

1 JUDITH B. VASAN, Counsel (SBN 278115)  
2 Department of Real Estate  
3 320 West 4th Street, Suite 350  
4 Los Angeles, California 90013-1105  
5 Telephone: (213) 576-6982  
6 Direct: (213) 576-6904  
7 Fax: (213) 576-6917  
8 *Attorney for Complainant*

**FILED**  
AUG 27 2021  
DEPT. OF REAL ESTATE  
By *[Signature]*

9 BEFORE THE DEPARTMENT OF REAL ESTATE  
10 STATE OF CALIFORNIA

11 \* \* \*

12 In the Matter of the Application of ) No. H-41997 LA  
13 )  
14 JESSE REYES, )  
15 ) STATEMENT OF ISSUES  
16 Respondent. ) Mortgage Loan Originator  
License Endorsement

17 The Complainant, Ruth Corral, a Supervising Special Investigator of the State of  
18 California, for cause of Statement of Issues against JESSE REYES, formerly known as Jesus  
19 Reyes, ("Respondent") alleges as follows:

20 1.

21 The Complainant, Ruth Corral, Supervising Special Investigator of the State of  
22 California, makes this Statement of Issues against Respondent in her official capacity.

23 2.

24 Respondent is presently licensed and/or has license rights under the Real Estate  
25 Law, Part 1 of Division 4 of the California Business and Professions Code ("Code"), as a real  
26 estate broker (License ID 01507176). Respondent's license is set to expire on October 3, 2022,  
27 unless renewed.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

3.

On or about July 8, 2020, Respondent submitted an "MU4" application to the Department of Real Estate ("Department") of the State of California for an individual mortgage loan originator ("MLO") license endorsement and attested to the statements contained therein, under penalty of perjury.

4.

On or about July 17, 2020, Respondent submitted another MU4 application to the Department for an MLO license endorsement and attested to the statements contained therein, under penalty of perjury.

(GROUNDS FOR DENIAL OF MLO LICENSE ENDORSEMENT)

5.

Section 10166.05 of the Code provides, "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 this article."

....

6.

Section 10166.051 of the Code provides, "...the commissioner may do one or more of the following, after appropriate notice and opportunity for hearing:

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

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

6 7.

7 Title 10, Chapter 6, of the California Code of Regulations section 2758.3,  
8 subdivision (a) provides, that an applicant may be precluded from obtaining a mortgage loan  
9 originator license endorsement where the applicant’s personal history includes: (1) any liens or  
10 judgments for fraud, misrepresentation, dishonest dealing, and/or mishandling of trust funds, or  
11 (2) other liens, judgments, or financial or professional conditions that indicate a pattern of  
12 dishonesty on the part of the applicant.

13 (UNSATISFIED JUDGMENTS)

14 C.E.<sup>1</sup> v. Jesus Reyes and House to Dream Home, Inc.

15 8.

16 On or about September 8, 2009, in C.E. v. Jesus Reyes and House to Dream  
17 Home, Inc., Superior Court of California, County of Los Angeles, Case No. GC043690, a civil  
18 action was filed against Respondent and co-defendant for breach of contract, breach of  
19 warranty, and fraud. As more fully described in the Complaint filed on or about April 21, 2008,  
20 the plaintiff entered into a contract with Respondent and co-defendant and paid Respondent  
21 \$21,000.00 to perform a complete remodel of plaintiff’s kitchen, one bathroom, and one room  
22 in plaintiff’s residence located in San Gabriel, California. Respondent and co-defendant’s work  
23 breached said contract in that the property was not constructed in a good workmanlike matter.  
24 Furthermore, Respondent made false representations that all of the work would be done under  
25 his supervision and control and that he would stand behind all of the work done. The plaintiff  
26

27  

---

1 Initials are used in place of individual’s full name to protect their privacy.

1 was forced to hire another contractor to complete the construction project for an additional out-  
2 of-pocket cost of \$21,000.00.

3 9.

4 On or about December 14, 2009, in C.E. v. Jesus Reyes and House to Dream  
5 Home, Inc., Case No. GC043690, judgement was entered for plaintiff and against Respondent  
6 and co-defendant. Respondent and co-defendant were ordered to pay plaintiff a total of  
7 \$22,475.00, which included damages, attorney fees, and costs. The judgement has not been  
8 satisfied.

9 Irwindale 4th Street Associates, LLC v. APR Capital One, Inc. et al.

10 10.

11 On or about February 19, 2010, in Irwindale 4th Street Associates, LLC v. APR  
12 Capital One, Inc.; Jesus Reyes; Tony Attallah; Bruce Palencia, Superior Court of California,  
13 County of Los Angeles, Case No. KC058031, a civil action was filed against Respondent and  
14 co-defendants for breach of contract. As more fully described in the Complaint filed on or about  
15 February 19, 2010, Respondent and co-defendants owed plaintiff unpaid rent and late fees from  
16 June 1, 2008, through February 28, 2010, minus credit for the security deposit for a total owing  
17 of \$53,532.93.

18 11.

19 On or about September 1, 2010, in Irwindale 4th Street Associates, LLC v. APR  
20 Capital One, Inc., et al., Case No. KC058031, judgment was entered for plaintiff and against  
21 Respondent and co-defendants. Respondent and co-defendants were ordered to pay plaintiff a  
22 total of \$55,478.59, which included damages, attorney fees, and costs. Respondent and co-  
23 defendants have not satisfied the judgement.

24 (WITHHELD INFORMATION OR MADE MATERIAL MISSTATEMENT)

25 12.

26 In response to Question (D) in the section entitled "Financial Disclosure" under  
27 "Disclosure Questions" of Respondent's MLO license endorsement applications submitted on

1 July 8, 2020 and July 17, 2020, to wit: "Do you have any unsatisfied judgements or liens  
2 against you?" Respondent answered "No." Respondent failed to disclose the civil judgements  
3 entered against Respondent as described above in Paragraphs 8 through 11.

4 13.


5 The facts alleged in Paragraphs 8 through 12 above, constitute cause for the  
6 denial of Respondent's application for an MLO license endorsement under Code sections  
7 10166.05(c) and 10166.051(a)-(b).

8 14.

9 These proceedings are brought under the provisions of Section 10100, Division  
10 4 of the Business and Professions Code of the State of California and Sections 11500 through  
11 11528 of the California Government Code.

12 WHEREFORE, the Complainant prays that the above-entitled matter be set for  
13 hearing and, upon proof of the charges contained herein, that the Commissioner refuse to  
14 authorize the issuance of and deny the issuance of an MLO license endorsement to Respondent  
15 JESSE REYES and for such other and further relief as may be proper under other applicable  
16 provisions of law.

17  
18 Dated at Sacramento, California this 20<sup>th</sup> day of August, 2021.

19  
20  
21   
22 Ruth Corral  
23 Supervising Special Investigator

24  
25 cc: JESSE REYES  
26 Ruth Corral  
27 Sacto.