

\*\*\*\*\*  
**IN THE MATTER OF:**  
**BAY-VALLEY MORTGAGE GROUP**  
**d/b/a BAY-VALLEY MORTGAGE**  
**GROUP, INC.**  
**d/b/a PACIFIC BAY LENDING GROUP**  
**d/b/a VALLEY VIEW HOME LOANS**  
**NMLS # 192103**  
  
**(“Respondent”)**  
  
\*\*\*\*\*

**NOTICE OF AUTOMATIC SUSPENSION**  
  
**TEMPORARY ORDER TO**  
**CEASE AND DESIST**  
  
**NOTICE OF INTENT TO REVOKE**  
**MORTGAGE LENDER LICENSE OF**  
**BRANCH OFFICE**  
  
**NOTICE OF INTENT TO ISSUE**  
**ORDER TO CEASE AND DESIST**  
  
**AND**  
  
**NOTICE OF RIGHT TO HEARING**

**I. LEGAL AUTHORITY AND JURISDICTION**

The Banking Commissioner (“Commissioner”) is charged with the administration of Part I of Chapter 668, Sections 36a-485 to 36a-534b, inclusive, of the Connecticut General Statutes, “Mortgage Lenders, Correspondent Lenders, Brokers and Loan Originators”.

Pursuant to the authority granted by Section 36a-17 of the Connecticut General Statutes, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, has investigated the activities of Respondent to determine if it has violated, is violating or is about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner.

Section 36a-17(a) of the Connecticut General Statutes provides, in pertinent part, that:

The commissioner, in the commissioner’s discretion and as often as the commissioner deems necessary to carry out the purposes of applicable law and the duties of the commissioner, may, subject to the provisions of section 36a-21 and the Freedom of Information Act, as defined in section 1-200: (1) Make, within or outside this state, such public or private investigations or examinations concerning any person subject to the jurisdiction of the commissioner . . . .

Section 36a-51 of the Connecticut General Statutes provides, in pertinent part, that:

(a) The commissioner may . . . revoke . . . any license issued by the commissioner under any provision of the general statutes by sending a notice to the licensee by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a dated delivery receipt, or by personal delivery, as defined in section 4-166, in accordance with section 36a-52a. The notice shall be deemed received by the licensee on the earlier of the date of actual receipt or seven days after mailing or sending, and in the case of a notice sent by electronic mail, the notice shall be deemed received by the licensee in accordance with section 36a-52a. Any such notice shall include: (1) A statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the general statutes . . . involved; (4) a short and plain statement of the matters asserted; and (5) a statement indicating that the licensee may file a written request for a hearing on the matters asserted within fourteen days of receipt of the notice. . . .

(b) If a hearing is requested within the time specified in the notice, the commissioner shall hold a hearing upon the matters asserted in the notice unless the licensee fails to appear at the hearing. After the hearing, the commissioner shall . . . revoke . . . the license for any reason set forth in the applicable licensing provisions of the general statutes if the commissioner finds sufficient grounds exist for such . . . revocation . . . . If the licensee does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner shall . . . revoke . . . the license. No such license shall be . . . revoked except in accordance with the provisions of chapter 54.

Section 36a-52 of the Connecticut General Statutes provides, in pertinent part, that:

(a) Whenever it appears to the commissioner that any person has violated, is violating or is about to violate any provision of the general statutes within the jurisdiction of the commissioner, . . . the commissioner may send a notice to such person by registered or certified mail, return receipt requested, or by any express delivery carrier that provides a dated delivery receipt, unless such person is licensed by the commissioner, in which case the notice may be provided by personal delivery, as defined in section 4-166, in accordance with section 36a-52a. The notice shall be deemed received by the person on the earlier of the date of actual receipt, or seven days after mailing or sending, and in the case of a notice sent by electronic mail, the notice shall be deemed received by the person in accordance with section 36a-52a. Any such notice shall include: (1) A statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the general statutes, . . . alleged to have been violated; (4) a short and plain statement of the matters asserted; and (5) a statement indicating that such person may file a written request for a

hearing on the matters asserted within fourteen days of receipt of the notice. If a hearing is requested within the time specified in the notice, the commissioner shall hold a hearing upon the matters asserted in the notice, unless the person fails to appear at the hearing. After the hearing, the commissioner shall determine whether an order to cease and desist should be issued against the person named in the notice. If the person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner shall issue an order to cease and desist against the person. No such order shall be issued except in accordance with the provisions of chapter 54.

(b) If the commissioner finds that the public welfare requires immediate action, the commissioner may incorporate a finding to that effect in the notice sent in accordance with subsection (a) of this section and issue a temporary order requiring the person to cease and desist from the activity which constitutes such alleged violation and to take or refrain from taking such action as in the opinion of the commissioner will effectuate the purposes of this section. Such temporary order shall become effective on receipt and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in the notice.

Section 4-182(c) of the Connecticut General Statutes provides, in pertinent part, that:

No revocation . . . of any license is lawful unless, prior to the institution of agency proceedings, the agency gave notice by mail to the licensee of facts or conduct which warrant the intended action and the specific provisions of the general statutes . . . that authorize such intended action, and the licensee was given an opportunity to show compliance with all lawful requirements for the retention of the license. If the agency finds that public health, safety or welfare imperatively requires emergency action, and incorporates a finding to that effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. These proceedings shall be promptly instituted and determined.

