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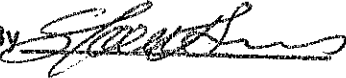
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**FILED**

APR 26 2016

BUREAU OF REAL ESTATE

By 

9  
10 BEFORE THE BUREAU OF REAL ESTATE  
11 STATE OF CALIFORNIA

12 \* \* \*

13 In the Matter of the Accusation of

No. H-40233 LA

14 HENRY FONTES PALMA,

A C C U S A T I O N

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Respondent.

18 The Complainant, Chika Sunquist, a Supervising Special Investigator of the  
19 State of California, for cause of Accusation against Respondent HENRY FONTES PALMA is  
20 informed and alleges as follows:

21 1.

22 The Complainant, Chika Sunquist, a Deputy Real Estate Commissioner of the  
23 State of California, makes this Accusation in her official capacity.

24 2.

25 Respondent is presently licensed and/or has license rights under the Real Estate  
26 Law as a real estate broker. The real estate broker license of Respondent is scheduled to expire  
27 on August 3, 2019, unless renewed.

- 1 -

ACCUSATION OF HENRY FONTES PALMA  
BUREAU OF REAL ESTATE

1 3.

2 Respondent held an approved and active individual mortgage loan originator  
3 ("MLO") license endorsement, Nationwide Mortgage Licensing System and Registry  
4 ("NMLS") I.D. No. 376537, authorizing him to operate under his own company MLO  
5 endorsement, NMLS I.D. No. 999060, pursuant to Section 2758.5(d) of Title 10, Chapter 6,  
6 Code of Regulations ("Regulations"), during the following periods of time:

- 7 a. From January 18, 2013, to October 17, 2013;  
8 b. From May 8, 2014, to January 12, 2015; and  
9 c. From September 22, 2015, to December 31, 2015.

10 4.

11 On or about January 1, 2016, both Respondent's individual MLO license  
12 endorsement (NMLS I.D. No. 376537) and his company MLO license endorsement (NMLS  
13 I.D. No. 999060) expired and were terminated.

14 5.

15 At the times specified below Respondent was engaged in the business of, acted  
16 in the capacity of, advertised or assumed to act as real estate broker in the State of California  
17 within the meaning of Code §10131(d) engaging in mortgage loan origination including  
18 conducting activities with the public wherein lenders and borrowers were solicited for loans  
19 secured directly or collaterally by liens on residential real property, and wherein such loans  
20 were arranged, negotiated, processed, consummated, packaged and serviced on behalf of  
21 others for compensation or in expectation of compensation.

22 1<sup>st</sup> CAUSE OF ACCUSATION

23 (Unlicensed Mortgage Loan Origination Activity

24 -- Code §§10166.02(b) and 10130)

25 6.

26 During June, 2013, and from the period February 1, 2014, to and including April  
27 30, 2014, Respondent engaged in mortgage loan origination activities on behalf of Guadalupe

1 R. who was seeking to obtain a reverse mortgage on her residential property located at 136  
2 Avenida De La Madrid, San Ysidro, California. Respondent's activities during the period from  
3 February 1, 2014, to April 30, 2014, included but are not limited to entering into a Reverse  
4 Mortgage Loan Broker Agreement with Guadalupe R. and submitting a Residential Loan  
5 Application for Reverse Mortgages to a lender on her behalf.

6 7.

7 In performing the activities described in Paragraph 6, above, Respondent  
8 purported to use his individual MLO license endorsement (NMLS I.D. No. 376537) and his  
9 company MLO license endorsement (NMLS I.D. No. 999060). During the period from  
10 February 1, 2014, to April 30, 2014, Respondent was not authorized to represent his company  
11 using MLO license (NMLS I.D. No. 999060) to engage in mortgage loan origination activities.

12 8.

13 The activities described in Paragraphs 6 and 7, above, demonstrate that  
14 Respondent performed and/or participated in activities which require a MLO license  
15 endorsement for the company being represented during the period from February 1, 2014, to  
16 April 30, 2014, when Respondent's company (NMLS I.D. No. 999060) was not authorized to  
17 engage in mortgage loan origination activities.

18 9.

19 The conduct, acts and/or omissions of Respondent as described herein above  
20 constitutes unlicensed conduct in violation of Code Sections 10166.02(b) and 10130 and is  
21 cause for the suspension or revocation of all real estate licenses and license rights of  
22 Respondent pursuant to Code Sections 10177(d) and/or 10177(g).

23 2<sup>ND</sup> CAUSE OF ACCUSATION

24 (Misrepresentation – Code Section 10176(a))

25 10.

26 Complainant hereby incorporates by this reference the allegations set forth in  
27 Paragraphs 1 through 9, inclusive, above.

11.

On or about March 31, 2014, Respondent expressly represented to the lender with respect to the reverse mortgage loan application of Guadalupe R. that he was authorized to submit loan applications to the lender using his own company MLO license endorsement (NMLS I.D. No. 999060) when he was not authorized to do so.

12.

In making the foregoing representation Respondent knew that his company (NMLS I.D. No. 999060) was not licensed at that time to originate residential mortgage loans and that making or arranging loans secured by residential real property without a company MLO license endorsement violates Code Sections 10166.02(b) and 10130.

13.

Respondent made the foregoing misrepresentation with the intent to deceive the lender into permitting him to submit the reverse mortgage loan application on behalf of Guadalupe R. despite the provisions of Code Sections 10166.02(b) and 10130 and Section 2758.5(d) of the Regulations prohibiting such conduct.

14.

The conduct, acts and/or omissions of Respondent, as set forth, above, violates Code Sections 10176(a) and/or 10176(i), and is cause for the suspension or revocation of the licenses and license rights of Respondent pursuant to the provisions of Code Sections 10177(d) and/or 10177(g).

