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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. 1864073
13)
14 THE COMMISSIONER OF BUSINESS) STATEMENT OF ISSUES
OVERSIGHT,)
15)
16 Complainant,)
v.)
17 ROLANDO L. RAMIREZ, aka RONNIE LEE)
18 ESPARZA,)
19 Respondent.)
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 Rolando L.
24 Ramirez, aka Ronnie Lee Esparza (Ramirez) as follows:

25 I.

26 **Jurisdiction**

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

1 engaged in the business of making or brokering residential mortgage loans, including mortgage loan
2 originators, under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.).

3 2. Respondent Ramirez applied for a mortgage loan originator (MLO) license with the
4 Commissioner.

5 3. Under the provisions of Financial Code sections 22109.1 and 22172 of the CFL, the
6 Commissioner brings this action to deny Ramirez’ MLO license application because he has had a
7 history of disciplinary issues before the California Department of Real Estate (DRE) and Ramirez is
8 subject to a final judgment and permanent injunction for real estate fraud.

9 **II.**

10 **Statement of Facts**

11 *DRE Restricted License*

12 4. On September 15, 2005, Ramirez applied for a real estate salesperson’s license with
13 the DRE.

14 5. In his application, Ramirez was prompted to answer a question, which asked “Have
15 you ever been convicted of any violation of law? If yes, complete [question] #27 below.” Ramirez
16 failed to answer.

17 6. But Ramirez had several convictions of violations of law, including two DUI
18 convictions that occurred in 1998 and 2003.

19 7. On July 14, 2006, DRE issued and filed a statement of issues to deny Ramirez’s real
20 estate salesperson’s license application based on Ramirez’s failure to disclose his prior criminal
21 convictions. The real estate commissioner concluded Ramirez’ failure to disclose his convictions in
22 the application constituted “the attempt to procure a real estate license by fraud, misrepresentation, or
23 deceit, or by making a material misstatement of fact[.]”

24 8. Ramirez entered into a stipulation and waiver with the DRE on July 31, 2006. Under
25 the stipulation and waiver, Ramirez admitted the allegations contained in the DRE’s statement of
26 issues and further agreed to receive a restricted real estate salesperson’s license for a period of two
27 years.

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1 *Civil Final Judgment and Permanent Injunction*

2 9. On October 31, 2008, the Monterey County District Attorney filed a civil complaint
3 against Ramirez for injunction, civil penalties, and equitable relief for illegal business practices
4 (Monterey County Superior Court, case number M94799).

5 10. The district attorney alleged that in connection with a mortgage loan brokerage
6 business, Ramirez (1) made false or misleading representations with the intent to induce members of
7 the public to enter into obligations relating to Ramirez' employer's loan broker services, and (2)
8 engaged in unlawful, fraudulent, or unfair acts or practices constituting unfair competition.

9 11. On March 12, 2010, a final judgment and permanent injunction was filed under a
10 stipulated settlement. As part of that settlement, Ramirez admitted the following facts:

11 a. He was an employee and manager for Ed Veronick Mortgage Loans, Inc.
12 (EVML) (then a DRE-licensed broker corporation) between June 1, 2004 and June 1, 2007, during
13 which time he marketed and advertised himself as an officer and licensed agent for "Veronick Home
14 Loans," a satellite office for EVML located at 130 West Gabilan Street in Salinas, California;

15 b. Prior to obtaining a restricted real estate license from the DRE on September 1,
16 2006, Ramirez marketed himself as a licensed real estate agent and corporate officer for EVML using
17 the California real estate license #01036776 (the corporate license number of EVML);

18 c. Between June 1, 2004 and June 1, 2007, Ramirez supervised and oversaw the
19 activities of employees, including unlicensed loan processors, in the EVML Salinas branch office;

20 d. Prior to receiving his restricted salesperson's license #01710369 from the DRE
21 on or about September 1, 2006, Ramirez was compensated by EVML in the form of commission
22 splits on loans that he had solicited, negotiated, or closed, despite the fact that he was not a licensed
23 real estate agent;

24 e. Prior to September 1, 2006, and while acting as an employee of EVML,
25 Ramirez solicited, negotiated, and closed approximately 80 real estate loans for which he was
26 compensated by shares of the commissions on those loans from EVML;

27 f. Between September 1, 2006 and June 1, 2007, when he ceased employment
28 with EVML, and while acting as EVML's branch manager and within the course and scope of his

1 real estate salesperson's license #0170369, Ramirez, and with the intent to defraud clients of EVML,
2 did the following:

3 i. hired, supervised, and paid unlicensed personnel, including loan
4 processors, to engage in services or actions requiring a real estate agent's license, including activities
5 such as soliciting, originating, negotiating, or brokering real estate loans from which he and his
6 employer earned loan commissions and profits;

7 ii. paid or shared loan commissions to unlicensed personnel, including
8 loan processors, for real estate loans which they solicited, originated, negotiated, or brokered in
9 violation of Business & Professions Code section 10137;

10 iii. created and disseminated Hispanic marketing and advertising regarding
11 real estate loans and services offered by EVML and solicited, negotiated, and brokered real estate
12 loans with persons whose primary language was Spanish and failed to deliver to such borrowers,
13 prior to the execution of promissory notes, a written Spanish language translation of the mortgage
14 loan disclosure statement in violation of Business & Professions Code section 10241 and Civil Code
15 section 1632(b)(4).

