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

10  
11 In the Matter of: )  
 )  
12 THE COMMISSIONER OF BUSINESS ) NMLS No.: 1119649  
13 OVERSIGHT, )  
 ) SPONSOR FILE No.: 60DBO-44713  
14 Complainant, )  
 ) STATEMENT OF ISSUES  
15 v. )  
 )  
16 ALIN MANUEL YBARRA, )  
 )  
17 Respondent. )  
18 )  
19 )

20 The Commissioner of Business Oversight (Commissioner) is informed and believes, and  
21 based upon such information and belief, alleges and charges Respondent Alin Manuel Ybarra  
22 (Ybarra) as follows:

23 **I.**

24 **Introduction**

25 1. The proposed order seeks to deny the issuance of a mortgage loan originator license  
26 to Ybarra pursuant to Financial Code section 22109.1 in that Ybarra has failed to demonstrate such  
27 financial responsibility, character, and general fitness as to command the confidence of the  
28 community and to warrant a determination that he will operate honestly, fairly, and efficiently.

**II.****The Application**

2. On or about February 13, 2020, Ybarra filed an application for a mortgage loan originator license with the Commissioner pursuant to the California Financing Law (CFL) (Fin. Code § 22000 *et. seq.*), in particular, Financial Code section 22105.1. The application was for employment or working on behalf of Sign on the Line, Inc. (SOTL), which has its principal place of business located at 100 Spectrum Center Drive, Suite 520, Irvine, California 92618. SOTL is licensed by the Commissioner as a lender and broker under the CFL. The application was submitted to the Commissioner by filing Form MU4 through the Nationwide Mortgage Licensing System (NMLS). Ybarra signed the Form MU4 attesting that the answers were true and complete to the best of his knowledge.

3. Form MU4 at Question (D) asks: “Do you have any unsatisfied judgments or liens against you?” Ybarra answered yes to this question.

4. Form MU4 at Questions (K) (5) and (7) asks: “Has any State or federal regulatory agency or foreign financial regulatory agency or self-regulatory organization (SRO) ever: (5) revoked your registration or license?” and “(7) barred you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business? Ybarra answered yes to both questions.

5. Form MU4 at Question (M) asks: “Based on activities that occurred while you exercised control over an organization, has any State or federal regulatory agency or foreign financial regulatory authority or self-regulatory organization (SRO) ever taken any of the actions listed in (K) through (L) above against any organization?” Ybarra answered yes to this question.

**III.****Unsatisfied Judgments or Liens**

6. The explanation provided by Ybarra in his February 13, 2020 application and the document uploaded by Ybarra on March 13, 2020 regarding MU4 Question (D) disclosed that Ybarra had a state tax lien he has been paying since August 2015. Ybarra gave no indication as to when the tax lien would be paid in full or how much remained due and owing.

**IV.****Administrative Action(s)**

7. On or about March 26, 2018, the State of Washington Department of Financial Institutions (Washington DFI) issued a Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist against Ybarra and his company Coast 2 Coast Home Services, Inc. (Coast 2 Coast) for unlicensed activities, misrepresentations, false statements to Washington DFI, and failure to comply with Washington DFI's investigative authority. This action culminated in a Consent Order entered into between Ybarra, Coast 2 Coast and Washington DFI on April 9, 2019, which was later amended on July 2, 2019 (Consent Order). The Consent Order prohibited Ybarra and Coast 2 Coast from participating, in any capacity, in mortgage brokering and from applying for any license under any name for a period of 5 years. Ybarra was further ordered to pay \$144,000.00 in fines (\$134,000.00 stayed if full compliance with the Consent Order), \$74,650.85 in restitution to the Washington consumers, and \$2,150.40 for investigation fees.

**V.****Material Omissions**

8. MLO applicants are required to give detailed explanations for every disclosure question answered in the affirmative and submit supporting documentation. Ybarra's detailed explanation regarding his affirmative responses to Form MU4 questions (K) (5) and (7) and (M) and the Washington Consent Order failed to include any discussion regarding the misrepresentations, false statements to Washington DFI, and failure to comply with Washington DFI's investigative authority. Additionally, Ybarra did not submit any documentation with his explanation regarding the Washington Consent Order.

9. Ybarra has submitted 5 amended MU4's to the Commissioner since February 13, 2020 and not one of these submissions fully discloses the detailed information and allegations that resulted in the Washington Consent Order.

**VI.****Licensing Requirements**

10. Financial Code section 22109.1 provides in relevant part:

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

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(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.

11. California Code of Regulations, title 10, section 1422.6.2 provides in relevant part:

(a) The Commissioner's finding required by Section 22109.1(c) of the California Finance Lenders Law relates to any matter, personal or professional, that may impact upon an applicant's propensity to operate honestly, fairly, and efficiently when engaging in the role of a mortgage loan originator.

...

(c) An applicant may be precluded from obtaining a mortgage loan originator license where his or her personal history includes:

(1) Any liens or judgments for fraud, misrepresentation, dishonest dealing, and/or mishandling of trust funds, or

(2) Other liens, judgments, or financial or professional conditions that indicate a pattern of dishonesty on the part of the applicant.

**VII.**

**Conclusion**

Complainant finds, by reason of the foregoing, that:

(1) In or about August 2015, Ybarra entered into an agreement with the California Franchise Tax Board to make monthly payments on a state tax lien that has yet to be paid in full;

(2) On or about April 9, 2019, Ybarra and his company Coast 2 Coast entered into a Consent Order (later amended on July 2, 2019) with Washington DFI in which Ybarra and Coast 2 Coast were prohibited from participating, in any capacity, in mortgage brokering and from applying for any license under any name for a period of 5 years and ordered to pay (i) \$144,000.00 in fines; (ii) 74,650.85 in restitution; and (iii) \$2,150.40 for investigation fees as a result of unlicensed activities, misrepresentations, false statements to Washington DFI, and failure to comply with Washington DFI's investigative authority;

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(3) Ybarra has omitted material information from his MLO application regarding the Washington Consent Order; and as a result of the above,

(4) Ybarra has failed to demonstrate the financial responsibility, character and fitness required of a mortgage loan originator under the California Financing Law.

THEREFORE, the Commissioner asserts that he is mandated under Financial Code section 22109.1 to deny the mortgage loan originator application of Alin Manuel Ybarra.

**VII.**

**Prayer**

WHEREFORE IT IS PRAYED that the mortgage loan originator application filed by Alin Manuel Ybarra on February 13, 2020 be denied.

Dated: July 2, 2020  
Los Angeles, CA

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

By \_\_\_\_\_  
Judy L. Hartley  
Senior Counsel