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

13 In the Matter of:) NMLS No.: 2181035
)
14 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,) STATEMENT OF ISSUES IN
15) SUPPORT OF ORDER DENYING
16 Complainant,) MORTGAGE LOAN ORIGINATOR
v.) LICENSE APPLICATION
17)
18 ROBERT VASQUEZ,)
Respondent.)
19)
20)
21)

22 The Commissioner of Financial Protection and Innovation (Commissioner) alleges
23 and charges Respondent as follows:

24 **I.**
25 **Introduction**

26 1. The Commissioner seeks to deny the issuance of a mortgage loan originator (MLO)
27 license to Robert Vasquez (Vasquez) under Financial Code sections 22109.1, subdivisions (a)(2)(A)
28 and (a)(3), of the California Financing Law (Fin. Code, § 22000 et seq.) (CFL), and Financial Code

1 sections 50141, subdivisions (a)(2)(A) and (a)(3), of the California Residential Mortgage Lending
2 Act (CRMLA) (Fin. Code, § 50000 et seq.) in that Vasquez’s felony conviction of second-degree
3 commercial burglary involved an act or acts of fraud, dishonesty or breach of trust. Moreover,
4 Vasquez has several felony drug convictions and was terminated for cause by his employer on or
5 around October 26, 2020, and thus, demonstrating a pattern of dishonesty under California Code of
6 Regulations (Cal. Code Regs.), title 10, section 1422.6.2, subdivisions (a) and (c).

7 2. As a result thereof, Vasquez has not demonstrated such financial responsibility,
8 character, and general fitness as to command the confidence of the community and to warrant a
9 determination that he will operate honestly, fairly, and efficiently within the purposes of the CFL
10 and CRMLA.

11 **II.**
12 **Application**

13 3. On August 12, 2021, Vasquez filed an application for a MLO license with the
14 Commissioner by submitting a Form MU4 (Application) through the Nationwide Mortgage
15 Licensing System (NMLS) under Financial Code section 50140.

16 4. Vasquez answered “Yes” to Criminal Disclosure Question F(1): “Have you ever been
17 convicted of or pled guilty or nolo contendere (‘no contest’) in a domestic, foreign, or military court
18 to any felony?” Vasquez provided several disclosures concerning his felony convictions involving
19 the sale, transport, and possession of a controlled substance, cocaine:

20 Regarding Case #93ZF0096 Sale or Transport of Controlled
21 Substance. I was arrested in Santa Ana, CA in 1993. The case was out
22 of Orange County Superior Court. . . . I pled guilty and was sentenced
23 to 6 months in county jail. I was released early as part of the work
24 program and placed on probation.

25 . . .
26 This Case #98CF2539 Possession of Controlled Substance in 1998. I
27 cannot recall the details of the case. I was caught with a small amount
28 of cocaine and was sentenced to a treatment center. The case was out
of Orange County Superior Court, Central Court in Santa Ana, CA. I
take full responsibility and pled guilty to the charge.

. . .
This case 04CF1038 My charges under Section 666-484(a)-488 PC
Misdemeanor (dismissed) and 459-460 (b) PC Burglary 2nd Degree
(Felony) in 2004. I shoplifted at a Ralph’s Super Market in Santa Ana,

1 CA. At the time, I experienced a severe relapse and was under the
2 influence of a controlled substance at the time. I acknowledged my
3 role and pled guilty was sentenced to 2 years in custody.

4 . . .

5 Regarding Case # 10CF1165, Superior Court of Orange County. On
6 May 10, 2010, I was charged with Possession of a Controlled
7 Substance with intent to sell 11351 HS. Unlawful Possession of
8 controlled substance, resisting arrest 148(a)(1) PC Misdemeanor and
9 destroy evidence 135 PC Misdemeanor, All but the Possession of
10 Controlled Substance were dismissed.

11 . . .

12 5. Vasquez answered “Yes” to Termination Disclosure Question Q: Have you ever
13 voluntarily resigned, been discharged, or permitted to resign after allegations were made that
14 accused you of: (1) violating statues(s), regulation(s), rule(s), or industry standards of conduct?

15 Vasquez stated:

16 I was terminated with Hoag Hospital Chemical Dependency Unit on
17 Oct 26, 2020, for cause. I was called into the supervisor’s office and
18 informed that a complaint had been lodged against me and that I was
19 under investigation. The complaint was from an inappropriate
20 statement that I made during a process group that I ran for chemical
21 dependency. . . . I received a notice by mail on Nov 4, 2020, and was
22 informed I was terminated with cause.

23 6. Vasquez answered “No” to Civil Judicial Disclosure Question (J)(1) Has any
24 domestic or foreign court ever: (a) enjoined you in connection with any financial services-related
25 activity? However, Vasquez included a civil judicial disclosure in his Application:

26 Between 2010-2012 I was served with a Motion to Discourage. I was
27 served with the motion from the United States Trustee Office out
28 Central Bankruptcy Court. It was for Bankruptcy Petition I helped
prepare. I was ordered to remit payment plus penalties. I satisfied the
order with no other stipulations. I cannot recall the names of the
petitioners or the time of the motion or case number.

