BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

FILED
APR 04 2012
DEPARTMENT OF REAL ESTATE
BY:

* * * *

In the Matter of the Accusation of	)	
	)	No. H-37506 LA
LINDA M. PUPPO,	)	L-2011100496
	)	
Respondent.	)	
	)	

DECISION

This Decision is being issued in accordance with the provisions of Section 11520 of the Government Code, on evidence of compliance with Section 11505 of the Government Code and pursuant to the Order of Default filed on March 9, 2012, and the findings of fact set forth herein are based on one or more of the following: (1) Respondent's express admissions; (2) affidavits; and (3) other evidence.

This Decision suspends or revokes one or more real estate licenses on the ground of the violation of the Real Estate Law (commencing with Section 10000 of the Business and Professions Code (Code)) or Chapter 1 (commencing with Section 11000 of the Code) of Part 2 or the rules and regulations of the commissioner for the administration and enforcement of the Real Estate Law and Chapter 1 (commencing with Section 11000 of the Code) of Part 2.

The right to reinstatement of a revoked real estate license or to the reduction of a suspension is controlled by Section 11522 of the Government Code. A copy of Section 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of Respondent.

FINDINGS OF FACT

I

On August 31, 2011, Robin Trujillo made the Accusation in her official capacity as a Deputy Real Estate Commissioner of the State of California. The Accusation, Statement to Respondent, and Notice of Defense were mailed, by certified

mail, to Respondent's last known mailing address on file with the Department on September 7, 2011.

Respondent filed a Notice of Defense within the time required by Section 11506 of the Government Code. A hearing was set for March 5, 2012. Respondent was duly notified of the hearing but failed to appear. Respondent's default was entered herein.

II

Respondent was formerly licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the California Business and Professions Code (hereinafter "Code") as a real estate broker.

III

Respondent presently holds an **individual** mortgage loan originator ("MLO") license endorsement (ID 275450). Respondent additionally holds a **company** mortgage loan license endorsement (ID 364358) whereby Respondent is the qualifying individual for Apex Home Loans ("Apex") and authorized to represent Apex in mortgage loan activities.

IV

The evidence established that applications for issuance of both the **individual** mortgage loan originator license endorsement and the **company** mortgage loan originator license endorsement were submitted to the Nationwide Mortgage Licensing System and Registry (NMLS) by Respondent.

V

The evidence established that effective May 24, 2011, Respondent's real estate broker license was revoked by the Department of Real Estate ("Department") in Case No. H-36679 LA. On or about June 15, 2010, the Department filed its accusation against Respondent in Case No. H-36679 LA. On or about June 23, 2010, Respondent filed a notice of defense seeking a hearing on the accusation filed against her.

VI

The evidence established that on or about August 31, 2010, and again on November 17, 2010, Respondent submitted an **individual** mortgage loan originator endorsement application (MU4) to NMLS. The section of the Application entitled "Regulatory Action," which is found in the "Disclosure Questions," Section, contained the following question at 8.K:

Question: "Are you now the subject of any regulatory action proceeding that could result in a "yes" answer to any part of I or J?"

Section 8I of the application reads as follows:

"Has any State or federal regulatory agency or foreign financial regulatory authority ever:

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

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

(3) found you to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?

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

(5) revoked your registration or license?

(6) denied or suspended your registration or license, disciplined you, or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?

(7) barred you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business?

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

Section 8J of the application reads as follows:

"Have you ever had an authorization to act as an attorney, accountant, or State or federal contractor that was revoked or suspended?"

VII

On or about November 17, 2010, Respondent submitted a **company** mortgage loan originator endorsement application (MU1) to NMLS. The section of the Application

entitled "Regulatory Action Disclosure," which is found in the "Disclosure Questions," Section, contained the following question at E:

Question: "Is the entity or a control affiliate now the subject of any regulatory proceeding that could result in a "yes" answer to any part of (C)?"

Section (C) of the application reads as follows:

"(C) In the past 10 years, has any State or federal regulatory agency or foreign financial regulatory authority:

(1) found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?

(2) found the entity or a control affiliate to have been involved in a violation of a financial services-related regulation(s) or statute(s)?

(3) found the entity or a control affiliate to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?

(4) entered an order against the entity or a control affiliate in connection with a financial services-related activity?