## **II. MATTERS ASSERTED**

1. Respondent is a California corporation with an office at 7390 Lincoln Way, Garden Grove, California (“Main Office”), and does business in Connecticut under the following trade names: Bay-Valley Mortgage Group, Inc., Pacific Bay Lending Group and Valley View Home Loans. Respondent also has an office located at 3551 Camino Mira Costa, Suite M, San Clemente, California, Branch ID # 1729775 (“Branch Office”).

2. Respondent has been licensed by the Commissioner through the Nationwide Multistate Licensing System and Registry (“NMLS”) to engage in the business of a mortgage lender since January 30, 2018, from its Main Office, and since April 30, 2018, from its Branch Office.

3. On December 31, 2018, the designated branch manager of the Branch Office, Jennifer Jessica Taylor (“Taylor”), NMLS # 1519967, failed to renew her mortgage loan originator license.

4. On January 10, 2019, and January 31, 2019, the Division sent notice to Respondent through NMLS, giving Respondent an opportunity to show compliance with all lawful requirements for the retention of its mortgage lender license for the Branch Office by submitting a mortgage loan originator application for Taylor by February 8, 2019.

5. As of February 8, 2019, despite being provided with multiple opportunities to show compliance, Respondent failed to submit a mortgage loan originator application for Taylor or otherwise designate a qualified branch manager for the Branch Office who meets the requirements set forth in Section 36a-488 of the Connecticut General Statutes.

6. On February 8, 2019, the Commissioner automatically suspended Respondent’s mortgage lender license for the Branch Office.

### **III. STATUTORY BASIS FOR REVOCATION OF MORTGAGE LENDER LICENSE OF BRANCH OFFICE AND ORDER TO CEASE AND DESIST**

Section 36a-494 of the Connecticut General Statutes provides, in pertinent part, that:

(a)(1) The commissioner may . . . revoke . . . any mortgage lender . . . license or take any other action, in accordance with the provisions of section 36a-51, for any reason which would be sufficient grounds for the commissioner to deny an application for such license under sections 36a-485 to 36a-498e, inclusive, 36a-498h, 36a-534a and 36a-534b, or if the commissioner finds that the licensee . . . has done any of the following: . . . (C) violated any of the provisions of this title . . . .

(b) Whenever it appears to the commissioner that (1) any person has violated, is violating or is about to violate any of the provisions of sections 36a-485 to 36a-498e, inclusive, 36a-498h, 36a-534a and 36a-534b, . . . the commissioner may take action against such person . . . in accordance with sections 36a-50 and 36a-52.

Section 36a-488(a)(1) of Connecticut General Statutes provides, in pertinent part, that:

The commissioner shall not issue a mortgage lender license . . . to any person unless such person meets the following . . . experience requirements, as applicable: . . . (B) a mortgage lender . . . shall have, . . . (ii) at each branch office, a branch manager who has supervisory authority over the lending or brokerage activities of the branch office, who is responsible for the actions of the branch office, who has at least three years' experience in the mortgage business within the five years immediately preceding the date of the application for the license, and who is licensed as a mortgage loan originator under section 36a-489. As used in this subdivision, "experience in the mortgage business" means paid experience in the origination, processing or underwriting of residential mortgage loans, the marketing of such loans in the secondary market or the supervision of such activities, or any other relevant experience as deemed by the commissioner. . . .

Section 36a-489(a)(1) of the Connecticut General Statutes provides, in pertinent part, that:

The commissioner shall not issue an initial license for a mortgage lender . . . unless the commissioner, at a minimum, finds that: (A) the applicant meets the requirements of subsection (a) of section 36a-488 . . . .

Section 36a-490(b)(3) of the Connecticut General Statutes provides, in pertinent part, that:

The commissioner may automatically suspend any license . . . upon a failure of the licensee to designate a . . . branch manager who meets the requirements set forth in section 36a-488, within thirty days of a vacancy in the position. After a license has been automatically suspended pursuant to this subsection, the commissioner shall (A) give the licensee notice of the automatic suspension, pending proceedings for revocation of . . . the license pursuant to Section 36a-494 and an opportunity for a hearing in accordance with section 36a-51, and (B) require the licensee to take or refrain from taking action as the commissioner deems necessary to effectuate the purpose of this section.

Respondent's failure to designate a qualified branch manager, as more fully described in paragraphs 1 through 6, inclusive, of the Matters Asserted, constitutes sufficient grounds for the Commissioner to deny an application for a mortgage lender license under Section 36a-489(a)(1)(A) of the Connecticut General Statutes and constitutes a violation of Section 36a-488(a)(1)(B) of the Connecticut General Statutes, both of which constitute sufficient grounds for the Commissioner to revoke Respondent's license to engage in the business of a mortgage lender in Connecticut from the Branch Office pursuant to Section 36a-494(a)(1)(C) and subsections (a) and (b) of Section 36a-51 of the Connecticut General

Statutes. Such violation also forms a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-494(b) and 36a-52(a) of the Connecticut General Statutes.

