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FILED

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DEPT. OF REAL ESTATE

By 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Application of) No. H-07135 SAC
12)
13 MELVIN JAMES BURRELL,) STATEMENT OF ISSUES
14)
15 Respondent.) Mortgage Loan Originator
License Endorsement

16
17 The Complainant, Ruth Corral, a Supervising Special Investigator of the State of
18 California, for Statement of Issues against MELVIN JAMES BURRELL (“Respondent”)
19 alleges as follows:

20 1.

21 The Complainant, Ruth Corral, a Supervising Special Investigator of the State of
22 California, makes this Statement of Issues in her official capacity.

23 2.

24 All references to the “Code” are to the California Business and Professions Code
25 and all references to “Regulations” are to Title 10, Chapter 6, California Code of Regulations.

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27 ///

1 LICENSE HISTORY

2 3.

3 Respondent is presently licensed and/or has license rights under the Real Estate
4 Law, Part 1 of Division 4 of the Code, as a restricted real estate broker (License ID 00963914).
5 The Department of Real Estate (“Department”) of the State of California originally issued a
6 restricted broker license to Respondent on or about November 16, 1990, which is set to expire
7 on August 2, 2024, unless renewed.

8 (CASE NO. H-38980 LA)

9 4.

10 On or about August 1, 2013, the Department filed an accusation, in Case No. H-
11 38980 LA, against Respondent for the violation of Code Sections 10145, 10159.2, and 10177,
12 and Regulations Sections 2725, 2742, 2831, 2831.1, 2831.2, 2832.1, 2834, 2950, and 2951.

13 5.

14 On or about January 9, 2015, the Real Estate Commissioner issued an Order,
15 pursuant to a Stipulation and Agreement in Case No. H-38980 LA, among other things,
16 suspending Respondent’s license for 60 days and payment of the Commissioner’s costs.

17 (CASE NO. H-41246 LA)

18 6.

19 On or about December 14, 2018, the Department filed an accusation, in Case
20 No. H-41246 LA, against Respondent for the violation of Code Sections 10141.6, 10145,
21 10159.2, 10161.8, 10176, and 10177, and Regulations Sections 2725, 2731, 2752, 2831,
22 2831.1, 2831.2, 2832, 2832.1, 2834, 2950, and 2951 as well as Financial Code Section
23 17006(a)(4).

24 7.

25 On or about April 24, 2020, the Real Estate Commissioner issued an Order,
26 pursuant to a Stipulation and Agreement in Case No. H-41246 LA, among other things,
27

1 revocation of Respondent's broker license, with rights to a restricted license, and payment of
2 the Commissioner's costs.

3
4 MORTGAGE LOAN ORIGINATOR ENDORSEMENT APPLICATION

5 8.

6 On or about September 8, 2021, Respondent made application to the Department
7 in an MU4 application seeking an individual mortgage loan originator ("MLO") license
8 endorsement under the Nationwide Mortgage Licensing System ("NMLS") identification
9 number 350693.

10 9.

11 On or about January 14, 2022, Respondent submitted a second application to the
12 Department in an MU4 application seeking an individual MLO license endorsement under the
13 NMLS identification number 350693.

14 GROUND FOR DENIAL OF MLO LICENSE ENDORSEMENT

15 8.

16 Section 10166.05 of the Code provides, "Notwithstanding any other provision of
17 law, the commissioner shall not issue a license endorsement to act as a mortgage loan
18 originator to an applicant unless the commissioner makes all of the following findings:

19 ...

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

24 9.

25 Section 10166.051 of the Code provides, "the commissioner may do one or
26 more of the following, after appropriate notice and opportunity for hearing:

27 ...

1 (b) Deny, suspend, revoke, condition, or decline to renew a mortgage loan
2 originator license endorsement, if an application or endorsement holder fails at any time to
3 meet the requirements of Section 10166.05 or 10166.09, or withholds information or makes a
4 material misstatement in an application for a license endorsement or license endorsement
5 renewal.”

6 10.

7 Section 2945(b) of Title 10, Chapter 6, of the Regulations provides that “[w]here
8 a real estate licensee was subject to a real estate license discipline action filed by the Bureau on
9 January 1, 2010, or later, resulting in a revocation, a suspension, a voluntary surrender of a real
10 estate license, a public reproof, and/or a bar order, such discipline alone may be cause for
11 denial of a subsequent mortgage loan originator license endorsement.”

12 (WITHHELD INFORMATION OR MADE MATERIAL MISSTATEMENTS)

13 11.

14 In response to Question (K) in the section entitled “Regulatory Action” under
15 “Disclosure Questions” of Respondent’s MLO license endorsement application submitted on or
16 about September 8, 2021, to wit: “Has any State or federal regulatory agency or foreign
17 regulatory authority or self-regulatory organization (SRO) ever: . . .(2) found you to have been
18 involved in a violation of financial services-related business regulation(s) or statute(s)? . . . (3)
19 found you to have been a cause of financial services-related business having its authorization to
20 do business denied, suspended, revoked or restricted? . . . (4) entered an order against you in
21 connection with a financial services-related activity? . . . (6) denied or suspended your
22 registration or license or application for licensure, disciplined you, or otherwise by order,
23 prevented you from associating with a financial services-related business or restricted your
24 activities? . . . (9) entered an order concerning you in connection with any license or
25 registration? . . .” Respondent answered “No” to each of these questions, which constitute the
26 withholding of information or the making of a material misstatement as to his prior license
27 disciplines by the Department, described in Paragraphs 4, 5, 6, and 7 above.

STATEMENT OF ISSUES

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12.

The facts alleged in Paragraph 11 above, constitute cause for the denial of Respondent's application for a MLO license endorsement under Code section 10166.051(b).

13.

The facts alleged in Paragraph 11 above, constitute cause for the denial of Respondent's application for a MLO license endorsement under Code section 10166.05(c).

14.

These proceedings are brought under the provisions of Section 10100, Division 4 of the Business and Professions Code of the State of California and Sections 11500 through 11528 of the California Government Code.

PRAYER

WHEREFORE, the Complainant prays that the above-entitled matter be set for hearing and, upon proof of the charges contained herein, that the Commissioner refuse to authorize the issuance of, and deny the issuance of, an MLO license endorsement to Respondent MELVIN JAMES BURRELL and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Sacramento, California this 11th day of July, 2023.



Ruth Corral
Supervising Special Investigator

cc: MELVIN JAMES BURRELL
Ruth Corral
Sacto.