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IN THE MATTER OF:
 *
JOHN VECCHITTO JR
NMLS # 1127163
 *
(“Respondent”)
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ORDER OF SUMMARY SUSPENSION
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TEMPORARY ORDER TO
CEASE AND DESIST
 *
NOTICE OF INTENT TO REVOKE
MORTGAGE LOAN ORIGINATOR
LICENSE
 *
NOTICE OF INTENT TO ISSUE
ORDER TO CEASE AND DESIST
 *
NOTICE OF INTENT TO IMPOSE
CIVIL PENALTY
 *
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 he 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 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. If the commissioner finds that public health, safety or welfare imperatively requires emergency action, and incorporates a finding to that effect in the notice, the commissioner may order summary suspension of a license in accordance with subsection (c) of section 4-182 and require the licensee to take or refrain from taking such action as in the opinion of the commissioner will effectuate the purposes of this section, pending proceedings for . . . revocation

(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 36a-50(a) of the Connecticut General Statutes provides, in pertinent part, that:

(1) Whenever the commissioner finds as the result of an investigation that any person has violated 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: (A) A statement of the time, place, and nature of the hearing; (B) a statement of the legal authority and jurisdiction under which the hearing is to be held; (C) a reference to the particular sections of the general statutes . . . alleged to have been violated; (D) a short and plain statement of the matters asserted; (E) the maximum penalty that may be imposed for such violation; and (F) a statement indicating that such person may file a written request for a hearing on the matters asserted not later than

fourteen days after receipt of the notice.

(2) 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 such person fails to appear at the hearing. After the hearing, if the commissioner finds that the person has violated any such provision, . . . the commissioner may, in the commissioner's discretion and in addition to any other remedy authorized by law, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person. If such person does not request a hearing within the time specified in the notice or fails to appear at the hearing, the commissioner may, as the facts require, order that a civil penalty not exceeding one hundred thousand dollars per violation be imposed upon such person.

(3) Each action undertaken by the commissioner under this subsection shall be in accordance with the provisions of chapter 54.

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

(a)(2) The commissioner may . . . revoke . . . any mortgage loan originator 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-53b, or if the commissioner finds that the licensee has committed any fraud, misappropriated funds, misrepresented, concealed, suppressed, intentionally omitted or otherwise intentionally failed to disclose any of the material particulars of any residential mortgage loan transaction or has violated any of the provisions of this title . . . pertaining to any such person, or any other law or regulation applicable to the conduct of such licensee's business. . . .

(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, (2) any person is, was, or would be a cause of the violation of any such provisions . . . due to an act or omission such person knew or should have known would contribute to such violation, or (3) any licensee has . . . committed any fraud, . . . or misrepresented, concealed, suppressed, intentionally omitted or otherwise intentionally failed to disclose any of the material particulars of any residential mortgage loan transaction, including disclosures required by subdivision (6) of subsection (a) of section 36a-493, or part III of chapter 669 or regulations adopted pursuant thereto, to anyone entitled to such information, the commissioner may take action against such person or licensee in accordance with sections 36a-50 and 36a-52.

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

the 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 an individual whose unique identifier on the Nationwide Multistate Licensing System and Registry (“NMLS”) is 1127163.

2. Respondent has been licensed by the Commissioner as a mortgage loan originator in Connecticut on NMLS since December 12, 2013.

3. At all times relevant hereto, Respondent has been and is currently employed and sponsored by a Connecticut licensed mortgage correspondent lender (“Employer”) to engage in mortgage loan origination activities.

4. Respondent engaged in mortgage loan origination activities on behalf of a Connecticut consumer (“Borrower”) in his professional capacity prior to and about November 9, 2018.

5. With the assistance of Respondent as a mortgage loan originator, the Borrower obtained a residential mortgage loan from a third party financial institution (“Lender”) and the Borrower’s loan closed and was funded by the Lender on November 9, 2018.

6. During the loan origination process and prior to the loan closing, Respondent made false representations of the Borrower’s assets by fabricating a fraudulent bank statement and producing it to the Lender in order to induce the Lender to make the loan.

7. On or about March 4, 2019, the Lender notified the Employer that Respondent provided a fraudulent bank statement to the Lender.

8. On or about March 4, 2019, as a result of said notification, the Employer suspended Respondent from engaging in mortgage loan origination activities in connection with his employment with the Employer for a period of “ten (10) working days”.

9. On or about March 4, 2019, Respondent drafted and signed a letter of explanation in which he admitted to fabricating the bank statement and providing it to the Lender during the loan origination process.

10. In that same letter of explanation, Respondent represented that he also had another separate “lapse of judgment” in which Respondent may have committed a similar violation.

