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8 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
9 OF THE STATE OF CALIFORNIA

11	In the Matter of:)	NMLS No.: 217948
12)	
13	THE COMMISSIONER OF FINANCIAL)	MLO License No.: 60DBO93110
14	PROTECTION AND INNOVATION,)	
15)	
16	Complainant,)	ORDER REVOKING MORTGAGE LOAN
17)	ORIGINATOR LICENSE
18	v.)	
19)	
20	ROBERT MARK RACUSEN,)	
21)	
22	Respondent.)	
23)	

20 The Commissioner of Financial Protection and Innovation (Commissioner) finds:

21 1. On February 11, 2020, Robert Mark Racusen (Racusen) filed a Form MU4
22 (Application) through NMLS for an MLO license with the Commissioner pursuant to Financial
23 Code section 22105.1.

24 2. In submitting his Application, Racusen was required to sign an oath and attestation
25 agreeing “to keep the information contained in this [Application] form current and to file accurate
26 supplementary information on a timely basis . . .”

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1 3. In his Application, Racusen answered “No” to Regulatory Action Disclosure
2 Questions K (2) and (4-9) which ask, in pertinent part: Has any State or federal regulatory agency or
3 foreign financial regulatory authority or self-regulatory agency (SRO) ever:

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

6 . . .

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

9 (5) revoked your registration or license?

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

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

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

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

22 4. Based on the information provided in his Application and his agreement to keep the
23 information current or to supplement, the Commissioner issued Racusen an MLO license on
24 March 11, 2020.

25 5. On or around April 21, 2020, the Commissioner received a notification from NMLS
26 that the State of Idaho issued an administrative action against Racusen.

27 6. On April 21, 2020, the Department created a license item in NMLS and notified him
28 to update his Application to address the Idaho action, the revocation of a state securities registration,
and a bar from associating with any National Association of Securities Dealers (NASD) member
entity. The Department instructed Racusen to provide a detailed explanation of the circumstances
and to upload any applicable supporting documentation.

1 7. Racusen filed several amended applications on NMLS. On April 21, 2020, Racusen
2 filed his Seventh Amended Application where he answered “Yes” to Regulatory Disclosure
3 Question K(6) that asked whether any state, federal, foreign financial regulatory authority, or self-
4 regulatory organization has denied or suspended his registration or license, disciplined, or issue an
5 order restricting his association or his activities with a financial services-related business. Racusen
6 provided the following event explanation:

7 Back in 2002 I was licensed as a Stockbroker, I have since surrendered
8 my license due to an erroneous customer complaint. That was over 15
9 years ago. The State of Idaho, Finance dept requested more
10 information on this issue as to why I withdrew my license. I am
11 currently awaiting the official denial letter to be received from the
12 state.

13 8. On April 22, 2020, Racusen filed his Ninth Amended Application on NMLS where
14 he uploaded from the State of Idaho an Order Denying Loan Mortgage Loan Originator License
15 Application effective April 20, 2020 (Idaho Denial Order).

16 9. The Idaho Denial Order determined that Racusen made material misstatements in his
17 MLO application by responding “no” to Regulatory Disclosure Questions K (2) and (4-9). The State
18 of Idaho also found that Racusen failed to disclose the following regulatory actions:

19 a. National Association of Securities Dealers (NASD)¹ Letter of Acceptance,
20 Waiver, and Consent to Suspension effective on or around October 17, 2004, Robert M. Racusen
21 Central Registration Depository (CRD) No. 1601853, Case No. C8A040089 (NASD Consent to
22 Suspension);

23 b. Illinois Secretary of State Securities Department, Consent Order of
24 Revocation entered May 19, 2005, File No. 04400778, Robert M. Racusen CRD No. 1601853,
25 Revocation of Illinois Registration as a Salesperson Effective August 11, 2004 (Illinois Revocation
26 Order);

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28 ¹ In July 2007, the U.S. Securities and Exchange Commission approved the formation of a new self-regulating organization to be a successor to National Association of Securities Dealers (NASD). The NASD and the member regulation, enforcement and arbitration functions of the New York Stock Exchange were then consolidated into the Financial Industry Regulatory Authority (FINRA).

1 c. NASD Letter of Acceptance, Waiver and Consent Disbarment dated October
2 12, 2005, Robert M. Racusen CRD No. 1601853, Case No. EA20004089001, Consent to Bar from
3 Association with Any NASD Member in Any Capacity (NASD Consent to Disbarment); and

4 d. State of Indiana Office of the Secretary of State Securities Division, *In the*
5 *Matter of Robert Mark Racusen*, Case No. 99-147 OP, Order of Restrictive Agreement filed on June
6 9, 1999 (Indiana Restrictive Order and Agreement).

7 10. On April 20, 2020, the State of Idaho denied an MLO license to Racusen finding that
8 he lacked the character and fitness sufficient to command the confidence of the community and to
9 warrant a determination that Racusen will operate honestly, fairly, and efficiently within the
10 purposes of the Idaho Residential Mortgage Practice Act.

11 11. On June 3, 2020, Racusen filed his Twelfth Amended Application on NMLS, where
12 he changed his response from “no” to “yes” for Regulatory Disclosure Question K(9) which asked
13 whether any state, federal, foreign-financial, or self-regulatory organization has ever entered an
14 order against Racusen in connection with any license or registration.

15 12. Racusen provided the following explanation for ID NASD/FINRA:

16 Please be advised over 17 years ago, I was issued a revocation of a
17 state securities registration and a bar from association with any NASD
18 member entity. I do not have any documentation for this matter as it
19 was over 10 years ago. Since this was not NMLS related, I have
20 previously answered no this question. As requested by CA-DBO i am
21 marking this answer as Yes.

22 13. The factual findings from the Idaho Denial Order and Racusen’s Twelfth Amended
23 Application contradict his “no” responses to Disclosure Questions K (2) and (4-9) of his original
24 Application filed with the Commissioner on February 11, 2020.

25 14. On October 20, 2020, the Commissioner issued an Accusation in Support of Order
26 Revoking Mortgage Loan Originator License of Robert Mark Racusen Pursuant to Financial Code
27 sections 22109.1, 22172, 50327, 50141, 50513, and California Code of Regulations, title 10, section
28 1422.6.2, and Notice of Intention to Issue Order Revoking Mortgage Loan Originator License
(collectively Accusation) with accompanying documents against Racusen.

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15. On October 22, 2020, the Commissioner served Racusen with the Accusation and accompanying documents via certified mail return receipt at his licensed location on file with the Commissioner. On October 23, 2020, the Commissioner personally served Racusen with those documents.

16. The Commissioner received no request for a hearing from Racusen, and the time to request a hearing has expired.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the mortgage loan originator license issued by the Commissioner to Robert Mark Racusen is revoked. This order is effective as of the date hereof.

Dated: December 15, 2020

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

By _____

MARY ANN SMITH
Deputy Commissioner
Enforcement Division