(5) denied, suspended, or revoked the entity's or a control affiliate's registration or license or otherwise, by order, prevented it from associating with a financial services-related business or restricted its activities?"

VIII

The evidence established that with respect to both the **individual** and the **company** applications submitted to NMLS by Respondent, Respondent answered "No" to the questions set forth, above, and failed to disclose the existence of the accusation described in Paragraph V, above.

DETERMINATION OF ISSUES

I

Revocation of Respondent's real estate broker license, as is alleged in Paragraph V, above, is grounds for revocation of her **individual** mortgage loan originator license endorsement and her **company** mortgage loan originator license endorsement pursuant to the provisions

Code Section 10166.02(b) which prohibits an individual from engaging in business as a mortgage loan originator under the Real Estate Law without obtaining and maintaining a real estate license pursuant to Article 2 (Commencing with Section 10150 of the Code).

II

Revocation of Respondent's real estate broker license, as is alleged in Paragraph V, above, is grounds for revocation of her **individual** mortgage loan originator license endorsement and her **company** mortgage loan originator license endorsement pursuant to the provisions of Code Section 10166.05(a) [revocation of mortgage loan originator license] and Section 10166.051(b) [failure to meet the requirements of Code Section 10166.05].

III

Respondent's failure to reveal the existence of the pending accusation described in Paragraph V, above, constitutes withholding information and making a material misstatement in an application for a license endorsement, and is cause for the suspension or revocation of Respondent's **individual** mortgage loan originator endorsement and Respondent's **company** mortgage loan originator endorsement under Section 10166.051(b) of the Code.

IV

The standard of proof applied was clear and convincing proof to a reasonable certainty.

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ORDER

The individual mortgage loan originator license endorsement and the company mortgage loan originator license endorsement of Respondent LINDA M. PUPPO, under the provisions of Part I of Division 4 of the Business and Professions Code, are revoked.

This Decision shall become effective at 12 o'clock noon APR 24 2012.

DATED: 3/30/2012.

Real Estate Commissioner

By WAYNE S. BELL
Chief Counsel

FILED

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DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * * *

In the Matter of the Accusation of LINDA M. PUPPO, Respondent.	NO. H-37506 LA L-2011100496 DEFAULT ORDER

Respondent LINDA M. PUPPO, filed a Notice of Defense within the time required by Section 11506 of the Government Code. A hearing was set for March 5, 2012. Respondent was duly notified of the hearing but failed to appear. Respondent is now in default. It is therefore, ordered that a default be entered on the record in this matter.

IT IS SO OREDERED March 9, 2012

BARBARA J. BIGBY
Real Estate Commissioner

By: _____
PHILLIP THDE
Regional Manager

CHERYL D. KEILY, Counsel (SBN 94008)
Department of Real Estate
320 West 4th Street, Suite 350
Los Angeles, California 90013-1105

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(Direct) (213) 576-6905

FILED
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DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of LINDA M. PUPPO, Respondent.	No. H-37506 LA A C C U S A T I O N Mortgage Loan Originator License Endorsements (ID Nos. 275450 and 364358)

The Complainant, Sylvia Yrigollen, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against LINDA M. PUPPO, ("Respondent") alleges as follows:

1.

The Complainant, Sylvia Yrigollen, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

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REAL ESTATE BROKER LICENSE

2.

Respondent was formerly licensed as a real estate broker under the Real Estate Law (Part 1 of Division 4 of the California Business and Professions Code) ("Code").

MLO LICENSE ENDORSEMENTS

3.

Respondent presently holds an **individual** mortgage loan originator ("MLO") license endorsement (ID 275450). Respondent additionally holds a **company** mortgage loan license endorsement (ID 364358) whereby Respondent is the qualifying individual for Apex Home Loans ("Apex") and authorized to represent Apex in mortgage loan activities. Applications for issuance of both the **individual** mortgage loan originator license endorsement and the **company** mortgage loan originator license endorsement were submitted to the Nationwide Mortgage Licensing System and Registry (NMLS) by Respondent.

REVOCATION OF REAL ESTATE LICENSE
AS GROUNDS FOR REVOCATION OF MORTGAGE LOAN ORIGINATOR
LICENSE ENDORSEMENT

4.