**IV. FINDING AND STATUTORY BASIS FOR  
TEMPORARY ORDER TO CEASE AND DESIST AND AUTOMATIC SUSPENSION**

The Commissioner finds, pursuant to Section 36a-52(b) of the Connecticut General Statutes, that public welfare requires immediate action to issue a temporary order requiring Respondent to cease and desist from violating Section 36a-488(a)(1)(B) of the Connecticut General Statutes, in that due to Respondent's failure to designate a qualified branch manager, any borrower or prospective borrower may be damaged by the failure of Respondent to maintain adequate supervision over the lending activities and actions of its mortgage licensees at such location.

**V. NOTICE OF AUTOMATIC SUSPENSION, TEMPORARY ORDER TO CEASE  
AND DESIST, NOTICE OF INTENT TO REVOKE MORTGAGE LENDER LICENSE OF  
BRANCH OFFICE, NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND DESIST  
AND NOTICE OF RIGHT TO HEARING**

**WHEREAS**, the Commissioner has reason to believe that Respondent has engaged in acts or conduct which constitutes sufficient grounds for the Commissioner to revoke its license to engage in the business of a mortgage lender in Connecticut from its Branch Office pursuant to Sections 36a-494(a)(1) and 36a-494(a)(1)(C), and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and forms a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-494(b) and 36a-52(a) of the Connecticut General Statutes;

**AND WHEREAS**, the Commissioner has made the finding required under Section 36a-52(b) of the Connecticut General Statutes.

**NOW THEREFORE**, pursuant to the authority granted in Section 36a-490(b)(3) of the Connecticut General Statutes, the Commissioner gives **NOTICE** that on February 8, 2019, the license of Bay-Valley Mortgage Group to engage in the business of a mortgage lender in Connecticut from its

branch office, Branch ID # 1729775, at 3551 Camino Mira Costa, Suite M, San Clemente, California, was **AUTOMATICALLY SUSPENDED** pending proceedings for revocation.

**THE COMMISSIONER ORDERS**, pursuant to the authority granted in Section 36a-52(b) of the Connecticut General Statutes, that Bay-Valley Mortgage Group immediately **CEASE AND DESIST** from violating Section 36a-488(a)(1)(B) of the Connecticut General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by Bay-Valley Mortgage Group and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in this Temporary Order to Cease and Desist.

**FURTHER**, notice is hereby given to Respondent that the Commissioner intends to **REVOKE** Respondent's license to engage in the business of a mortgage lender in Connecticut from the Branch Office and issue an order requiring Respondent to **CEASE AND DESIST** from violating Section 36a-488(a)(1)(B) of the Connecticut General Statutes, subject to Respondent's right to a hearing on the allegation set forth above.

A hearing will be granted to Respondent if a written request for a hearing is received by the Department of Banking, Consumer Credit Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 within fourteen (14) days following its receipt of this Notice of Automatic Suspension, Temporary Order to Cease and Desist, Notice of Intent to Revoke Mortgage Lender License of Branch Office, Notice of Intent to Issue Order to Cease and Desist and Notice of Right to Hearing as set forth in subsections (a) and (b) of Section 36a-51 and Section 36a-52(a) of the Connecticut General Statutes. This Notice of Automatic Suspension, Temporary Order to Cease and Desist, Notice of Intent to Revoke Mortgage Lender License of Branch Office, Notice of Intent to Issue Order to Cease and Desist and Notice of Right to Hearing shall be deemed received on the earlier of the date of actual receipt, or seven (7) days after mailing or sending. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to the above address. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". Once a written

request for hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held on July 16, 2019, at 10 a.m., at the Department of Banking, 260 Constitution Plaza, Hartford, Connecticut.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, unless Respondent fails to appear at the requested hearing. At such hearing, Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner.

If Respondent does not request a hearing within the time prescribed or fails to appear at any such hearing, the allegation herein will be deemed admitted. Accordingly, the Commissioner will issue an order revoking Respondent's license to engage in the business of a mortgage lender in Connecticut from its branch office, Branch ID # 1729775, at 3551 Camino Mira Costa, Suite M, San Clemente, California, and issue an order that Respondent cease and desist from violating Section 36a-488(a)(1)(B) of the Connecticut General Statutes.

So ordered at Hartford, Connecticut,  
this 3rd day of June 2019.

/s/  
\_\_\_\_\_  
Jorge L. Perez  
Banking Commissioner

**CERTIFICATION**

I hereby certify that on this 3rd day of June 2019, I transmitted the foregoing Notice of Automatic Suspension, Temporary Order to Cease and Desist, Notice of Intent to Revoke Mortgage Lender License of Branch Office, Notice of Intent to Issue Order to Cease and Desist and Notice of Right to Hearing to Bay-Valley Mortgage Group, Attn: Shane Park, Operations, who is designated as the primary contact in the contact employee fields on the Nationwide Multistate Licensing System and Registry, at the electronic mail address provided therein.

/s/  
Emily B. Bochman  
Paralegal