayehu failed to disclose the disciplinary
18 action on his application, such a condition would have warranted denial of the application. The
19 Commissioner also could have denied Bezuayehu’s application if the facts and conditions that arose
20 after Bezuayehu received his license—including the 2017 Kansas denial, the 2019 Illinois refusal to
21 renew, and Bezuayehu’s withholding of information and material misstatements concerning those
22 actions—had existed when Bezuayehu applied.

23 43. Thus, facts and conditions exist that, if they had existed at the time of Bezuayehu’s
24 original application for his license, reasonably would have warranted the Commissioner’s refusing
25 to issue the license originally. Under Financial Code section 50327, subdivision (a)(2), the
26 Commissioner has grounds to revoke Bezuayehu’s license.

27 44. For the foregoing reasons, the Commissioner finds that Bezuayehu withheld
28 information and made material misstatements in applications for a license and license renewal

1 within the meaning of Financial Code section 50513, subdivision (a)(2). The Commissioner also
2 finds that Bezuayehu has not demonstrated the financial responsibility, character, and general
3 fitness required under Financial Code section 50141, subdivision (a)(3). The Commissioner also
4 finds that facts and conditions exist that, if they had existed at the time of Bezuayehu’s original
5 application for his license, reasonably would have warranted the Commissioner’s refusing to issue
6 the license originally within the meaning of Financial Code section 50327, subdivision (a)(2). Such
7 findings provide grounds for revoking Bezuayehu’s mortgage loan originator license.

8 45. On June 20, 2019, the Commissioner issued a Notice of Intention to Issue Order
9 Revoking Mortgage Originator License, Accusation, and accompanying documents (Revocation
10 Action).

11 46. On June 21, 2019, the Revocation Action was served on Bezuayehu by certified mail
12 at his latest address on file.

13 47. On July 4, 2019, Bezuayehu requested a hearing on the Revocation Action.

14 48. The matter was set for a hearing at the Office of Administrative Hearings in Los
15 Angeles on March 3 and 4, 2020.

16 49. On January 21, 2020, Bezuayehu withdrew his request for a hearing, and the matter
17 was taken off calendar.

18 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered pursuant to
19 Financial Code sections 50327, subdivision (a)(2), and 50513, subdivision (a)(1) and (a)(2), that the
20 mortgage loan originator license of Noah Bezuayehu is revoked. This Order is effective
21 immediately.

22
23 Dated: February 10, 2020
24 Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

25
26 By: _____
27 MARY ANN SMITH
28 Deputy Commissioner
Enforcement Division