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FILED

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DEPARTMENT OF REAL ESTATE

By John C. Smith

BEFORE THE BUREAU OF REAL ESTATE
STATE OF CALIFORNIA

* * *

In the Matter of the Application of	)	No. H-41112 LA
	)	
RICARDO SALAS FLORES,	)	<u>STATEMENT OF ISSUES</u>
	)	
Respondent.	)	Mortgage Loan Originator
	)	License Endorsement
	)	
	)	

The Complainant, Chika Sunquist, a Supervising Special Investigator of the State of California, for cause of Statement of Issues against RICARDO SALAS FLORES ("Respondent") is informed and alleges as follows:

1.

The Complainant, Chika Sunquist, a Supervising Special Investigator of the State of California, makes this Statement of Issues against Respondent in her official capacity.

2.

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

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1
2 BRE LICENSE HISTORY

3 3.

4 A. From November 6, 1998 through the present, Respondent has been licensed
5 and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the Business and
6 Professions Code ("Code") as a real estate broker ("REB") Bureau of Real Estate ("BRE")
7 license number 01136222.

8 B. Prior to his licensure as a REB, Respondent was licensed by the BRE as a real
9 estate salesperson ("RES") since April 30, 1992.

10 C. According to BRE records to date, Respondent has one current DBA under his
11 BRE license, for Capitol Realty & Investments, active as of September 4, 2012.

12 D. According to BRE records to date, Respondent employs one (1) RES under his
13 BRE license.

14 E. Respondent's REB license will expire on July 6, 2019.

15 CRIMINAL HISTORY

16 4.

17 September 22, 1975: Elections Code Sections 29218, 29217, and 29216, Felonies

18 On or about September 22, 1975, in the Superior Court of the State of California,
19 Kern County Case Nos. 17424 and 17425, a jury found Respondent guilty of violation of:
20

21 First Count: Elections Code ("EC") Section 29218 (willfully, unlawfully and
22 feloniously make a false affidavit concerning a recall petition for any of the signatures appended
23 thereto);

24 Second Count: EC Section 29217 (willfully, unlawfully and feloniously circulate
25 or cause to be circulated a recall petition knowing it to contain false, forged or fictitious names);
26 and

27 Third Count: EC Section 29216 (willfully, unlawfully and feloniously file in the
28 office of the County Clerk of Kern County a recall petition to which was attached, appended or

1 subscribed a signature which the person filing the petition knew to be false or fraudulent or not
2 the genuine signature of the person whose name it was purported to be), all felonies. On or about
3 October 14, 1975, Respondent was sentenced to five (5) years probation, six (6) months of which
4 was to be served in the custody of the Sheriff. On or about June 24, 1976, Respondent admitted
5 to violation of probation; the court revoked Respondent's probation and committed Respondent
6 to Kern County Jail for an additional ninety (90) days.
7

8 5.

9 July 2, 1991: Penal Code Section 594(B), Misdemeanor

10 On or about July 2, 1991, in the Superior Court of the State of California, Kern
11 County Case No. BM443317A, Respondent pled guilty to and was convicted for violation of
12 Penal Code ("PC") Section 594(B) (vandalism, damage greater than \$400), a misdemeanor.
13

14 6.

15 (Aggravation)

16 January 8, 1992: Vehicle Code Section 14601.1(A), Misdemeanor

17 On or about January 8, 1992, in the Superior Court of the State of California,
18 Kern County Case No. BM450280A, Respondent pled guilty to and was convicted for violation
19 of Vehicle Code ("VC") Section 14601.1(A) (driving while license suspended), a misdemeanor.
20

21 MORTGAGE LOAN ORIGINATOR LICENSE ENDORSEMENT APPLICATION

22 7.

23 On or about January 24, 2017, Respondent submitted his online application
24 ("MU4") to the Nationwide Mortgage Licensing System & Registry ("NMLS"):
25

26 8.

27 At the section regarding Criminal Disclosure, Question (F), to wit: "Have you
28 ever been convicted of or pled guilty or nolo contendere ("no contest" in a domestic, foreign, or
military court to any felony?" Respondent answered "No" and did not disclose the conviction
information described above in Paragraphs 4 and 5.

