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FILED

JUN 19 2017

BUREAU OF REAL ESTATE

By *[Signature]*

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

In the Matter of the Application of	)	No. H-40654 LA
	)	
REMAX PACIFICA	)	<u>STATEMENT OF ISSUES</u>
CORPORATION; AND	)	
MICHAEL JOSEPH MALONE,	)	
	)	Mortgage Loan
	)	Originator License
Respondents.	)	Endorsements
	)	

The Complainant, Chika Sunquist, a Supervising Special Investigator of the State of California, for cause of Statement of Issues against REMAX PACIFICA CORPORATION ("REMAX") and MICHAEL JOSEPH MALONE ("MALONE"), ("Respondents") alleges as follows:

1.

The Complainant, Chika Sunquist, a Supervising Special Investigator of the Bureau of Real Estate ("Bureau"), State of California, makes this Statement of Issues in her official capacity.

2.

REMAX is presently licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Business and Professions Code ("Code") as a corporate real estate broker. The broker license of REMAX was first issued on March 7, 2017, and will expire on March 6, 2021, unless renewed. At all times relevant herein, REMAX was acting by and through MALONE as its designated broker-officer.

3.

MALONE is presently licensed and/or has license rights under the Real Estate Law as a restricted real estate broker. MALONE is now, and has been the designated broker-officer for REMAX since the issuance of its corporate broker license. The restricted broker license of MALONE will expire on October 27, 2018, unless renewed.

4.

On or about September 7, 2016, MALONE made application to the Bureau in a MU4 form seeking an individual mortgage loan originator license endorsement (hereinafter "MLO license endorsement") under Nationwide Mortgage Licensing System ("NMLS") identification number 987622.

5.

On or about September 8, 2016, MALONE made application to the Bureau in a MU1 form seeking a company MLO license endorsement for REMAX, and in a MU2 form seeking a control person MLO license endorsement for REMAX, under NMLS identification number 1540521.

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CONVICTIONS

6.

On or about October 1, 1991, in the State of Michigan, 45 B Judicial District, in Case No. 91 SL006173, MALONE was convicted of violating Section 750.380B [malicious destruction of building, \$100 or less], a misdemeanor.

7.

On or about September 29, 1994, in the State of Michigan, Sixth Circuit Court, Case No. 93-127462 FH, MALONE was convicted of violating Section 750.479, C.L. 1979, M.S.A. 28.747 [resisting/obstructing police officer], a misdemeanor.

8.

The convictions alleged in Paragraphs 6 and 7, above, bear a substantial relationship to the qualifications, functions or duties of a real estate licensee under Section 2910 of the Regulations of the Real Estate Commissioner, Title 10, Chapter 6, California Code of Regulations ("Regulations").

PRIOR BUREAU DISCIPLINE

9.

On or about February 7, 2006, in Bureau Case No. H-32395 LA, the Commissioner of the Bureau denied MALONE's application for a real estate broker license pursuant to the provisions of Code section 10177, subsections (a) and (b) based on MALONE's failure to disclose the convictions set forth in Paragraphs 6 and 7, above, as well as the convictions themselves. The denial of MALONE's license application was subject to his right to apply for and be issued a restricted real estate broker license on the terms and conditions specified in the Decision. On March 1, 2006, MALONE was issued a restricted real

1 estate broker license. On or about March 18, 2010, MALONE's petition for the removal of the
2 restrictions to his restricted real estate broker license was denied.

3 10.

4 On or about September 7, 2010, in Bureau Case No. H-36329 LA, the
5 Commissioner of the Bureau suspended the restricted broker license of MALONE for a period
6 of 130 days in connection with an audit undertaken by the Bureau of the licensed activities of
7 Pacifica Luxury Properties of which MALONE was the designated officer. The basis for the
8 imposition of discipline against MALONE's restricted broker license was pursuant to Code
9 sections 10159.2 and 10177(h) and based on MALONE's failure to keep Pacifica Luxury
10 Properties in compliance with the Real Estate Law during the time he was the designated
11 officer for the corporate licensee.
12

13 11.

14 The facts alleged in Paragraphs 6 through 10, above, constitute cause for denial
15 of Respondent's application for a MLO license endorsement under Code section 10166.05(c)
16 and sections 2758.3 and 2945.2(b) of the Regulations in that Respondent has failed to
17 demonstrate such financial responsibility, character and general fitness as to command the
18 confidence of the community and to warrant a determination that the mortgage loan originator
19 will operate honestly, fairly, and efficiently within the purposes of Article 2.1 of the Real Estate
20 Law.
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1 WHEREFORE, Complainant prays that a hearing be conducted on the
2 allegations of this Statement of Issues, and that upon proof thereof, a decision be rendered that
3 the Commissioner refuse to authorize the issuance of, and deny the issuance of, MLO license
4 endorsements to Respondents REMAX PACIFIC CORPORATION and MICHAEL JOSEPH
5 MALONE, and for such other and further relief as may be proper under the provisions of law.

6 Dated at Sacramento, California

7 this 2nd day of June, 2017.
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10 Chika Sunquist
11 Supervising Special Investigator
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22 cc: REMAX PACIFIC CORPORATION
23 MICHAEL JOSEPH MALONE
24 Chika Sunquist
25 Sacto.
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