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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of)	FILE NO. 60DBO-35973
)	
THE COMMISSIONER OF BUSINESS)	
OVERSIGHT OF THE STATE OF)	STATEMENT OF ISSUES
CALIFORNIA,)	
)	
Complainant,)	
v.)	
)	
BOONRATE, INC.,)	
)	
Respondent.)	

Complainant, the Commissioner of Business Oversight (“Commissioner”) is informed and believes, and based upon such information and belief, alleges and charges Respondent BoonRate, Inc. (“BoonRate”) as follows:

I.
INTRODUCTION

The Commissioner seeks to deny the issuance of a finance lender license to BoonRate pursuant to Section 22109 of the California Finance Lenders Law (“CFL”; California Financial Code § 22000 et seq.) on the grounds that: 1) a false statement of material fact has been made in BoonRate’s application; 2) an officer of the applicant has committed an act of dishonesty by making a false statement on the application; 3) an officer has violated a provision of the CFL, Financial Code section 22170(b), by filing a false application; and 4) an officer has violated a

1 similar regulatory scheme of the state of California.

2 **II.**

3 **THE APPLICATION**

4 On or about June 9, 2014, BoonRate, a Delaware corporation, filed an application for a
5 finance lender license with the Commissioner (File No. 60DBO-35973; hereinafter "application")
6 through the Nationwide Mortgage Licensing System ("NMLS"). Rick B. Lien ("Lien") verified
7 the application of BoonRate under penalty of perjury. The application identified Lien as the
8 president and 100% owner of BoonRate.

9 In response to the Item K in the Disclosure Questions on Lien's Form MU2 (filed through
10 the NMLS), Lien stated that no regulatory agency has ever suspended or revoked his license.
11 However, public records available from the California Bureau of Real Estate ("BRE;" formerly the
12 Department of Real Estate) show that the BRE suspended Lien's BRE salesperson license on
13 January 8, 1995, and revoked it on July 10, 1997. Lien's BRE license was suspended and revoked
14 for violations of the Real Estate Law, Cal. Bus. & Prof. Code § 10000 et seq.

15 In response to Item F in the Disclosure Questions on Lien's Form MU2, Lien disclosed
16 that he had pleaded nolo contendere on May 14, 2004, in a felony criminal matter involving grand
17 theft.

18 California Financial Code section 22170, subdivision (b), provides:

19 It is unlawful for any person to knowingly make an untrue statement to the
20 commissioner during the course of licensing, investigation, or examination, with
21 the intent to impede, obstruct, or influence the administration or enforcement of
22 any provision of this division.

23 California Financial Code section 22109, subdivision (a), provides, in pertinent part:

24 Upon reasonable notice and opportunity to be heard, the commissioner may deny
25 the application for a finance lender or broker license for any of the following
26 reasons:

27 (1) A false statement of a material fact has been made in the application.

28 (2) The applicant or an officer, director, general partner, person responsible for the
applicant's lending activities in this state, or person owning or controlling, directly

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or indirectly, 10 percent or more of the outstanding interests or equity securities of the applicant has, within the last 10 years, been convicted of or pleaded nolo contendere to a crime, or committed an act involving dishonesty, fraud, or deceit, if the crime or act is substantially related to the qualifications, functions, or duties of a person engaged in business in accordance with this division.

(3) The applicant or an officer, director, general partner, person responsible for the applicant's lending activities in this state, or person owning or controlling, directly or indirectly, 10 percent or more of the outstanding interests or equity securities of the applicant has violated any provision of this division or the rules thereunder or any similar regulatory scheme of the State of California or a foreign jurisdiction.

On March 18, 2014, the Commissioner granted Lien's application for a mortgage loan originator license ("MLO") pursuant to the California Residential Mortgage Lending Act (Fin. Code § 50000 et seq.). On his application for an MLO license filed through the NMLS, Lien did not disclose his suspension and revocation by the BRE. The Commissioner only learned of the suspension and revocation after Lien's MLO license had been granted.

III.

CONCLUSION

The Commissioner finds, by reason of the foregoing, that 1) a false statement of material fact has been made in BoonRate's application; 2) an officer of the applicant has committed an act of dishonesty by making a false statement on the application; 3) an officer has violated a provision of the CFL, Financial Code section 22170(b), by filing a false application; and 4) an officer has violated the regulatory scheme administered by the California Bureau of Real Estate.

The findings set forth above constitute grounds under California Financial Code section 22109, subdivision (a), to deny the issuance of a finance lender license to Reyes Lending.

THEREFORE, the Commissioner asserts that she is justified under California Financial Code section 22109 in denying the issuance of a finance lender license to BoonRate, Inc.

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WHEREFORE, the Commissioner prays that the application for a finance lender license filed by BoonRate, Inc. on June 9, 2014, be denied.

Dated: December 17, 2014

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
Joyce Tsai
Senior Corporations Counsel
Enforcement Division