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FILED
JUL 12 2021
DEPT. OF REAL ESTATE
By 

9 BEFORE THE DEPARTMENT OF REAL ESTATE
10 STATE OF CALIFORNIA

11 * * *

12 In the Matter of the Application of)	No. H-42061 LA
13 CHANTE LEMON EARL,)	
14 Respondent.)	STATEMENT OF ISSUES
)	Mortgage Loan Originator
)	License Endorsement
)	
)	

17 The Complainant, Ruth Corral, acting in her official capacity as a Supervising
18 Special Investigator of the State of California, for cause of Statement of Issues against CHANTE
19 LEMON EARL a.k.a. Thomas Smith ("Respondent"), is informed alleges as follows:

20 1.

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

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1 **DEPARTMENT OF REAL ESTATE ("DRE") LICENSE HISTORY**

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3 2.

4 According to Department of Real Estate ("DRE") records to date, Respondent has
5 been licensed and/or has license rights under the Real Estate Law, Part 1 of Division 4 of the
6 Business and Professions Code ("Code") as a restricted real estate salesperson ("RRES"), DRE
7 license ID 01504105, since November 21, 2006.

8 3.

9 According to DRE records to date, on or about May 24, 2005, Respondent made
10 application to the DRE for a real estate salesperson ("RES") license. On or about September 28,
11 2006, in DRE Case No. H-32628 LA, Respondent's RES license application was denied for
12 criminal convictions substantially related to the duties, qualifications and functions of a real
13 estate licensee; however, Respondent was granted a RRES, which Respondent continues to hold.

14 4.

15 According to DRE records to date, Respondent's RRES was suspended pursuant
16 to Family Code Section 17520 from July 10, 2009 to October 28, 2009.

17 5.

18 According to DRE records to date, Respondent's mailing address of record is:
19 2999 Kendall Dr., Ste. 204 PMB 6030, San Bernardino, CA 92407 and Respondent is licensed
20 under responsible real estate broker of record ("REB") Scotton Group and Associates, Inc., DRE
21 license ID 02018316.

22 6.

23 According to DRE records to date, Respondent's RRES will expire on November
24 15, 2024.

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1 **CRIMINAL CONVICTIONS INVOLVING FRAUD**

2 7.

3 April 3, 1997 Conviction for Violation of New Mexico Statutes Annotated

4 Sections 30-28-2 and 30-16-6

5 (Ninth District Court for the State of New Mexico, Curry County Case Number CR-96-12609)

6 On or about April 3, 1997, in the Ninth District Court for the State of New
7 Mexico, County of Curry, in Case Number CR-96-12609, State of New Mexico vs. Chante
8 Lemon Earl, Respondent was convicted upon his guilty plea for violation of New Mexico
9 Statutes Annotated ("NMSA") Sections 30-28-2 and 30-16-6 (conspiracy to commit fraud in
10 excess of \$250), a felony.
11

12 8.

13 Also on or about April 3, 1997, Respondent was sentenced to eighteen (18)
14 months in prison, suspended on the condition that he successfully complete eighteen (18) months
15 of supervised probation. Respondent's probation was to commence immediately upon his notice
16 to the Ninth Judicial District Adult Probation Department of his release from federal prison upon
17 completion of a 30-month related sentence in Case Number 95-1839-B. The Court ordered
18 Respondent's probation to run concurrently with any federal probation and/or parole for related
19 federal convictions. The Court further ordered Respondent to pay restitution in the amount of
20 \$3,781.
21

22 9.

23 March 31, 1997 Conviction for Violation of Title 18, United States Code

24 Sections 371, 1343 and 2

25 (United States District Court for the Southern District of California Case Number 95-2076-T)

26 On or about March 31, 1997, in the United States District Court for the Southern
27 District of California, in Case Number 95-2076-T, United States of America vs. Chante Lemon
28 Earl [and ten co-defendants], Respondent was convicted upon his guilty plea for violation of

1 Title 18, United States Code (“U.S.C.”) Sections 371 (conspiracy to commit wire fraud), 1343
2 (wire fraud) and 2 (aiding and abetting), felonies.
3

4 10.

5 Also on or about March 31, 1997, Respondent was sentenced to twelve (12)
6 months in prison, to run concurrently with the sentence imposed in Case Number 95-CR-1839-B.
7 The Court ordered that, upon his release from prison, Respondent be placed on supervised
8 release for three (3) years, to run concurrently with the supervised release imposed in Case
9 Number 95-CR-1839-B.

10 11.

