

FILED

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DEPT. OF REAL ESTATE

By

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9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Application of) No. H-41925 LA
13 JULIO E. GRANDA,)
14 Respondent.) STATEMENT OF ISSUES
Mortgage Loan Originator (MLO) License
Endorsement

15 The Complainant, Luke Martin, a Supervising Special Investigator for the Department of
16 Real Estate ("Department") of the State of California, for cause of Statement of Issues against
17 JULIO E. GRANDA ("Respondent"), alleges as follows.

18 1. The Complainant, Luke Martin, acting in his official capacity as a Supervising
19 Special Investigator, makes this Statement of Issues against Respondent.

20 2. Unless otherwise noted, all references to the "Code" are to the California Business
21 and Professions Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the
22 Code, and all references to "Regulations" are to the Regulations of the Real Estate Commissioner,
23 Title 10, Chapter 6, California Code of Regulations.

24 3. Respondent presently has license rights under the Real Estate Law as a real estate
25 salesperson (License ID 02085572).

26 MLO APPLICATION

27 4. On or about August 2, 2019, Respondent submitted an application for a Mortgage
28 Loan Originator ("MLO") real estate salesperson ("RES") license endorsement by filing a Form

STATEMENT OF ISSUES

1 MU4 application through the Nationwide Mortgage Licensing System and Registry ("NMLS"). In
2 his Form MU4 application under the section titled "Disclosure Questions," Respondent made the
3 following responses

4 a. Under "Financial Disclosure," in response to "(D) Do you have any
5 unsatisfied judgments or liens against you," Respondent answered "No."

6 b. Under "Regulatory Action," in response to:

7 (K) Has any State or federal regulatory agency or foreign financial regulatory
8 authority or self-regulatory organization (SRO) ever:

9
(2) found you have been involved in a violation of a financial services-related
business regulation(s) or statute(s)?

10 Respondent answered "No."

11 **DISCIPLINE BY OTHER STATE, CIVIL JUDGMENT, CRIMINAL CONVICTION**

12 Discipline by Other State: Violation of Financial Services-Related Business Statute: Oregon Cease
13 and Desist Order

14 5. On or about May 22, 2018, in the Matter of Julio N. Granda, Case No. M-16-0322,
15 the Director of the Department of Consumer and Business Services for the State of Oregon
16 ("Director") issued a document titled Final Order to Cease and Desist, Order Assessing a Civil
17 Penalty, and Consent to Entry of Order ("Order"). In this Order, the Director found that
18 Respondent was not licensed with the State of Oregon as a mortgage broker or a mortgage loan
19 originator. The Director concluded that Respondent violated Oregon Revised Statutes 86A.203 by
20 taking a mortgage loan application and negotiating terms for a residential mortgage without first
21 obtaining a mortgage loan originator's license.

22 6. The Director ordered Respondent to Cease and Desist from violating Oregon's
23 Mortgage Lender Law and to pay a civil penalty for negotiating a residential mortgage without
24 being licensed. The Director also agreed to suspend the collection of the civil penalty on
25 condition that Respondent agree not to act as a mortgage loan originator, mortgage broker or
26 banker in the State of Oregon without being licensed and commit no new violations of the Oregon
27 Mortgage Lender Law or any administrative rules adopted thereunder. Respondent signed a
28 written, notarized consent to the entry of the Director's order.

1 Civil Judgment

2 7. On or about July 28, 2016, in the Small Claims Department of the Multnomah
3 County, Oregon, Circuit Court, Case No. 16SC02963, a civil judgment in the amount of \$5,252
4 was granted in favor of United Finance Co. against Respondent.

5 Criminal Conviction

6 8. On or about October 24, 1993, in the Justice Court of the State of Sao Paulo,
7 Brazil, Case No. RG: 31204503, N Pedido 598798-0001, Respondent was convicted of violating
8 Law 11.343 (drug trafficking), a felony, which involved, according to Respondent, the possession
9 of 20 pounds of cocaine by Respondent and three others attempting to board a plane from Brazil to
10 Europe, with the intention to traffic the cocaine in Europe. The Brazilian court sentenced
11 Respondent to serve four years in prison.

12 APPLICABLE SECTIONS OF THE REAL ESTATE LAW AND REGULATIONS

13 (Code Sections 10166.05(c) and 10166.051, and Regulation 2758.3)

14 9. **Code Section 10166.05(c)** provides:

15 [T]he commissioner shall not issue a license endorsement to act as a mortgage loan
16 originator to an applicant unless the commissioner makes all of the following findings:

17
18 (c) The applicant has demonstrated such financial responsibility, character, and
19 general fitness as to command the confidence of the community and warrant a
20 determination that the mortgage loan originator will operate honestly, fairly, and
21 efficiently within the purposes of the article.

22 10. **Code Section 10166.051** provides in part:

23 [T]he commissioner may do one or more of the following, after appropriate notice and
24 opportunity for hearing:

25 (a) Deny, suspend, revoke, restrict, or decline to renew a mortgage loan originator
26 license endorsement for a violation of this article, or any rules or regulations
27 adopted hereunder.

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

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11. **Regulation 2758.3** provides in part:

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.

....

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

GROUND FOR MLO LICENSE ENDORSEMENT DENIAL

12. The Complainant realleges and incorporates by reference all of the allegations contained in paragraphs 1 through 11 above, with the same force and effect as though fully set forth herein.

**DISCIPLINE BY OTHER STATE: VIOLATION OF FINANCIAL SERVICES-RELATED
BUSINESS STATUTE: OREGON CEASE AND DESIST ORDER**

13. The facts alleged above in Paragraphs 4 through 6 constitute cause for denial of Respondent JULIO E. GRANDA's MLO license endorsement MU4 application pursuant to **Code Sections 10166.05(c) and 10166.051(b)**.

WITHHELD INFORMATION OR MADE MATERIAL MISSTATEMENTS:

CIVIL JUDGMENT

14. The facts alleged above in Paragraphs 4 and 7 constitute cause for denial of Respondent JULIO E. GRANDA's MLO license endorsement MU4 application pursuant to **Code Sections 10166.05(c) and 10166.051(b), and Regulation 2758.3**.

IN AGGRAVATION: CRIMINAL CONVICTION

15. In aggravation, the facts alleged above in Paragraph 8 show that Respondent was convicted of felony drug trafficking in Brazil in October 1993 and served four years in a Brazilian prison.

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16. 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.

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, a Mortgage Loan Originator real estate salesperson license endorsement to Respondent JULIO E. GRANDA, 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 March, 2021.

Luke Martin

Luke Martin
Supervising Special Investigator

cc: JULIO E. GRANDA
Equity Smart Home Loans, Inc.
Luke Martin
Sacto.