1
2 APPLICABLE SECTIONS OF THE REAL ESTATE LAW/
3 GROUND FOR LICENSE ENDORSEMENT DENIAL BY THE BRE

4 (Code Sections 10166.05(b)(1) and Regulation 2945.3 (c))

5 9.

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

9 ...

10 (b)(1) The applicant has not been convicted of, or pled guilty or nolo contendere
11 to, a felony in a domestic, foreign, or military court during the seven-year period preceding the
12 date of the application for licensing, or at any time preceding the date of application, if the felony
13 involved an act of fraud, dishonesty, a breach of trust, or money laundering..."

14 10.

15 Pursuant to Regulation 2945.3, "A conviction for any felony within seven (7)
16 years of a real estate licensee's application for a mortgage loan originator license is cause for
17 denial of the application. A felony conviction at any time in the applicant's personal history
18 where such felony involved an act of fraud, dishonesty, a breach of trust, or money laundering is
19 cause for denial of the application. These restrictions constitute a ban on the real estate
20 licensee's ability to apply for a license endorsement. These restrictions are not subject to
21 mitigation or rehabilitation."

22 11.

23 The facts alleged in Paragraph 4, above, constitute cause for denial of
24 Respondent RICARDO SALAS FLORES' MLO license endorsement application pursuant to
25 **Code Section 10166.05(b)(1) and Regulation 2945.3.**

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27 ///

(Code Section 10166.05(c) and Regulation 2758.3(a))

12.

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

...

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

13.

Pursuant to Regulation 2758.3(a):

"The Commissioner's finding required by Section 10166.05(c) of the Business and Professions Code relates to any matter, personal or professional, that may impact upon an applicant's propensity to operate honestly, fairly, and efficiently when engaging in the fiduciary role of a mortgage loan originator.

In order to apply for a mortgage loan originator license endorsement, an applicant shall authorize the Nationwide Mortgage Licensing System and Registry (NMLSR) to obtain the applicant's current credit report. The credit report will be used as needed to validate the applicant's responses to the NMLSR's electronic application form, in order to support the Commissioner's finding required by Section 10166.05(c) of the Business and Professions Code.

(a) The applicant may be precluded from obtaining a mortgage loan originator license endorsement where his or her personal history includes:

(1) any liens or judgments for fraud, misrepresentation, dishonest dealing, and/or mishandling of trust funds, or

1
2 (2) other liens, judgments, or financial or professional conditions that indicate
3 a pattern of dishonesty on the part of the applicant...”

4 14.

5 The facts alleged in Paragraphs 4 and 5, above, constitute cause for denial of
6 Respondent RICARDO SALAS FLORES' MLO license endorsement application pursuant to
7 **Code Section 10166.05(c) and Regulation 2758.3(a).**

8 (Code Sections 10166.051(b) and 10166.05(c))

9 15.

10 Pursuant to Code Section 10166.051:

11 “In addition to any penalties authorized by regulations adopted pursuant to
12 Section 10166.15, the commissioner may do one or more of the following, after appropriate
13 notice and opportunity for hearing:

14 ...

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

19 16.

20 The facts alleged in Paragraphs 4 through 8, above, constitute cause for denial of
21 Respondent's application for an MLO license endorsement pursuant to **Code Sections**
22 **10166.051(b) and 10166.05(c).**

23 These proceedings are brought under the provisions of Section 10100, Division 4
24 of the Business and Professions Code of the State of California and sections 11500 through
25 11528 of the California Government Code.
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1 WHEREFORE, Complainant prays that a hearing be conducted on the allegations
2 of this Statement of Issues, and that upon proof thereof, a decision be rendered that the
3 Commissioner refuse to authorize the issuance of, and deny the issuance of, a mortgage loan
4 originator license endorsement to Respondent RICARDO SALAS FLORES, and for such other
5 and further relief as may be proper under the provisions of law.
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7 Dated at Sacramento, California

8 this 22nd day of June, 2018.

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11 
12 Chika Sunquist
13 Supervising Special Investigator
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20 cc: RICARDO SALAS FLORES
21 Chika Sunquist
22 Sacto.
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