11. On or about March 11, 2019, the Employer notified the Division of the aforementioned conduct and surrounding circumstances.

III. STATUTORY BASIS FOR REVOCATION OF MORTGAGE LOAN ORIGINATOR LICENSE, ORDER TO CEASE AND DESIST AND IMPOSITION OF CIVIL PENALTY

Section 36a-53b of the Connecticut General Statutes provides that:

No person shall, in connection with any activity subject to the jurisdiction of the commissioner: (1) Employ any device, scheme or artifice to defraud; (2) make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or (3) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

Section 36a-56 of the Connecticut General Statutes provides, in pertinent part, that:

Any person who knowingly makes any false statement or report, . . . with intent to defraud and for the purpose of influencing in any way the action of a bank . . . upon any application, advance, commitment, loan or extension of credit, . . . and upon which such bank . . . relies in taking such action, shall be fined not more than five hundred dollars or imprisoned not more than one year or both. A finding by the commissioner as a result of an investigation of any such making or overhauling shall be considered a violation of this section for purposes of the administrative enforcement of sections 36a-50 to 36a-53, inclusive. The commissioner shall refer to the Chief State’s Attorney any evidence found by the commissioner of a criminal violation of the provisions of this section.

Section 36a-498e of the Connecticut General Statutes provides, in pertinent part, that:

(a) No person who is required to be licensed and who is subject to sections 36a-485 to 36a-498e, inclusive, 36a-534a and 36a-534b, may, directly or indirectly:

(1) Employ any scheme, device or artifice to defraud or mislead borrowers or lenders or to defraud any person;

(2) Engage in any unfair or deceptive practice toward any person; [or] . . .

(8) Fail to comply with sections 36a-485 to 36a-498e, inclusive, 36a-498h, 36a-534a and 36a-534b . . . or fail to comply with any other state or federal law, including the rules and regulations thereunder, applicable to any business authorized or conducted under said sections; . . .

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

The commissioner shall not issue an initial license for a mortgage loan originator . . . unless the commissioner, at a minimum, finds that the applicant has: . . . (C) demonstrated financial responsibility, character and general fitness so 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 sections 36a-485 to 36a-498e, inclusive, 36a-498h, 36a-534a and 36a-534b . . .

1. Respondent's fabrication of loan file documents, as more fully described in paragraphs 1 through 11, inclusive, of the Matters Asserted, constitutes directly or indirectly (1) employing a scheme, device or artifice to defraud or mislead borrowers or lenders or to defraud any person, in violation of Section 36a-498e(a)(1) of the Connecticut General Statutes, (2) engaging in an unfair or deceptive practice, in violation of Section 36a-498e(a)(2) of the Connecticut General Statutes, and (3) failing to comply with sections 36a-485 to 36a-498e, inclusive, in violation of Section 36a-498e(a)(8) of the Connecticut General Statutes. Such violations constitute sufficient grounds to revoke Respondent's mortgage loan originator license in Connecticut pursuant to Section 36a-494(a)(2) 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 pursuant to Sections 36a-494(b) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Sections 36a-494(b) and 36a-50(a) of the Connecticut General Statutes. Section

36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

2. Respondent's conduct, as more fully described in paragraphs 1 through 11, inclusive, of the Matters Asserted, renders the Commissioner unable to continue to find that Respondent demonstrates character and general fitness so as to command the confidence of the community and to warrant a determination that Respondent will operate honestly, fairly and efficiently within the purposes of Sections 36a-485 to 36a-498e, inclusive, 36a-498h, 36a-534a and 36a-534b, of the Connecticut General Statutes. Such failure would be sufficient grounds for the Commissioner to deny an application for a mortgage loan originator license pursuant to Section 36a-489(b)(1)(C) of the Connecticut General Statutes, and would be sufficient grounds for the Commissioner to revoke Respondent's mortgage loan originator license in Connecticut pursuant to Section 36a-494(a)(2) and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes.

3. Respondent's fabrication of loan file documents, as more fully described in paragraphs 1 through 11, inclusive, of the Matters Asserted, constitutes (1) employing a scheme, device or artifice to defraud, in violation of Section 36a-53b(1) of the Connecticut General Statutes, (2) making a untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, in violation of Section 36a-53b(2) of the Connecticut General Statutes, and (3) engaging in an act, practice, or course of business which operates or would operate as a fraud or deceit upon a person, in violation of Section 36a-53b(3) of the Connecticut General Statutes. Such violations constitute sufficient grounds to revoke Respondent's mortgage loan originator license in Connecticut pursuant to Section 36a-494(a)(2) 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 pursuant to Section 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Section 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

