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DEPARTMENT OF REAL ESTATE

By Agnew

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Application of:

ALICIA CASTRO RAMIREZ,

Respondent.

No. H-7307 SAC

STATEMENT OF ISSUES

The Complainant, RUTH CORRAL, in her official capacity as a Supervising
Special Investigator for the Department of Real Estate ("Department") of the State of California,
brings this Statement of Issues against Respondent ALICIA CASTRO RAMIREZ
("Respondent"), and is informed and alleges as follows:

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Respondent is currently licensed as a real estate salesperson, License No.
01199863, whose license became restricted effective October 18, 2023, pursuant to DRE Case
No. 3443 FR.

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On or about September 16, 2022, Respondent submitted a Mortgage Loan
Originator License Endorsement Application ("MLO Endorsement Application") to the
Department.

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1 REGULATORY ACTIONS AND GROUND FOR DENIAL

2 **A. Department of Financial Protection and Innovation ("DFPI")**

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4 On or about March 29, 2021, in Case No. 256226, the California Department of
5 Financial Protection and Innovation ("DFPI") filed an Accusation against Respondent's
6 mortgage loan originator ("MLO") license. The Accusation, incorporated by reference herein,
7 sought to revoke Respondent's MLO license on the grounds that Respondent: (a) knowingly
8 misrepresented information on a loan application; and (b) lacks financial responsibility,
9 character, and general fitness sufficient to meet the California MLO licensing standards.

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11 On or about September 1, 2021, Respondent entered into a Settlement Agreement
12 with DFPI, wherein she agreed to surrender her MLO license pursuant to the terms and
13 conditions referenced in the Settlement Agreement.

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15 As part of the Settlement and Agreement, Respondent stipulated that the
16 Commissioner of the DFPI had sufficient grounds to revoke Respondents MLO license under
17 California Financing Law ("CFL") section 22109.1 and California Residential Mortgage
18 Lending Act ("CRMLA") section 50140, subdivision (a)(3), which read: The Commissioner of
19 the DFPI must deny any application for an MLO license unless he/she finds that "[t]he applicant
20 has demonstrated such financial responsibility, character, and general fitness to command the
21 confidence of the community and to warrant a determination that the mortgage loan originator
22 will operate honestly, fairly, and efficiently within the purpose of [the CFL and the CRMLA]."

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24 Respondent's MLO license was revoked because she failed to demonstrate the
25 financial responsibility, character, and general fitness sufficient for an MLO license under the
26 CFL and the CRMLA in that:

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(a) Respondent arranged for a gift to falsely demonstrate that the borrower had sufficient funds to close;

(b) Respondent failed to accurately disclose the relationship with the borrower's gift donor;

(c) Respondent knew and failed to disclose that the borrower received an unusually large pay raise less than a month before requesting loan approval;

(d) Respondent knew and failed to disclose that the borrower's annual bonus was unusually large and was awarded five months early specifically to bolster borrower's loan application; and

(e) Respondent knew and failed to disclose that the loan applicant and Respondent's broker and escrow agent were both employed by the same entity (Kenco), thereby creating a clear conflict of interest due to its financial incentive to misrepresent the borrower's personal finances. This resulted in the actual manipulation of borrower's finances in an attempt to secure loan approval.

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The facts alleged above in Paragraphs 3 through 7 constitute grounds for the denial of Respondent's MLO endorsement pursuant to Sections 10166.05(c) (failure to demonstrate financial responsibility, character, and general fitness), 10166.051 (ground for denial), 10177(f) (revocation of license by another state agency), 10177(g) (demonstrated negligence or incompetence), and 10177(j) (fraud or dishonest dealings) of the Code.

B. Department of Real Estate

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On or about October 28, 2022, the Department filed an Accusation against Respondent, Case No. H-3443 FR, seeking to revoke Respondent's real estate license based on the facts alleged above in Paragraphs 3 through 7.

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On or about July 17, 2023, a hearing was held regarding the Accusation described above in Paragraph 8 before the Office of Administrative Hearings. A Proposed Decision was issued on July 25, 2023, which found the Department had grounds to revoke Respondent's license pursuant to Sections 10177(d), 10177(f), 10177(g), 10177(j), and 10186.2 of the Code.

Effective October 18, 2023, the Department revoked Respondent's real estate salesperson license and granted her the right to a restricted real estate salesperson license for five (5) years.

The facts alleged above in Paragraphs 8 through 10 constitute grounds for the denial of Respondent's MLO endorsement pursuant to Sections 10166.05(c) (failure to demonstrate financial responsibility, character, and general fitness), 10166.051 (ground for denial), 10177(f) (revocation of license by another state agency), 10177(g) (demonstrated negligence or incompetence), and 10177(j) (fraud or dishonest dealings) of the Code, as well as Section 2945.2(b), Title 10, California Code of Regulations.

WHEREFORE, 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 a real estate salesperson license to Respondent, and for such other and further relief as may be proper under other provisions of law.


RUTH CORRAL
Supervising Special Investigator

Dated at Sacramento, California

this 13th day of February, 2024.

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