29 7. Vasquez signed his August Application on August 10, 2021 under penalty of perjury,
30 attesting that “the information and statements contained herein, including exhibits attached hereto,
31 and other information filed herewith, all of which are made a part of this application, are current,
32 true, accurate and complete and are made under the penalty of perjury, . . . (2) To the extent any

1 information previously submitted is not amended and hereby, such information remains accurate and
2 complete; (3) That the jurisdiction(s) to which an application is being submitted may conduct any
3 investigation into my background, in accordance with all laws and regulations; (4) To keep the
4 information contained in this form current and to file accurate supplementary information on a
5 timely basis[.]”

6 8. On or around August 18, 2021, the Commissioner placed a license item on Vasquez’s
7 Application requesting him to file an amended Application with further explanations and documents.

8 9. On or around August 24, 2021, Vasquez filed an amended Application with the
9 Commissioner which included: records from his 2004 felony conviction for second degree
10 commercial burglary, “Notice to Employee – Change of Relationship” letter concerning the
11 termination of his employment, and the criminal records search dated August 20, 2021 by the deputy
12 clerk of the Superior Court of California, Orange County.

13 10. The records search dated August 21, 2021 showed that some of Vasquez’s criminal
14 records were requested, but destroyed pursuant to California Government Code section 68152.

15 11. On or around August 25, 2021, Vasquez filed a second amended Application with the
16 Commissioner and provided records of his 1998 felony conviction for the unlawful and willful
17 possession of a controlled substance.

18 **III.**
19 **Felony Conviction**

20 12. Paragraphs 1-11 are hereby realleged and incorporated herein by reference as if set
21 forth in their entirety.

22 13. The Commissioner retrieved documents from the matter *The People of the State of*
23 *California vs. Robert Vasquez*, Case No. 04CF1038, Superior Court of California, County of Orange
24 (*People v. Vasquez*, Case No. 04CF1038). On or around August 15, 2004, Vasquez pled guilty in
25 violation of Penal Code sections 459-460, subdivision (b), where he unlawfully entered Ralphs, a
26 commercial building, with the intent to commit larceny.

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1 14. On or around April 26, 2004, Vasquez was convicted of felony second-degree
2 commercial burglary and forced to pay a restitution fine of \$200 pursuant to Penal Code section
3 1202.2, subdivision (b), and sentenced to two years in state prison.

4 15. Section 22109.1 of the CFL and section 50141 of the CRMLA, contain substantial
5 similar language and provide in relevant part:

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

9
10 (2)(A) The applicant has not been convicted of, or pled guilty or nolo
11 contendere to, a felony in a domestic, foreign, or military court during
12 the seven-year period preceding the date of the application for
13 licensing and registration, or at any time preceding the date of
14 application, if the felony involved an act of fraud, dishonesty, or a
15 breach of trust, or money laundering. Whether a particular crime is
16 classified as a felony shall be determined by the law of the jurisdiction
17 in which an individual is convicted.

18 (Fin. Code, §§ 22109.1 and 50141.)

19 16. Vasquez’s above-referenced felony conviction of second-degree commercial
20 burglary in violation of Penal Code sections 459-460, subdivision (b), requires the Commissioner to
21 deny Vasquez’s Application under Financial Code sections 22109.1, subdivisions (a)(2)(A), and
22 50141, subdivisions (a)(2)(A), because this constitutes a felony conviction involving an act of fraud,
23 dishonesty, or a breach of trust.

24 **IV.**
The Character of the Respondent

25 17. Paragraphs 1-16 are hereby realleged and incorporated herein by reference as if set
26 forth in their entirety.

27 18. The Commissioner reviewed records from *The People of the State of California v.*
28 *Robert Delfillo Vasquez*, Case No. 93ZF0096, Superior Court of California, Orange County (*People*
v. Vasquez, Case No. 93ZF0096). On or around August 20, 1993, Vasquez pled guilty in violation
of Health and Safety Code section 11352, subdivision (a), the willful and unlawful transport or sale
of a controlled substance.

1 19. On or around June 24, 1993, the court in *People v. Vasquez*, Case No. 93ZF0096,
2 sentenced Vasquez to serve six months in jail, pay a fee of \$100, and was placed on three years-
3 probation for his felony conviction of Health and Safety Code section 11352, subdivision (a).

4 20. The Respondent disclosed on his Application that on or around August 2, 1996, he
5 was convicted of a felony in *The People of the State of California v. Robert Vasquez*, Case No.
6 96CM03711, Superior Court of California, Orange County (*People v. Vasquez*, Case No.
7 96CM03711) for his violation of Health and Safety Code section 11550, subdivision (a), unlawfully
8 under the influence of a controlled substance.

9 21. The Commissioner obtained documents from *The People of the State of California v.*
10 *Robert Vasquez*, Case No. 98CF2539, Superior Court of California, Orange County (*People v.*
11 *Vasquez*, Case No. 98CF2539). After reviewing the Guilty Plea and Abstract of Judgement – Prison
12 Commitment, the Commissioner learned that Vasquez violated Health and Safety Code section
13 11350, subdivision (a), the willful and unlawful possession of a controlled substance (cocaine).

