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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.: 1826416  
14 )  
15 THE COMMISSIONER OF FINANCIAL )  
PROTECTION AND INNOVATION, )  
16 ) ACCUSATION  
17 Complainant, )  
18 v. )  
19 )  
20 JAHID ALI NAZARZAI, )  
21 Respondent. )  
22 )  
23 )

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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 Jahid Ali Nazarzai (Nazarzai) 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. Nazarzai is an MLO licensed by the Commissioner (license number CA-DBO18266416) on March 1, 2019. Nazarzai’s license status is presently “Active.”

3. The Commissioner brings this action to revoke Nazarzai’s MLO’s license under Financial Code sections 22109.1 and 50141 because Nazarzai 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)<sup>1</sup> notified Nazarzai, in writing, that it has initiated an investigation regarding a report that Nazarzai violated the Nationwide Multistate Licensing System and Registry (NMLS)<sup>2</sup> 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 Nazarzai or that Nazarzai completed courses on behalf of another person. This activity would be a violation of the ROC for education students to which Nazarzai agreed to during his education course. The letter also included a description of Nazarzai’s

<sup>1</sup> SRR is a nonprofit subsidiary of the Conference of State Bank Supervisors that operates the NMLS on behalf of state financial services regulatory agencies.  
<sup>2</sup> 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 reported misconduct, the SRR’s investigation into the incident, and Nazarzai’s rights during the  
2 investigation.

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

6 6. On February 10, 2021, SRR notified Nazarzai, in writing, that it completed its  
7 investigation into Nazarzai’s reported violations and determined that Nazarzai 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. Nazarzai had the right to appeal the IRC’s determination that he violated the NMLS  
18 ROC, but he did not.

19 8. On April 18, 2022, the State of Nevada, Department of Business and Industry,  
20 Division of Mortgage Lending issued its Final Order Revoking Licensure and Requiring Payment of  
21 Investigative Costs based on the SRR’s findings that Nazarzai violated the ROC for education  
22 students, numbers 4, 5, 6, and 9, as noted 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, Nazarzai violated the ROC for  
10 education students, numbers 4, 5, 6, and 9.

11 12. Thus, Nazarzai 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, Nazarzai 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 Nazarzai’s mortgage loan originator license.

WHEREFORE, IT IS PRAYED that Jahid Ali Nazarzai’s mortgage loan originator license be revoked.

Dated: May 24, 2022

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MARLOU de LUNA  
Senior Counsel  
Enforcement Division