11 March 10, 1997 Conviction for Violation of Title 18, United States Code
12 Sections 1343 and 2

13 (United States District Court for the Southern District of California Case Number 95-1839-B)

14 On or about March 10, 1997, in the United States District Court for the Southern
15 District of California, in Case Number 95-1839-B, United States of America vs. Chante Lemon
16 Earl [and thirteen co-defendants], Respondent was convicted upon the Court’s guilty finding on
17 six (6) counts for violation of Title 18 U.S.C. Sections 1343 (wire fraud) and 2 (aiding and
18 abetting), felonies.

19 12.

20 Also on or about March 10, 1997, Respondent was sentenced to thirty (30)
21 months in prison. The Court ordered that, upon his release from prison, Respondent be placed
22 on supervised release for three (3) years.
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BANKRUPTCY DISCHARGE

13.

October 6, 2010 Chapter 7 Voluntary Bankruptcy Petition

(United States Bankruptcy Court, Central District of California)

On or about October 6, 2010, in the United States Bankruptcy Court, Central District of California (Riverside), in Case Number 6:10-bk-42428-SC, Respondent [with joint debtor Tajuan V.] filed a Bankruptcy Petition pursuant to Chapter 7 for consumer debts, defined by 11 USC Section 101(8) as "incurred by an individual primarily for a personal, family or household purpose." On or about April 5, 2011, the bankruptcy discharge was granted, and the case terminated on or about April 8, 2011.

FORECLOSURE ACTION

14.

October 18, 2011 Foreclosure of Respondent's Property

(San Bernardino County, California)

On or about August 31, 2011, in San Bernardino County, California, a Notice of Trustee's Sale dated August 29, 2011, Trustee Sale No. 20110015003037 ("Notice") was recorded (Doc #2011-0366564) with respect to a public auction set for September 29, 2011 at 12:00 P.M. at the San Bernardino County Courthouse for the sale of real property located at 6668 Robinson Rd., Highland, California 92346 (APN #1191-121-27-0-000) ("subject property"). The Notice notified Respondent and Tajuan E. that they are in default under a deed of trust dated November 17, 2005, and that unless action was taken to protect the subject property, said property may be sold at public sale.

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On or about October 18, 2011, a Trustee's Deed upon Sale, Trustee Sale No. 20110015003037 ("Deed Upon Sale") was recorded (Doc #2011-0434982) with respect to the sale of the subject property, pursuant to the powers conferred by the November 17, 2005 deed of trust executed by Respondent and Tajuan E.

NATIONWIDE MULTISTATE LICENSING SYSTEM ("NMLS")
MORTGAGE LOAN ORIGINATOR LICENSE ENDORSEMENT APPLICATION

16.

RESPONDENT'S MAY 29, 2020 MU4

On or about May 29, 2020, Respondent attested to and submitted under penalty of perjury an online individual application ("MU4") with a Transition Requested" to the Nationwide Multistate Licensing System and Registry ("NMLS") for a RES mortgage loan originator ("MLO") license endorsement.

17.

Respondent MU4 - Question (A)(1) Financial Disclosure

At the section regarding Financial Disclosure, Question (A)(1), to wit: "Have you ever filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition within the past 10 years?" Respondent answered "No" and in the section allotted for Disclosure Explanations did not disclose the 2011 bankruptcy discharge (Case Number 6:10-bk-42428-SC) described above in Paragraph 13.

18.

Respondent MU4 - Question (A)(3) Financial Disclosure

At the section regarding Financial Disclosure, Question (A)(3), to wit: "Have you been the subject of a foreclosure action within the past 10 years?" Respondent answered "No" and in the section allotted for Disclosure Explanations did not disclose the foreclosure action in

1 Trustee Sale No. 20110015003037 (Doc #2011-0434982 and #2011-0366564) described above
2 in Paragraphs 14 and 15.
3

4 19.

5 Respondent MU4 - Question (K)(6) Regulatory Action

6 At the section regarding Regulatory Action, Question (K)(6), to wit: "Has any
7 State or federal regulatory agency or foreign financial regulatory authority or self-regulatory
8 organization (SRO) ever denied or suspended your registration or license or application for
9 licensure, disciplined you, or otherwise by order, prevented you from associating with a financial
10 services-related business or restricted your activities?" Respondent answered "No" and in the
11 section allotted for Disclosure Explanations did not disclose the DRE license history in Case No.
12 H-32628 LA described in Paragraphs 2 through 3.

13 APPLICABLE SECTIONS OF THE REAL ESTATE LAW

14 20.

