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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) NMLS LICENSE NO. 398551
13)
14 THE COMMISSIONER OF FINANCIAL) ORDER REVOKING MORTGAGE LOAN
PROTECTION AND INNOVATION,) ORIGINATOR LICENSE
15)
16 Complainant,)
17 v.)
18 JACK GRANT SMITH,)
19 Respondent.)
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23)

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25 A. The Commissioner of Financial Protection and Innovation (formerly, Commissioner
26 of Business Oversight) (Commissioner) has jurisdiction over the licensing and regulation of persons
27 engaged in the business of making, servicing, or brokering residential mortgage loans, including
28 mortgage loan originators (MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, §

1 22000 et seq.) and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000
2 et seq.).

3 B. On June 20, 2019, Smith applied for a MLO license with the Commissioner.

4 C. The Commissioner sought to deny Smith's MLO license application under the
5 provisions of Financial Code section 22109.1 of the CFL and Financial Code sections 50141 and
6 50513 of the CRMLA, because (1) Smith was not employed by, and subject to the supervision of, a
7 CFL or CRMLA-licensed lender, servicer, or broker, and therefore did not meet the minimum criteria
8 to receive a MLO license; (2) Smith withheld information and made material misstatements in his
9 application for a license; and (3) Smith had not demonstrated such financial responsibility, character,
10 and general fitness as to command the confidence of the community and to warrant a determination
11 that he will operate honestly, fairly, and efficiently as a MLO.

12 D. On March 17, 2020, the Commissioner issued Smith his Notice of Intention to deny
13 Smith's MLO application, Statement of Issues, and other supporting pleadings (collectively,
14 Statement of Issues).

15 E. Under Government Code section 11506, Smith timely filed his Notice of Defense
16 with the Commissioner on April 7 for the purpose of requesting an administrative hearing on the
17 allegations set forth in the Statement of Issues. The administrative hearing was set to begin trial
18 before the Office of Administrative Hearings (OAH) on August 24, 2020, OAH case number
19 2020040509.

20 F. On June 11, 2020, the Commissioner and Smith entered into a settlement agreement.
21 Under the parties' agreement, the Commissioner granted Smith a MLO license subject to certain
22 conditions. One of the conditions the Commissioner imposed on Smith's license, set forth in
23 paragraph 6. of the parties' agreement, was that Smith take at least 16 hours of continuing education
24 each year for a period of 36 months and provide the Commissioner with proof of compliance each
25 year. The first report demonstrating Smith's compliance with the continuing education requirement
26 was due by December 31, 2020.

27 G. As of December 31, Smith failed to provide the Commissioner with proof of
28 compliance showing that he had completed the 16 hours of continuing education.

1 H. On December 31, enforcement counsel wrote to Smith by email, at Smith’s email
2 address of record, reminding him of his obligation to complete the 16 hours of continuing education
3 and provide the Commissioner with his proof of compliance. No response to counsel’s reminder
4 email was received from Smith.

5 I. On January 5, 2021, enforcement counsel sent Smith a written 10-day demand by
6 certified mail. The demand required Smith provide proof of compliance of his completion of the 16
7 hours of continuing education within ten days, and further warned Smith that should he fail to
8 comply with the demand, the Commissioner would revoke Smith’s MLO license.

9 J. Smith failed to respond to the Commissioner’s 10-day demand.

10 K. Under paragraph 7., of the June 11 settlement agreement, Smith agreed that his
11 license could be revoked without further notice to him should he fail to satisfy the continuing
12 education requirement under paragraph 6. and Smith waived his right to contest such a revocation,
13 should the Commissioner find Smith in breach of the agreement.

14 L. The Commissioner finds Smith failed to satisfy the continuing education requirement
15 under the June 11 settlement agreement and Smith is now in breach of the agreement, which gives
16 the Commissioner cause to revoke Smith’s MLO license.

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NOW GOOD CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED that the MLO license of Jack Grant Smith is revoked. This order is effective immediately.

MANUEL P. ALVAREZ
Commissioner of Financial Protection and
Innovation

Dated: January 20, 2021
Los Angeles, California

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

