
 *
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 *
 *
(“Bay-Valley Mortgage”) *
 *

CONSENT ORDER
 AND
**ORDER TERMINATING
 AUTOMATIC SUSPENSION**

WHEREAS, 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”;

WHEREAS, Bay-Valley Mortgage 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;

WHEREAS, Bay-Valley Mortgage also has an office located at 3551 Camino Mira Costa, Suite M, San Clemente, California, Branch ID # 1729775 (“Branch Office”);

WHEREAS, Bay-Valley Mortgage has been licensed by the Commissioner through the Nationwide Multistate Licensing System and Registry (“NMLS”) to engage in the business of a mortgage lender in Connecticut since January 30, 2018, from its Main Office, and since April 30, 2018, from its Branch Office;

WHEREAS, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, conducted an investigation pursuant to Section 36a-17 of the Connecticut General Statutes into the activities of Bay-Valley Mortgage to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner;

WHEREAS, as a result of the investigation, on February 8, 2019, the Commissioner, pursuant to Section 36a-490(b)(3) of the Connecticut General Statutes, automatically suspended Bay-Valley Mortgage’s license to engage in the business of a mortgage lender in Connecticut from its Branch Office due to its failure to designate a branch manager meeting the standards set forth in Section 36a-488(a)(1) of the Connecticut General Statutes;

WHEREAS, on June 3, 2019, as a result of the investigation, the Commissioner, acting pursuant to Sections 36a-490(b)(3), 36a-494(a)(1)(C), 36a-494(b) and 36a-52(a) and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, issued a 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 (collectively “Notice”), which notice is incorporated by reference herein;

WHEREAS, the Commissioner alleged in the Notice that Bay-Valley Mortgage’s failure to designate a qualified branch manager constituted 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 constituted a violation of Section 36a-488(a)(1)(B) of the Connecticut General Statutes, which constitutes sufficient grounds to revoke Bay-Valley Mortgage’s mortgage lender license for its Branch Office and forms the basis to issue an order to cease and desist from violating Section 36a-488(a)(1)(B);

WHEREAS, on June 3, 2019, the Division sent the Notice to the electronic mail address of the primary company contact employee of Bay-Valley Mortgage, which Notice was received by Bay-Valley Mortgage;

WHEREAS, Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, the Commissioner and Bay-Valley Mortgage now desire to resolve the matter contained in the Notice and set forth herein;

WHEREAS, the Commissioner and Bay-Valley Mortgage acknowledge the possible consequences of formal administrative proceedings, and Bay-Valley Mortgage voluntarily agrees to consent to the entry of the sanction imposed below for the purpose of obviating the need for formal administrative proceedings concerning the allegation contained in the Notice and set forth herein;

WHEREAS, the Commissioner and Bay-Valley Mortgage agree that the Notice may be used in construing the terms of this Consent Order and Order Terminating Automatic Suspension;

WHEREAS, Bay-Valley Mortgage specifically assures the Commissioner that the violation alleged herein shall not occur in the future;

WHEREAS, on October 7, 2019, Bay-Valley Mortgage designated a qualified branch manager for the Branch Office, meeting the standards set forth in Section 36a-488(a)(1) of the Connecticut General Statutes;

WHEREAS, Bay-Valley Mortgage herein represents to the Commissioner that it has reviewed and updated its internal policies, procedures and controls to ensure that Bay-Valley Mortgage will designate a qualified branch manager within thirty (30) days of any future vacancy in the position;

WHEREAS, Bay-Valley Mortgage acknowledges that this Consent Order and Order Terminating Automatic Suspension is a public record and is a reportable event for the purposes of NMLS, as applicable;

AND WHEREAS, Bay-Valley Mortgage, through its execution of this Consent Order and Order Terminating Automatic Suspension, voluntarily agrees to waive its procedural rights, including a right to a hearing as it pertains to the allegations contained in the Notice and set forth herein, and voluntarily waives the right to seek judicial review or otherwise challenge or contest the validity of this Consent Order and Order Terminating Automatic Suspension.

CONSENT TO ENTRY OF SANCTION

WHEREAS, Bay-Valley Mortgage, through its execution of this Consent Order and Order Terminating Automatic Suspension, consents to the Commissioner's entry of a Consent Order and Order Terminating Automatic Suspension imposing the following sanction:

1. No later than the date this Consent Order and Order Terminating Automatic Suspension is executed by Bay-Valley Mortgage, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Two Thousand Five Hundred Dollars (\$2,500) as a civil penalty.

CONSENT ORDER AND ORDER TERMINATING AUTOMATIC SUSPENSION

NOW THEREFORE, the Commissioner enters the following:

1. The Sanction set forth above be and is hereby entered;
2. Upon issuance of this Consent Order and Order Terminating Automatic Suspension by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against Bay-Valley Mortgage based upon the allegation contained herein; provided that issuance of this Consent Order and Order Terminating Automatic Suspension is without prejudice to the right of the Commissioner to take enforcement action against Bay-Valley Mortgage based upon a violation of this Consent Order and Order Terminating Automatic Suspension or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by Bay-Valley Mortgage and reflected herein is subsequently discovered to be untrue;
3. Bay-Valley Mortgage shall not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order and Order Terminating Automatic Suspension or create the impression that this Consent Order and Order Terminating Automatic Suspension is without factual basis;
4. Subject to the foregoing, and so long as this Consent Order and Order Terminating Automatic Suspension is promptly disclosed by Bay-Valley Mortgage and its control persons, as applicable, on NMLS, nothing in the issuance of this Consent Order and Order Terminating Automatic Suspension shall adversely affect the ability of Bay-Valley Mortgage to apply for or

obtain licenses or renewal licenses under Part I of Chapter 668, Sections 36a-485 *et seq.*, of the Connecticut General Statutes, provided all applicable legal requirements for such license are satisfied and the terms of this Consent Order and Order Terminating Automatic Suspension are followed;

5. The Notice of Automatic Suspension of the license of Bay-Valley Mortgage to engage in the business of a mortgage lender in Connecticut from 3551 Camino Mira Costa, Suite M, San Clemente, California, Branch ID # 1729775, issued on June 3, 2019, is hereby **TERMINATED**;
6. This Consent Order and Order Terminating Automatic Suspension shall be binding upon Bay-Valley Mortgage and its successors and assigns; and
7. This Consent Order and Order Terminating Automatic Suspension shall become final when issued.

Issued at Hartford, Connecticut
this 8th day of January 2020.

/s/

Jorge L. Perez
Banking Commissioner

I, Charles E. Katz, state on behalf of Bay-Valley Mortgage Group, that I have read the foregoing Consent Order and Order Terminating Automatic Suspension; that I know and fully understand its contents; that I am authorized to execute this Consent Order and Order Terminating Automatic Suspension on behalf of Bay-Valley Mortgage Group; that Bay-Valley Mortgage Group agrees freely and without threat or coercion of any kind to comply with the sanction entered and terms and conditions ordered herein; and that Bay-Valley Mortgage Group voluntarily agrees to enter into this Consent Order and Order Terminating Automatic Suspension, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/_____

Name: Charles E. Katz
Title: Chief Legal Officer
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

State of: California

County of: Orange

On this the 3rd day of January 2020, before me, Judith Hyon Kang, the undersigned officer, personally appeared Charles E. Katz who acknowledged himself/herself to be the CLO of Bay-Valley Mortgage Group, a corporation, and that he/she as such CLO, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as CLO.

In witness whereof I hereunto set my hand.

/s/_____
Notary Public
Date Commission Expires: 4/15/2021