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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.: 1005201  
13 )  
14 THE COMMISSIONER OF FINANCIAL ) ACCUSATION  
PROTECTION AND INNOVATION, )  
15 )  
Complainant, )  
16 )  
v. )  
17 )  
18 GEORGE T. HAWATMEH, )  
Respondent. )  
19 )  
20 )

21 Manuel P. Alvarez, the Commissioner of Financial Protection and Innovation  
22 (Commissioner), is informed and believes, and based on such information and belief, alleges and  
23 charges Respondent George T. Hawatmeh (Hawatmeh) as follows.

24 **I.**

25 **Jurisdiction**

26 1. The 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, under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.).

1 The Commissioner is authorized to administer the CFL and the rules and regulations promulgated in  
2 title 10 of the California Code of Regulations (CCR).

3 2. Respondent Hawatmeh applied for and obtained a mortgage loan originator (MLO)  
4 license with the Commissioner. Hawatmeh first received his MLO license from the Commissioner on  
5 May 5, 2019.

6 3. Hawatmeh is presently employed and sponsored by Best Finance Capital, Inc., a CFL-  
7 licensed lender.

8 4. In 2020, Hawatmeh failed to renew his MLO license issued by the Commissioner and  
9 the license lapsed as of January 1, 2021. While Hawatmeh's MLO license has now lapsed, Hawatmeh  
10 has until March 1 to renew his license before his licensing rights permanently expire. (See CCR, §§  
11 1422.6.3, subd. (a) and 1422.11, subd. (c).)

12 5. The Commissioner has continuous authority to exercise the powers set forth in the  
13 CFL over persons subject to the CFL, including MLOs, whether or not any license has been issued,  
14 or if issued, has been surrendered, suspended, or revoked. (Fin. Code, § 22705.)

15 6. After having granted Hawatmeh the MLO license, the Commissioner subsequently  
16 learned that Hawatmeh had made a material misstatement in his initial MU4 license application filed  
17 with the Commissioner. A further review of Hawatmeh's background disclosed that Hawatmeh does  
18 not meet the financial responsibility, character, and general fitness requirements of a MLO licensed  
19 under the CFL.

20 7. Under the provisions of Financial Code sections 22109.1, 22172, and CCR section  
21 1422.6.2 of the CFL, the Commissioner brings this action to revoke Hawatmeh's MLO license  
22 because (1) Hawatmeh withheld information and made material misstatements in his application for a  
23 license and (2) Hawatmeh has not demonstrated such financial responsibility, character, and general  
24 fitness as to command the confidence of the community and to warrant a determination that he will  
25 operate honestly, fairly, and efficiently as a MLO when Hawatmeh has twice filed for bankruptcy  
26 protection; was the subject of a civil judgment for fraud; was the subject of federal and state tax liens;  
27 and was the subject of a desist and refrain order issued by the Commissioner based on Hawatmeh's  
28 unlicensed mortgage broker activity.

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**II.**

**Statement of Facts**

*2008 Bankruptcy*

8. Hawatmeh filed for Chapter 7 bankruptcy protection on December 3, 2008 (in the United States Bankruptcy Court for the Central District of California, case number 1:08-bk-19759-MT). On April 9, 2009, the bankruptcy court dismissed Hawatmeh’s bankruptcy case for a failure to file information.

*2010 Civil Fraud Judgment*

9. On or about June 11, 2010, in the Superior Court of Los Angeles County, plaintiffs Christopher and Monica Albert obtained a civil fraud judgment against Hawatmeh in the amount of \$222,652.61. The court awarded the Alberts damages and interest when it concluded Hawatmeh had defrauded the couple in the parties’ real estate transaction.

10. The bankruptcy court later discharged the Alberts’ civil fraud judgment in Hawatmeh’s 2013 Chapter 7 bankruptcy case.

*2012 License Revocation of LRP Capital Corp.*

11. LRP Capital Corp. (LRP) was a California corporation formed on or about November 29, 2004. LRP had its principal place of business located at 21600 Oxnard Street, Suite 1700, Woodland Hills, California.

12. Hawatmeh was LRP’s CEO, secretary, and director, according to LRP’s Statements of Information filed with the California Secretary of State.

13. Beginning on May 19, 2005, LRP held a real estate corporation license with the California Department of Real Estate (DRE).