### 3<sup>RD</sup> CAUSE OF ACCUSATION

(Failure to Submit Annual Business Activity Report to Bureau – Code Section 10166.07)

15.

Complainant hereby incorporates by this reference the allegations set forth in Paragraphs 1 through 14, inclusive, above.

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16.

In addition to the mortgage loan origination activities undertaken by Respondent on behalf of Guadalupe R. during 2013, Respondent engaged in the following additional residential mortgage loan origination activities during 2013:

a. Respondent engaged in mortgage loan origination activities on behalf of Nilo and Susan A. with respect to their real property located at 6618 Eucalyptus Avenue, Chino, California, during the period from May, 2013, to September 4, 2013. On or about September 4, 2013, Respondent received a commission check in the amount of \$4,667.26 for his services.

b. Respondent engaged in mortgage loan origination activities on behalf of Rosie T. with respect to her real property located at 13115 Le Parc, Unit 47, Chino Hills, California during at least the period from June 20, 2013, to June 24, 2013.

17.

By the provisions of Code Section 10166.07 a real estate broker who acts pursuant to Code Section 10131(d) [originating residential mortgage loans], and "who makes, arranges, or services one or more loans in a calendar year that are secured by real property containing one to four residential units, shall annually file a business activities report, within 90 days after the end of the broker's fiscal year or within any additional time as the commissioner may allow for filing for good cause." The report shall contain the information specified in Code Section 10166.07.

18.

Despite engaging in residential loan origination activities during 2013, Respondent failed to file the Business Activities Report required by the terms of Code Section 10166.07.

19.

The conduct, acts and/or omissions of Respondent, as set forth above, is cause for the suspension or revocation of the licenses and license rights of Respondents pursuant to Code Sections 10177(d) and/or 10177(g) for violation of Code Section 10166.07.

1 4<sup>th</sup> CAUSE OF ACCUSATION

2 (Failure to File Quarterly Mortgage Call Report with NMLS)

3 20.

4 Complainant hereby incorporates by reference the allegations set forth in  
5 Paragraphs 1 through 19, above.

6 21.

7 Pursuant to the provisions of Code Section 10166.08 Respondent was required  
8 to file a a Mortgage Call Report with NMLS during the periods he held a company MLO  
9 license endorsement (NMLS I.D. No. 999060). The Mortgage Call Report is due forty-five (45)  
10 days from the end of each calendar quarter.

11 22.

12 With respect to the year 2013, Respondent reported zero activity by his company  
13 MLO (NMLS I.D. No. 999060) in each quarterly Mortgage Call Report submitted to NMLS  
14 though Respondent's company should have reported the mortgage loan origination activities  
15 identified in Paragraphs 6 and 16, above.

16 23.

17 With respect to the year 2015, Respondent failed to file any quarterly Mortgage  
18 Call Reports with NMLS though Respondent's company (NMLS I.D. No. 999060) was an  
19 approved mortgage loan originator during that year.

20 24.

21 The conduct of Respondent, as alleged above, is in violation of Code Section  
22 10166.08, and is grounds for the suspension or revocation of Respondent's license and rights  
23 pursuant to the provisions of Code Sections 10177(d) and/or 10177(g).

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1 FIFTH CAUSE OF ACCUSATION

2 (Failure to Report Filing of Felony Complaint – Code Section 10186.2)

3 25.

4 Complainant hereby incorporates by reference the allegations set forth in  
5 Paragraphs 1 through 5, above.

6 26.

7 Code Section 10186.2, subdivision (a)(1)(A), requires real estate licensees to  
8 report to the Bureau any bringing of a complaint charging a felony against the licensee. Said  
9 report must be made in writing within 30 days from the charging of the felony under Code  
10 Section 10186.2(a)(2).

11 27.

12 On October 29, 2015, Respondent was charged with a felony in the California  
13 Superior Court, Los Angeles County, in Case No. BA 440922. The felony complaint charged  
14 Respondent with violating Penal Code Section 115(a) [Procuring and Offering False or Forged  
15 Instrument], a felony.

16 28.

17 Respondent's failure to report the filing of the felony complaint alleged in  
18 Paragraph 27, above, to the Bureau in writing within 30 days of the filing of the felony  
19 complaint as required by the provisions of Code Section 10186.2(a)(1)(A) and 10186.2(a)(2)  
20 constitutes grounds under Code Section 10186.2(b) to suspend or revoke Respondent's license  
21 and license rights pursuant to Code Sections 10177(d) and/or 10177(g).

22 Code §10106 provides, in pertinent part, that in any order issued in resolution of  
23 a disciplinary proceeding before the Bureau the Commissioner may request the administrative  
24 law judge to direct a licensee found to have committed a violation of this part to pay a sum not  
25 to exceed the reasonable costs of investigation and enforcement of the case.

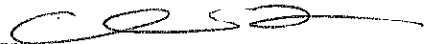
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1                   WHEREFORE, Complainant prays that a hearing be conducted on the  
2 allegations of this Accusation and that upon proof thereof, a decision be rendered imposing  
3 disciplinary action against all the licenses and license rights of Respondent HENRY FONTES  
4 PALMA under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code),  
5 for the cost of investigation and enforcement as permitted by Code §10106, and for such other  
6 and further relief as may be proper under other applicable provisions of law.

7 Dated at Sacramento, California

8 This 11<sup>th</sup> day of April, 2016.

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11 Chika Sunquist  
12 Deputy Real Estate Commissioner  
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22 cc: HENRY FONTES PALMA  
23 Chika Sunquist  
24 Sacto.  
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26  
27