4. Respondent's acts and conduct, as more fully described in paragraphs 1 through 11, inclusive, of the Matters Asserted, constitutes knowingly making a false statement with intent to defraud and for the purpose of influencing the action of a bank upon an application, advance, commitment, loan or extension of credit, and upon which such bank relies in taking such action, in violation of Section 36a-56 of the Connecticut General Statutes. Such violation forms the basis to issue an order to cease and desist pursuant to Section 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Section 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

IV. FINDINGS AND STATUTORY BASIS ORDER OF SUMMARY SUSPENSION AND FOR TEMPORARY ORDER TO CEASE AND DESIST

The Commissioner finds that public safety and welfare imperatively require emergency action to summarily suspend Respondent's mortgage loan originator license in Connecticut under Sections 36a-51(a) and 4-182(c) of the Connecticut General Statutes, and finds that public welfare requires immediate action to issue a temporary order requiring Respondent to cease and desist from violating the laws cited herein, pursuant to Section 36a-52(b) of the Connecticut General Statutes, to prevent irreparable, immediate and future harm to both Connecticut consumers and lenders dealing with Connecticut consumers as a result of Respondent's creating and providing a fabricated bank statement to a lender on at least one occasion. The reliance upon a false bank statement presents a reasonable and foreseeable consequence that Connecticut consumers will be granted loans that are unsupported by their actual financial circumstances, making default and foreclosure a reasonable outcome of the loan transactions based upon said fabricated financials. The foregoing further constitutes a basis for the Commissioner to be unable to continue to find that Respondent is demonstrating character and general fitness so as to command the confidence of the community and to warrant a determination that

Respondent will operate honestly, fairly and efficiently within the purposes of Sections 36a-485 to 36a-498e, inclusive, 36a-498h, 36a-534a and 36a-534b, of the Connecticut General Statutes.

V. TEMPORARY ORDER TO CEASE AND DESIST, ORDER OF SUMMARY SUSPENSION, NOTICE OF INTENT TO REVOKE MORTGAGE LOAN ORIGINATOR LICENSE, NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE CIVIL PENALTY 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 Respondent's mortgage loan originator license in Connecticut pursuant to Section 36a-494(a)(2) 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 to impose a civil penalty upon Respondent pursuant to Sections 36a-494(b) and 36a-50(a) of the Connecticut General Statutes;

AND WHEREAS, the Commissioner has made the findings required under Sections 36a-52(b), 36a-51(a) and 4-182(c) of the Connecticut General Statutes.

THE COMMISSIONER THEREFORE ORDERS, pursuant to the authority granted in Sections 36a-51(a) and 4-182(c) of the Connecticut General Statutes, that the license of John Vecchitto Jr (NMLS # 1127163) to engage in the business of a mortgage loan originator in Connecticut be and is hereby **SUMMARILY SUSPENDED** pending proceedings for revocation.

THE COMMISSIONER FURTHER ORDERS, pursuant to the authority granted in Section 36a-52(b) of the Connecticut General Statutes, that John Vecchitto Jr immediately **CEASE AND DESIST** from further violations of Sections 36a-498e(a)(1), 36a-498e(a)(2), 36a-498e(a)(8), and 36a-53b, of the Connecticut General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by John Vecchitto Jr 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 issue an order to **REVOKE** Respondent's mortgage loan originator license, issue an order requiring Respondent to **CEASE AND DESIST** from violating Sections 36a-498e(a)(1), 36a-498e(a)(2), 36a-498e(a)(8), and 36a-53b of the Connecticut General Statutes, and to impose a **CIVIL PENALTY** upon Respondent as set forth herein, subject to Respondent's right to a hearing on the allegations 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 Respondent's receipt of this Order of Summary Suspension, Temporary Order to Cease and Desist, Notice of Intent to Revoke Mortgage Loan Originator License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to hearing as set forth in subsections (a) and (b) of Section 36a-51 and Sections 36a-52(a) and 36a-50(a) of the Connecticut General Statutes. This Order of Summary Suspension, Temporary Order to Cease and Desist, Notice of Intent to Revoke Mortgage Loan Originator License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty 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 a 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 presiding 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 September 19, 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 allegations herein will be deemed admitted. Accordingly, the Commissioner will issue an order revoking Respondent's mortgage loan originator license, will issue an order that Respondent cease and desist from violating Sections 36a-498e(a)(1), 36a-498e(a)(2), 36a-498e(a)(8), and 36a-53b of the Connecticut General Statutes, and may order a civil penalty not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Respondent.

So ordered at Hartford, Connecticut
this 8th day of July 2019.

/s/

Jorge L. Perez
Banking Commissioner