14. The DRE revoked LRP’s real estate corporation license on February 17, 2012, when it determined that LRP had entered into an advance-fee loan modification agreement with at least one borrower (a husband and wife). In its revocation order, the DRE concluded that LRP had relied upon unlicensed individuals to negotiate loan terms on behalf of the borrowers; failed to submit the advance fee agreement to the DRE commissioner before using it, in violation of the Real Estate Law; and made a substantial misrepresentation and false promises of a character likely to induce.

1           15.     The DRE’s order revoking LRP’s license is final.

2     *Federal Tax Liens*

3           16.     On or about November 12, 2012, the IRS recorded a federal tax lien against  
4     Hawatmeh in the amount of \$583,914.00. The bankruptcy court discharged Hawatmeh’s federal tax  
5     lien in Hawatmeh’s 2013 Chapter 7 bankruptcy case.

6           17.     On June 21, 2019, the IRS recorded a federal tax lien against Hawatmeh in the amount  
7     of \$67,820.00.

8           18.     On January 22, 2021, the IRS recorded a federal tax lien against Hawatmeh in the  
9     amount of \$46,532.00.

10    *State Tax Liens*

11          19.     On May 20, 2013, the state of California recorded a state tax lien against Hawatmeh in  
12    the amount of \$20,712.00. The bankruptcy court discharged Hawatmeh’s state tax lien in  
13    Hawatmeh’s 2013 Chapter 7 bankruptcy case.

14          20.     On October 24, 2016, the state of California recorded a state lien against Hawatmeh in  
15    the amount of \$4,690.00.

16    *2013 Bankruptcy*

17          21.     On November 7, 2013, Hawatmeh again applied for Chapter 7 bankruptcy protection  
18    before the United States Bankruptcy Court for the Central District of California (case number 1:13-  
19    bk-1705-AA). The court discharged Hawatmeh’s debts on February 18, 2014, including the Alberts’  
20    civil fraud judgment and several of Hawatmeh’s federal and state tax liens.

21    *2016 Desist and Refrain Order*

22          22.     On May 27, 2016, the Commissioner issued a desist and refrain order to Hawatmeh  
23    based upon Hawatmeh’s unlicensed residential mortgage lending activity in violation of the  
24    California Residential Mortgage Lending Act (CRMLA) (Fin Code, §50000 et seq.). That order is  
25    now final.

26    *2019 MLO License Application*

27          23.     In order to become licensed by the Commissioner as a MLO, an individual must  
28    submit a uniform application form (known as the MU4) through the Nationwide Mortgage Licensing

1 System and Registry (the NMLS).

2 24. On January 15, 2019, Hawatmeh applied for a MLO license by filing a Form MU4  
3 through the NMLS.

4 25. When Hawatmeh applied for his license, Hawatmeh failed to correctly answer one of  
5 the questions posed, which asked Hawatmeh about the revocation of LRP's real estate corporation  
6 license by the DRE.

7 26. Specifically, Hawatmeh answered "No" to question (M), which asked:

8 Based upon activities that occurred while you exercised control over an  
9 organization, has any State or federal regulatory agency or foreign  
10 financial regulatory authority or self-regulatory organization (SRO)  
11 ever taken any of the actions listed in (K) through (L) above against  
12 any organization?

13 27. But Form MU4 question (K) asked in relevant part:

14 Has any . . . SRO ever:

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

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

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

21 (5) revoked your registration or license?

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

25 28. As described in paragraphs 11 through 15, above, the DRE revoked LRP's real estate  
26 corporation license while Hawatmeh exercised control over the organization as LRP's CEO,  
27 secretary, and director. The DRE had cause to revoke LRP's license when LRP entered into an  
28

1 advance-fee loan modification agreement with at least one borrower and where LRP relied upon  
2 unlicensed persons to negotiate loan terms on behalf of borrowers; LRP failed to submit the advance  
3 fee loan modification agreement to the DRE commissioner before using it; and LRP made a  
4 substantial misrepresentation and false promises of a character likely to induce, in violation of the  
5 Real Estate Law. Hawatmeh should have responded “Yes” to question (M) of his MU4.

### 6 III.

#### 7 **Withheld Information and Material Misstatements**

8 29. The Commissioner may revoke a MLO license if a licensee withholds information or  
9 makes a material misstatement in an application for a license or license renewal. (Fin. Code, § 22172,  
10 subd. (a)(2).)

