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Commissioner
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Deputy Commissioner
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10 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
11 OF THE STATE OF CALIFORNIA
12

13 In the Matter of:) NMLS NO.: 1500990
14)
15 THE COMMISSIONER OF FINANCIAL)
PROTECTION AND INNOVATION,)
16) ACCUSATION
17 Complainant,)
18 v.)
19)
20 REZA ABBASI,)
21 Respondent.)
22)
23)

24
25 Clothilde V. Hewlett, the Commissioner of Financial Protection and Innovation
26 (Commissioner), is informed and believes, and based on such information and belief, alleges and
27 charges Respondent Reza Abbasi (Abbasi) as follows:

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I.

Jurisdiction

1. The Commissioner has jurisdiction over the licensing and regulation of persons engaged in the business of making or servicing residential mortgage loans, including mortgage loan originators (MLO or MLOs), under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.) and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code section 50000 et seq.).

2. Abbasi is an MLO licensed by the Commissioner (license number CA-DB1500990) on August 3, 2016. Abbasi’s license status is presently “Active.”

3. The Commissioner brings this action to revoke Abbasi’s MLO’s license under Financial Code sections 22109.1 and 50141 because Abbasi has not demonstrated 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.

II.

Statement of Facts

4. On or about November 18, 2020, the State Regulatory Registry LLC (SRR)¹ notified Abbasi, in writing, that it has initiated an investigation regarding a report that Abbasi violated the Nationwide Multistate Licensing System and Registry (NMLS)² Rules of Conduct (ROC) for education students. The letter stated that an Investigative Review Committee (IRC) has conducted an investigation into suspicious activities associated with the authentication protocols embedded within the NMLS approved online courses. The activity suggests online continuing education courses may have been completed by persons other than Abbasi or that Abbasi completed courses on behalf of another person. This activity would be a violation of the ROC for education students to which Abbasi

¹ SRR is a nonprofit subsidiary of the Conference of State Bank Supervisors that operates the NMLS on behalf of state financial services regulatory agencies.

² NMLS is a web-based platform for regulatory agencies to administer initial license applications and ongoing compliance requirements. NMLS is used by participating agencies to process the applications of companies and individuals looking to apply, renew, surrender, or amend licenses for various industries. NMLS is used by Mortgage Lenders, Mortgage Loan Originators, Money Transmitters, Money Services including check cashing and currency exchange businesses, and more.

1 agreed to during his education course. The letter also included a description of Abbasi’s reported
2 misconduct, the SRR’s investigation into the incident, and Abbasi’s rights during the investigation.

3 5. The IRC made a preliminary determination that Abbasi violated the NMLS ROC. As a
4 result, the IRC notified all relevant state mortgage regulatory agencies of Abbasi’s violations and the
5 continuing education courses taken by Abbasi in 2020 were retracted from his NMLS record.

6 6. On February 10, 2021, SRR notified Abbasi, in writing, that it completed its
7 investigation into Abbasi’s reported violations and determined that Abbasi violated the following
8 ROC for education students:

- 9 • ROC 4: I will not divulge my login ID or password or other login credential(s) to
10 another individual for any online course.
- 11 • ROC 5: I will not seek or attempt to seek outside assistance to complete the course.
- 12 • ROC 6: I will not give or attempt to give assistance to any person who is registered to
13 take an NMLS approved pre-licensure or continuing education course.
- 14 • ROC 9: I will not engage in any conduct that is dishonest, fraudulent, or would
15 adversely impact the integrity of the course(s) I am completing and the conditions for
16 which I am seeking licensure or renewal of licensure.

17 7. Abbasi had the right to appeal the IRC’s determination that he violated the NMLS
18 ROC, but he did not.

19 8. In August 2021, Abbasi agreed to the entry of a consent order issued by the Non-
20 Depository Entities Division of the North Carolina Office of the Commissioner of Banks based on the
21 SRR’s findings that Abbasi violated the ROC for education students, numbers 4, 5, 6, and 9, as noted
22 in paragraph 6 above.

23 **III.**

24 **Financial Responsibility, Character, and General Fitness**

25 9. Pursuant to Financial Code section 22109.1, subdivision (a)(3), the Commissioner
26 shall deny an application for an MLO license unless the Commissioner finds that the applicant has
27 demonstrated such financial responsibility, character, and general fitness as to command the
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1 confidence of the community and to warrant a determination that the MLO will operate honestly,
2 fairly, and efficiently.

3 10. Pursuant to Financial Code section 50513, subdivision (a)(2), the Commissioner may
4 deny, revoke, or decline to renew an MLO license if a licensee fails at any time to meet the
5 requirements of section 50141 or 50144. Under section 50141, a licensed MLO must demonstrate
6 such financial responsibility, character, and general fitness as to command the confidence of the
7 community and to warrant a determination that the MLO will operate honestly, fairly, and efficiently.
8 (Fin. Code section 50141(a)(3).)

9 11. As described in paragraphs 4 through 8 above, Abbasi violated the ROC for education
10 students, numbers 4, 5, 6, and 9.

11 12. Thus, Abbasi has not demonstrated such financial responsibility, character, and
12 general fitness as to command the confidence of the community and to warrant a determination that
13 he will operate honestly, fairly, and efficiently as an MLO.

14 **IV.**

15 **Commissioner’s Authority to Deny, Revoke, or Renew**

16 13. Financial Code section 22109.1, provides in pertinent part:

17 (a) The commissioner shall deny an application for a mortgage loan
18 originator license unless the commissioner makes, at a minimum, the
19 following findings:

20 ...

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

26 14. Financial Code section 50513, provides in pertinent part:

27 (a) The commissioner may do one or more of the following:

28 ...

(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 50141 or 50144, or withholds
information or makes a material misstatement in an application for a
license or license renewal.

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15. Financial Code section 50141(a) provides in relevant part:

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

...
(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.

V.

Prayer

The Commissioner finds that by reason of the foregoing, Abbasi has not demonstrated the financial responsibility, character, and general fitness required under Financial Code section 22109.1, subdivision (a)(3) of the CFL and section 50141 of the Financial Code under the CRMLA.

Accordingly, the Commissioner has grounds for revoking Abbasi’s mortgage loan originator license.

WHEREFORE, IT IS PRAYED that Reza Abbasi’s mortgage loan originator license be revoked.

Dated: May 12, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation

By _____
MARLOU de LUNA
Senior Counsel
Enforcement Division