16 12. In the civil judgment, the court found that Ramirez' admissions "constitute *acts of*
17 *fraud* in violation of Business & Professions Code section 10176 subdivision (j) with respect to any
18 real estate loans closed by [Ramirez] or EVML during the time period of September 1, 2006 through
19 June 1, 2007." (emphasis added.)

20 13. The permanent injunction enjoined Ramirez from performing the acts alleged in the
21 complaint, and he was ordered to pay civil penalties. Ramirez also agreed to surrender his real estate
22 license to the DRE.

23 *DRE License Surrender*

24 14. On April 22, 2010, the real estate commissioner filed an accusation that sought to
25 revoke Ramirez' real estate salesperson's license.

26 15. As a result of the entry of the final judgment and permanent injunction and the DRE's
27 April 22 accusation, Ramirez voluntarily surrendered his DRE-issued real estate salesperson's license
28 on September 15, 2010.

1 *2020 California Application*

2 16. In order to become licensed by the Commissioner as an MLO, an individual must
3 submit a uniform application form (known as the MU4) through the Nationwide Mortgage Licensing
4 System and Registry (the NMLS).

5 17. On October 24, 2019, Ramirez applied for an MLO license by filing a MU4 through
6 the NMLS. Ramirez’s application was sponsored by OnY Glo, Inc. (OIG), a residential mortgage
7 lender licensed under the CFL.

8 18. OIG withdrew its sponsorship of Ramirez’ application on April 24, 2020.

9 19. Ramirez’ application is currently sponsored by Bay-Valley Mortgage Group, a
10 residential mortgage lender licensed under the CFL.

11 **III.**

12 **Failure to Meet Minimum Criteria for License**

13 20. The Commissioner must deny an MLO license if the licensee fails to meet the
14 minimum criteria for licensure, which includes a requirement that the applicant has demonstrated
15 such financial responsibility, character, and general fitness as to command the confidence of the
16 community and to warrant a determination that the mortgage loan originator will operate honestly,
17 fairly, and efficiently within the purposes of this division. (Fin. Code, § 22109.1, subdivision (a)(3).)

18 21. As described in paragraphs 4. through 8., above, Ramirez made material
19 misstatements in his initial real estate salesperson’s license application, and he stipulated to the
20 issuance of a restricted license by the DRE.

21 22. As described in paragraphs 9.-13., above, on March 12, 2010, Ramirez was found to
22 have committed real estate fraud and he is subject to a final judgment and permanent injunction
23 entered in Monterey County Superior Court.

24 23. As described in paragraphs 14.-15., above, On September 15, 2010, Ramirez
25 surrendered his real estate salesperson’s license to the DRE based on the final judgment and
26 permanent injunction filed against him Monterey Superior Court under the stipulated settlement.

27 24. Thus, Ramirez does not meet the minimum criteria for licensure under the CFL, and
28 his application must be denied.

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IV.

Applicable Statutes

25. Financial Code section 22109.1 provides in pertinent part:

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

. . .

(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. (emphasis added.)

26. Financial Code section 22172 provides in pertinent part:

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

. . .

(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 22109.1[.]

V.

Prayer

For the reasons set forth above, the Commissioner finds that Ramirez does not meet the minimum requirements for the issuance of an MLO license as provided by Financial Code section 22109.1, subdivision (a)(3) when (1) Ramirez made material misstatements in his initial real estate salesperson’s application filed with the DRE; (2) the court issued a final judgment and permanent injunction against Ramirez for real estate fraud; and (3) Ramirez was required to surrender his DRE-issued real estate salesperson’s license to the real estate commissioner. Under Financial Code section 22172, subdivision (a)(2) the Commissioner shall deny Ramirez’s MLO application pursuant to Financial Code section 22109, subdivision (a)(3).

Accordingly, the Commissioner has grounds for denying Ramirez’ MLO license application.

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WHEREFORE IT IS PRAYED that the MLO license application filed by Rolando L. Ramirez, aka Ronnie Lee Esparza be denied.

Dated: July 14, 2020
Los Angeles, California

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By: _____
Blaine A. Noblett
Senior Counsel
Enforcement Division