14 22. On or around October 23, 1998, the court in *People v. Vasquez*, Case No. 98CF2539,
15 sentenced Vasquez to serve 16 months in prison and pay a fee of \$200 for his felony conviction of
16 Health and Safety Code section 11350, subdivision (a).

17 23. The Commissioner retrieved and reviewed records from *In re: Oscar Ramon Ramirez*
18 *and Marcela Beatriz Ramirez*, Case No. 2:12-bk23356-NB, United States Bankruptcy Court, Central
19 District of California, Los Angeles Division (*In re: Oscar Ramon Ramirez and Marcela Beatriz*
20 *Ramirez*, Case No. 2:12-bk23356-NB). On or around June 22, 2012, the Office of the United States
21 Trustee (U.S. Trustee) served Vasquez a Notice of Motion and Motion Under 11 U.S.C § 110 for
22 Fines and/or Disgorgement of Fees Against Bankruptcy Preparer (Motion) moved to enter an order
23 against Respondent.

24 24. According to the U.S. Trustee’s Motion, Vasquez acted as a bankruptcy petition
25 preparer and Vasquez failed to make certain disclosures in the bankruptcy documents that he
26 prepared on behalf of the debtors for compensation in violation of 11 U.S.C section 110.

27 25. On or around June 29, 2012, Vasquez entered into a stipulation with the U.S. Trustee
28 and admitted to the following violations: he failed to print his name and sign the Chapter 13 Plan as

1 required by 11 U.S.C section 110, subdivision (b)(1); he failed to place his identifying number on
2 the Chapter 13 Plan, as required by 11 U.S.C section 110, subdivision (c); and that he failed to
3 timely file on April 16, 2012 a declaration disclosing the compensation he received for preparing the
4 debtors' bankruptcy documents.

5 26. On or around July 2, 2012, the court entered an order approving the Vasquez's
6 stipulation with the U.S. Trustee in the matter *In re: Oscar Ramon Ramirez and Marcela Beatriz*
7 *Ramirez*, Case No. 2:12-bk23356-NB. The court ordered Vasquez to refund \$900 to the debtors, pay
8 a fee of \$450 for his violations of 11 U.S.C. section 110, and that Vasquez was enjoined from
9 preparing bankruptcy documents for compensation unless he was under the direct supervision of an
10 attorney who has an attorney-client relationship with the person whose bankruptcy documents are
11 being prepared.

12 27. Financial Code sections 22109.1, subdivision (a)(3) and 50141, subdivision (a)(3),
13 provide in relevant part:

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

17 ...

18 (3) The applicant has demonstrated such financial responsibility,
19 character, and general fitness as to command the confidence of the
20 community and to warrant a determination that the mortgage loan
21 originator will operate honestly, fairly, and efficiently within the
22 purposes of this division.

23 (Fin. Code, §§ 22109.1 and 50141)

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

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

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(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.

(Cal. Code Regs., title 10, § 1422.6.2, subdivisions (a) and (c))

29. The Respondent’s conduct and personal history which includes: a felony conviction for second-degree commercial burglary (*People v. Vasquez*, Case No. 04CF1038); a felony conviction for the sale or transport of controlled substance (*People v. Vasquez*, Case No. 93ZF0096); a felony conviction for under the influence of a controlled substance (*People v. Vasquez*, Case No. 96CM03711); a felony conviction for the unlawful possession of a controlled substance (*People v. Vasquez*, Case No. 98CF2539); an Order for fines, disgorgement of fees under 11 U.S.C. section 110, and injunction (*In re: Oscar Ramon Ramirez and Marcela Beatriz Ramirez*, Case No. 2:12-bk23356-NB); and the termination of employment for cause on or around November 4, 2020; shows his failure to demonstrate such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that he will operate honestly, fairly, and efficiently as a mortgage loan originator.

V.
Conclusion

By reason of the foregoing, the Commissioner finds that Robert Vasquez does not meet the minimum findings that: (1) Respondent has not been convicted of a felony that involved an act of fraud, dishonesty, or a breach of trust; and (2) that Respondent has demonstrated the financial responsibility, character, or general fitness to warrant a determination that he will act honestly, fairly, and efficiently as a mortgage loan originator under the CFL and CRMLA.

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THEREFORE, Financial Code section 22109.1, subdivisions (a)(2)(A) and (a)(3), Financial Code section 50141, subdivisions (a)(2)(A) and (a)(3), and Cal. Code of Regs., title 10, section 1422.6.2, subdivisions (a) and (c), mandates that the Commissioner deny a mortgage loan originator license to Respondent Robert Vasquez under the CFL and CRMLA.

WHEREFORE IT IS PRAYED that the determination of the Commissioner to deny a mortgage loan originator license to Respondent Robert Vasquez, in connection with his Application dated August 10, 2021, and all subsequent amendments, be upheld.

Dated: March 16, 2022
San Diego, CA

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By _____
VANESSA T. LU
Senior Counsel
Enforcement Division