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DEPT. OF REAL ESTATE
By [redacted]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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In the Matter of the Application of JEB J. ALTONAGA, Respondent.	DRE No. H-43101 LA **STATEMENT OF ISSUES** Mortgage Loan Originator (MLO) License Endorsement

The Complainant, Ruth Corral, a Supervising Special Investigator of the State of California, for cause of Statement of Issues against JEB J. ALTONAGA aka Jeb James Altonata ("Respondent"), alleges as follows:

1. The Complainant, Ruth Corral, a Supervising Special Investigator of the Department of Real Estate ("Department"), State of California, makes this Statement of Issues in her official capacity.

2. Unless otherwise noted, all references to the "Code" are to the California Business and Professions Code, all references to the "Real Estate Law" are to Part 1 of Division 4 of the Code, and all references to "Regulations" are to the Regulations of the Real Estate

Commissioner, Title 10, Chapter 6, California Code of Regulations.

3. On October 9, 2018, Respondent was licensed by the Department as a real estate salesperson, License ID 02073079.

Prior Conviction

4. On or about March 2, 2001, before the United States District Court, Southern District of New York, in Case No. 01-CR-178-01, Respondent pled guilty to and was convicted of violating 18 U.S.C. § 1343 (wire fraud with the intent to deprive another of the intangible right of honest services); 18 U.S.C. § 1346 (scheme to defraud); and 18 U.S.C. § 2 (aiding and abetting), a felony. As part of the plea agreement, Respondent admitted to aiding and abetting a scheme to deprive his employer of the employer's right to Respondent's honest services and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, to wit: Respondent, without the knowledge and authorization of his employer, caused to be faxed from California to Maryland, letters on his employer's letterhead containing false and misleading information purporting to represent that the employer had committed to participate in certain financial transactions, when in fact the employer had not so committed, in exchange for cash payments that Respondent did not disclose to his employer.

5. The conviction alleged above in Paragraph 4, and the underlying circumstances surrounding said conviction, bear a substantial relationship to the qualifications, functions or duties of a real estate licensee under Regulations 2910 and 2910.5.

MLO Application

6. On or about July 7, 2023, Respondent applied for a Mortgage Loan Originator ("MLO") license endorsement by filing a Form MU4 Individual application through the Nationwide Mortgage Licensing System and Registry ("NMLS").

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Applicable Statutes

(Code sections 10166.02(b) and 10166.051(a))

7. Code section 10166.05, provides in pertinent part, as follows: "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:

(b)(1) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application for licensing, or at any time preceding the date of application, if the felony involved an act of fraud, dishonesty, a breach of trust, or money laundering. Whether a particular crime is classified as a felony shall be determined by the law of the jurisdiction in which an individual is convicted.

(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."

8. Code section 10166.051, subdivision (b), provides: "[I]n addition to any penalties authorized by regulations adopted pursuant to Section 10166.15, the commissioner may do one or more of the following, after appropriate notice and opportunity for hearing:

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

Grounds for MLO License Endorsement Denial

10. The facts alleged in Paragraphs 3 through 6, above, constitute cause for denial of Respondent's application for a MLO license endorsement under Code section 480, subdivision (a)(1(B) (Denial of License by Board – Conviction of Crime); Code section 10166.05, subdivision (b)(1) (conviction of a crime) and subdivision (c) (financial responsibility, character, and general fitness); Code section 10166.051, subdivision (b) (failure to meet the requirements of section 10166.05, or withholds information or makes a material misstatement in an application for a license endorsement or license endorsement renewal), and Regulation 2945.3 (prior felony conviction), in that Respondent has a prior felony conviction that involved fraud, false statements or omissions, or theft or wrongful taking of property, and has failed to demonstrate such financial responsibility, character and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of Article 2.1 of the Real Estate Law.

11. 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.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Statement of Issues, and that upon proof thereof, a decision be rendered that the Commissioner refuse to authorize the issuance of, and deny the issuance of, an MLO license endorsement to Respondent JEB J. ALTONAGA and for such other and further relief as may be proper under the provisions of law.

Dated 06/05/2025 at Sacramento, California.

[redacted]

Ruth Corral
Supervising Special Investigator

cc: Jeb J. Altonaga
Ruth Corral
Sacto.