

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 JUDY L. HARTLEY (State Bar No. 110628)
Senior Counsel
4 Department of Financial Protection and Innovation
320 West 4th Street, Ste. 750
5 Los Angeles, California 90013-2344
Telephone: (213) 576-7604
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

10
11 In the Matter of:)
)
12 THE COMMISSIONER OF FINANCIAL) CFL LICENSE No.: 60DBO-137244
13 PROTECTION AND INNOVATION,)
)
14 Complainant,) ORDER DENYING FINANCE LENDER
) AND/OR BROKER LICENSE APPLICATION
15 v.)
)
16 AFFORDABLE MORTGAGE LENDING INC.,)
17)
18 Respondent.)
)

19
20 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

21 **I.**

22 **Introduction**

23 1. Affordable Mortgage Lending Inc. (Affordable) is a California corporation
24 incorporated on or about May 4, 2012. James Forrest Grant (Grant) is the president, 100%
25 shareholder and person in charge of Affordable.

26 2. On March 19, 2021, Affordable submitted an application for a finance lender and/or
27 broker license with the Commissioner pursuant to the CFL, in particular, Financial Code section
28 22101 and California Code of Regulations, title 10, section 1422.4 (application). The application

ORDER DENYING FINANCE LENDER AND/OR BROKER LICENSE APPLICATION

1 was submitted to the Commissioner by filing Form MU1 through the Nationwide Mortgage
2 Licensing System (NMLS). The address provided for Affordable in the application was 3717 S. La
3 Brea Avenue, Suite 200, Los Angeles, California 90016. Between March 19, 2021 and June 27,
4 2021, Affordable submitted 16 amended Form MU1s to upload required documentation and/or make
5 revisions. Grant signed the Form MU1s on behalf of Affordable attesting that the answers were true
6 and complete to the best of his knowledge.

7 II.

8 Findings Regarding the CFL Application

9 3. Financial Code section 22101 provides that an application for a CFL license shall be
10 in the form and contain the information that the Commissioner may by rule require. California Code
11 of Regulations, title 10, section 1422.4 requires corporate applicants to disclose to the Commissioner
12 in the application all officers, directors, any person owning or controlling, directly or indirectly, 10%
13 or more of the applicant, and all person(s) who would be in charge of the business. The application
14 further requires various documentation, including a certificate of good standing from the California
15 Secretary of State showing that the corporate applicant is qualified to do business in the State of
16 California.

17 4. The application disclosed Grant as the president and 100% shareholder. Accordingly,
18 Grant was required to, and did, submit an MU2 form to the Commissioner on March 19, 2021. The
19 MU2 form submitted by Grant on March 19, 2021 in support of the CFL license application of
20 Affordable was an MU2 form Grant had submitted to NMLS back on September 25, 2019. Grant
21 answered “no” in response to Regulatory Disclosure Question (N), which asks “Is there a pending
22 regulatory proceeding against you for any alleged violation described in (K) through (L)?” Grant
23 signed the Form MU2 attesting that the answers were true and complete to the best of his
24 knowledge. Grant submitted 16 amended MU2’s between March 19, 2021 and June 27, 2021.

25 5. On March 19, 2021, Affordable, by and through Grant, submitted to the
26 Commissioner a certificate of good standing issued by the California Secretary of State on March 14,
27 2021 in support of Affordable’s application.

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1 6. On September 11, 2020, the California Department of Real Estate (DRE) filed an
2 action against Grant’s DRE broker and salesperson licenses (DRE action). The DRE action alleged,
3 among other things, that Grant had mishandled trust funds and made misrepresentations to tenants
4 regarding his position as to leased property.

5 7. On June 3, 2021, pursuant to a stipulation signed on March 4, 2021 and adopted by
6 DRE on April 25, 2021, Grant’s DRE licenses were revoked subject to being eligible for a restricted
7 real estate salesperson license (restricted license) and a restricted mortgage loan originator license
8 endorsement (restricted endorsement) pursuant to Business and Professions Code section 10156.5 if
9 Grant made application therefor and paid the DRE the appropriate fees for the restricted licenses
10 within 90 days from the effective date of the Decision. The restricted license and endorsement were
11 subject to several other conditions.

12 8. Commencing on March 19, 2021 and continuing through April 22, 2021, Grant made
13 a false representation in his MU2 form by representing that there was no pending regulatory
14 proceeding against him by any state or federal regulatory agency or foreign financial regulatory
15 authority or self-regulatory organization involving allegations that he had made a false statement or
16 omission or been dishonest, unfair or unethical or that he had been involved in a violation of a
17 financial-services-related business regulation or statute by responding “no” to Disclosure Question
18 (N).

19 9. Commencing on May 20, 2021 and continuing through June 27, 2021, Grant made a
20 material omission in his MU2 form by amending his MU2 form to respond “yes” to Regulatory
21 Disclosure Question (K) (9), which asks: “Has any State or federal regulatory agency or foreign
22 financial regulatory authority or self-regulatory organization (SRO) ever: (9) entered an order
23 concerning you in connection with any license or registration?” and not disclosing the DRE action in
24 the required disclosure explanation or uploading any supporting documentation.

25 10. Commencing on May 20, 2021 and continuing through June 27, 2021, Grant made a
26 further false representation in his MU2 form by representing that no state or federal regulatory
27 agency or foreign financial regulatory authority or self-regulatory organization had entered an order
28 against him in connection with a financial services-related activity or revoked a registration or

1 license in that Grant’s DRE licenses were revoked subject to eligibility for a restricted license and a
2 restricted endorsement.

3 11. On March 19, 2021, Affordable, by and through Grant, made a false representation in
4 its application by submitting the certificate of good standing described in Paragraph 5 above as that
5 certificate of good standing was for a new corporation (Affordable Mortgage Lending) Grant had
6 incorporated in October 2020 subsequent to the issuance of the DRE action; not Affordable.
7 Affordable was not in good standing as its status was SOS suspended.

8 12. On April 26, 2021, in furtherance of the misrepresentation regarding the status of
9 Affordable with the California Secretary of State, Affordable, by and through Grant, submitted a
10 name change document dated April 22, 2021 to change the name of Affordable Mortgage Lending to
11 Affordable Mortgage Lending Inc.

12 13. Grounds exist under Financial Code section 22019, subdivision (a)(1) and (3) to deny
13 the CFL license application of Affordable as Affordable and Grant have made false representations
14 and/or omitted material information in an application(s) in violation of Financial Code section
15 22170, subdivision (b); and Grant has violated provisions of the California Real Estate Law; a
16 regulatory scheme similar to the CFL.

17 **III.**

18 **Administrative Action**

19 14. On July 1, 2021, the Commissioner issued a Notice of Intention to Issue Order
20 Denying Finance Lender and/or Broker License Application, Statement of Issues, and accompanying
21 documents against Affordable based upon the above (Denial Action).

22 15. On July 9, 2021, the Commissioner served Affordable with the Denial Action via
23 certified, return receipt mail at the address Affordable provided as required in the license application.
24 The Commissioner has received no request for a hearing from Affordable and the time to request a
25 hearing has expired.

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IV.

Revocation Order

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the March 19, 2021 finance lender and/or broker license application of Affordable Mortgage Lending Inc. is denied effective as of the date hereof.

Dated: August 9, 2021
Los Angeles, CA

CHRISTOPHER S. SHULTZ
Acting Commissioner of Financial Protection and Innovation

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division