11 30. As described above in paragraphs 23 through 28, Hawatmeh withheld information or  
12 made material misstatements in his application concerning LRP by failing to provide an accurate  
13 response to MU4 question (M). Hawatmeh should have answered “Yes” to disclosure question (M),  
14 as a company over which he exercised control was subject to a final order for violations of financial  
15 services-related business regulations or statutes in connection with a financial services-related  
16 activity, and those regulations or statutes prohibited fraudulent conduct and the violations resulted in  
17 the revocation of LRP’s license.

### 18 IV.

#### 19 **Financial Responsibility, Character, and General Fitness**

20 31. The Commissioner may revoke a MLO license if a licensee fails at any time to  
21 demonstrate such financial responsibility, character, and general fitness as to command the  
22 confidence of the community and to warrant a determination that the MLO will operate honestly,  
23 fairly, and efficiently. (Fin. Code, §22172, subd. (a)(2) and Fin. Code, §§ 22109.1, subd. (a)(3); see  
24 also CCR section 1422.6.2, subd. (c)(1)-(2).)

25 32. As described in paragraph 8, Hawatmeh filed for bankruptcy protection on December  
26 3, 2008.

27 33. As described in paragraphs 9 through 10, Hawatmeh was the subject of a civil fraud  
28 judgment in the amount of \$222,652.61.

1 34. As described in paragraphs 11 through 15, a corporation over which Hawatmeh  
2 exercised control had its real estate corporation license revoked by the DRE for violations of the Real  
3 Estate Law.

4 35. As described in paragraphs 16 through 18, Hawatmeh was and is the subject of federal  
5 tax liens.

6 36. As described in paragraphs 19 through 20, Hawatmeh was and is the subject of state  
7 tax liens.

8 37. As described in paragraph 21, Hawatmeh filed for Chapter 7 bankruptcy protection on  
9 November 7, 2013.

10 38. As described in paragraph 22, Hawatmeh was the subject of a 2016 desist and refrain  
11 order for unlicensed residential mortgage lending activity.

12 39. As described in paragraphs 23 through 28, Hawatmeh withheld information and made  
13 material misstatements in his MU4 concerning the DRE’s revocation of LRP’s real estate corporation  
14 license. Specifically, Hawatmeh should have answered “Yes” to disclosure question (M), as the  
15 company over which he exercised control as CEO was the subject of a final order for violations of  
16 financial services-related business regulations or statutes in connection with a financial services-  
17 related activity, and those regulations or statutes prohibited fraudulent conduct and the violations  
18 resulted in the revocation of LRP’s license.

19 40. Thus, Hawatmeh fails to demonstrate such financial responsibility, character, and  
20 general fitness as to command the confidence of the community and to warrant a determination that  
21 he will operate honestly, fairly, and efficiently as a MLO. Under Financial Code sections 22172,  
22 subdivision (a)(2), 22109.1, subdivision (a)(3), and CCR section 1422.6.2, subdivisions (c)(1) and  
23 (2), Hawatmeh’s MLO license must be revoked.

24 **V.**

25 **Applicable Statutes**

26 41. Financial Code section 22109.1 provides in pertinent part:

27 (a) The commissioner shall deny an application for a mortgage loan  
28 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[.]

42. 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 or 22109.4, or withholds information or makes a material misstatement in an application for a license or license renewal.

43. CCR section 1422.6.2 provides in pertinent part:

(a) The Commissioner’s finding required by Section 22109.1[(a)(3)] of the [CFL] 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.

**VI.**

**Prayer**

For the reasons set forth above and under Financial Code section 22172, subdivision (a)(2), the Commissioner finds that Hawatmeh withheld information or made a material misstatement in his MLO license application and Hawatmeh has not demonstrated the financial responsibility, character, and general fitness required under Financial Code section 22109.1, subdivision (a)(3) and CCR



1 section 1422.6.2, subdivisions (c)(1) and (2) of the CFL.

2 Accordingly, the Commissioner has grounds to revoke Hawatmeh's MLO license.

3 WHEREFORE IT IS PRAYED that Hawatmeh's MLO license be revoked.

4 Dated: February 26, 2021  
5 Los Angeles, California

MANUEL P. ALVAREZ  
Commissioner of Financial Protection &  
6 Innovation

7  
8 By: \_\_\_\_\_  
Blaine A. Noblett  
9 Senior Counsel  
10 Enforcement Division

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