Effective May 24, 2011, Respondent's real estate broker license was revoked by the Department of Real Estate ("Department") in Case No. H-36679 LA. On or about June 15, 2010, the Department filed its accusation against Respondent in Case No. H-36679 LA. On or about June 23, 2010, Respondent filed

a notice of defense seeking a hearing on the accusation filed against her.

5.

Revocation of Respondent's real estate broker license, as is alleged in Paragraph 4, above, is grounds for revocation of her **individual** mortgage loan originator license endorsement and her **company** mortgage loan originator license endorsement pursuant to the provisions Code Section 10166.02(b) which prohibits an individual from engaging in business as a mortgage loan originator under the Real Estate Law without obtaining and maintaining a real estate license pursuant to Article 2 (Commencing with Section 10150 of the Code).

6.

Additionally, revocation of Respondent's real estate broker license, as is alleged in Paragraph 4, above, is grounds for revocation of her **individual** mortgage loan originator license endorsement and her **company** mortgage loan originator license endorsement pursuant to the provisions Code Section 10166.05(a) [revocation of mortgage loan originator license] and Section 10166.051(b) [failure to meet the requirements of Code Section 10166.05].

FAILURE TO DISCLOSE EXISTENCE OF PENDING REGULATORY ACTION

7.

On or about August 31, 2010, and again on November 17, 2010, Respondent submitted an **individual** mortgage loan

originator endorsement application (MU4) to NMLS. The section of the Application entitled "Regulatory Action," which is found in the "Disclosure Questions," Section, contained the following question at 8.K:

Question: "Are you now the subject of any regulatory action proceeding that could result in a "yes" answer to any part of I or J?"

Section 8I of the application reads as follows:

"Has any State or federal regulatory agency or foreign financial regulatory authority ever:

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

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

(3) found you to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?

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

(5) revoked your registration or license?

(6) denied or suspended your registration or license, disciplined you, or otherwise by order, prevented you from associating with a financial services-related business or restricted your activities?

(7) barred you from association with an entity regulated by such commissions, authority, agency, or officer, or from engaging in a financial services-related business?

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

Section 8J of the application reads as follows:

"Have you ever had an authorization to act as an attorney, accountant, or State or federal contractor that was revoked or suspended?"

8.

On or about November 17, 2010, Respondent submitted a **company** mortgage loan originator endorsement application (MU1) to NMLS. The section of the Application entitled "Regulatory Action Disclosure," which is found in the "Disclosure Questions," Section, contained the following question at E:

Question: "Is the entity or a control affiliate now the subject of any regulatory proceeding that could result in a "yes" answer to any part of (C)?"

Section (C) of the application reads as follows:

"(C) In the past 10 years, has any State or federal regulatory agency or foreign financial regulatory authority:

(1) found the entity or a control affiliate to have made a false statement or omission or been dishonest, unfair or unethical?

(2) found the entity or a control affiliate to have been involved in a violation of a financial services-related regulation(s) or statute(s)?

(3) found the entity or a control affiliate to have been a cause of a financial services-related business having its authorization to do business denied, suspended, revoked or restricted?

(4) entered an order against the entity or a control affiliate in connection with a financial services-related activity?

(5) denied, suspended, or revoked the entity's or a control affiliate's registration or license or otherwise, by order, prevented it from associating with a financial services-related business or restricted its activities?"

9.

With respect to both the **individual** and the **company** applications submitted to NMLS by Respondent, Respondent answered "No" to the questions set forth in Paragraphs 7 and 8, above, and failed to disclose the existence of the accusation described in Paragraph 4, above.

10.

Respondent's failure to reveal the existence of the pending accusation described in Paragraph 4, above, constitutes withholding information and/or making a material misstatement in an application for a license endorsement and is cause for the suspension or revocation of Respondent's **individual** mortgage

loan originator endorsement and Respondent's **company** mortgage loan originator endorsement under Section 498 and Section 10166.051(b) of the Code.

WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against the **individual** mortgage loan originator license endorsement and the **company** mortgage loan originator license endorsement of Respondent LINDA M. PUPPO under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code), and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Sacramento, California
this 31st day of August, 2011.

Sylvia Yrigollen
Deputy Real Estate Commissioner

cc: LINDA M. PUPPO
Sylvia Yrigollen
Sacto.