15 Denial of Mortgage Loan Originator Endorsement - Code Section 10166.05

16 Pursuant to Code Section 10166.05 *Denial of Mortgage Loan Originator*
17 *Endorsement:*

18 "Notwithstanding any other provision of law, the commissioner shall not issue a
19 license endorsement to act as a mortgage loan originator to an applicant unless the commissioner
20 makes all of the following findings:
21

22 (a) The applicant has never had a mortgage loan originator license revoked in any
23 governmental jurisdiction, except that a subsequent formal vacation of a revocation shall not be
24 deemed as a revocation.

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

1 particular crime is classified as a felony shall be determined by the law of the jurisdiction in
2 which an individual is convicted.

3
4 (2) For purposes of this subdivision, an expunged or pardoned felony
5 conviction shall not require denial of an application. However, the commissioner may consider
6 the underlying crime, facts, or circumstances of an expunged or pardoned felony conviction
7 when determining the eligibility of an applicant for licensure under this subdivision or
8 subdivision (c).

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

13 (d) The applicant has complied with the education and written testing
14 requirements in Section 10166.06.”

15 21.

16 Grounds for Denial, Suspension or Revocation - Code Section 10166.051

17 Pursuant to Code Section 10166.051 *Grounds for Denial, Suspension or*
18 *Revocation:*

19 “In addition to any penalties authorized by regulations adopted pursuant to
20 Section 10166.05, the commissioner may do one or more of the following, after appropriate
21 notice and opportunity for hearing:

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

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

1 (c) Issue orders or directives to licensees who hold mortgage loan originator
2 license endorsements, as follows:

3 (1) Order or direct persons subject to this article to desist and refrain from
4 conducting business, including immediate temporary orders to desist and refrain.
5

6 (2) Order or direct persons subject to this article to cease any harmful
7 activities or violations of this article, including immediate temporary orders to desist and refrain.

8 (3) Enter immediate temporary orders to cease business under a license
9 endorsement if the commissioner determines that the license endorsement was erroneously
10 granted or the endorsement holder is currently in violation of this article.

11 (4) Order or direct any other affirmative action the commissioner deems
12 necessary.”

13 22.

14 Effect of Prior Felony Conviction on Mortgage Loan Originator License Endorsement

15 Application – Regulation 2945.3

16 Pursuant to Regulation 2945.3. *Effect of Prior Felony Conviction on Mortgage*
17 *Loan Originator License Endorsement Application:*

18 “A conviction for any felony within seven (7) years of a real estate licensee's
19 application for a mortgage loan originator license endorsement is cause for denial of the
20 application. A felony conviction at any time in the applicant's personal history where such felony
21 involved an act of fraud, dishonesty, a breach of trust, or money laundering is cause for denial of
22 the application. These restrictions constitute a ban on the real estate licensee's ability to apply for
23 a license endorsement. These restrictions are not subject to mitigation or rehabilitation.”
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1 **VIOLATIONS OF THE REAL ESTATE LAW - CAUSES FOR APPLICATION DENIAL**

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3 23.

4 The facts alleged in Paragraphs 7 through 12, above, constitute cause for denial of
5 Respondent CHANTE LEMON EARL's MLO license endorsement application pursuant to
6 **Code Section 10166.051(b) for failure to meet the requirements of Code Section**
7 **10166.05(b)(1).**

8 24.

9 The facts alleged in Paragraphs 7 through 12, above, constitute cause for denial of
10 Respondent CHANTE LEMON EARL's MLO license endorsement application pursuant to
11 **Regulation 2945.3.**

12 25.

13 The facts alleged in Paragraph 17, in conjunction with Paragraph 13 above,
14 constitute cause for denial of Respondent CHANTE LEMON EARL's MLO license
15 endorsement application pursuant to **Code Section 10166.051(b).**

16 26.

17 The facts alleged in Paragraph 18, in conjunction with Paragraphs 14 and 15
18 above, constitute cause for denial of Respondent CHANTE LEMON EARL's MLO license
19 endorsement application pursuant to **Code Section 10166.051(b).**

20 27.

21 The facts alleged in Paragraph 19, in conjunction with Paragraph 2 and 3 above,
22 constitute cause for denial of Respondent CHANTE LEMON EARL's MLO license
23 endorsement application pursuant to **Code Section 10166.051(b).**

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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 CHANTE LEMON EARL, and for such other and
5 further relief as may be proper under the provisions of law.
6

7 Dated at Sacramento, California

8 this 7th day of July, 2021.

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11 
12 Ruth Corral
13 Supervising Special Investigator
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17 cc: Chante LeMon Earl
18 Mortgage Loan Activities/Enforcement – R. Corral
19 Sacto.
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