

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING

Before the Commissioner of the Division of Mortgage Lending

In the Matter of:

Cristobal Lara Garcia, an individual.

NMLS License Number: 1049418

MLD License Number: 54720

Respondent.

Case No. 2021-012

**FINAL ORDER
REVOKING LICENSURE
AND
REQUIRING PAYMENT OF INVESTIGATIVE COSTS**

Issued and Entered,
This 20th day of April, 2022,
By Cathy Sheehy,
Commissioner

WHEREAS, the Commissioner of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending ("the Commissioner") having been statutorily charged with the responsibility and authority to administer and enforce Chapter 645B of the Nevada Revised Statutes, NRS 645B.010 *et seq.* ("the Statute"), and Chapter 645B of the Nevada Administrative Code, NAC 645B.001 *et seq.* ("the Regulation") (collectively, "the Act") governing the licensing and conduct of mortgage agents and/or mortgage loan originators and mortgage brokers and/or mortgage companies doing business in the State of Nevada; and,

WHEREAS, on March 17, 2022, the Commissioner issued to Cristobal Lara Garcia ("RESPONDENT"), NOTICE OF INTENT TO ISSUE AND ENTER FINAL ORDER REVOKING LICENSURE, REQUIRING PAYMENT OF INVESTIGATIVE COSTS AND NOTICE OF OPPORTUNITY FOR HEARING (the "Order") attached hereto as Exhibit 1 and incorporated herein by this reference; and,

WHEREAS, the Order further assessed upon Respondent investigative costs in the amount of \$840.00; and,

WHEREAS, the Order, served on Respondent on or about March 17, 2022, advised Respondent that Respondent was entitled to an administrative hearing in this matter if Respondent filed a written request for a hearing within 30 days of receipt of the Order; and,

WHEREAS, Respondent failed to exercise his rights to an administrative hearing, timely or otherwise; and,

NOW, THEREFORE, based upon the factual findings set forth above and the files and records of the Division of Mortgage Lending, **IT IS HEREBY ORDERED THAT:**

1. The findings of fact and conclusions of law set forth in the Order shall be and hereby are found to be true and correct.

2. The INVESTIGATIVE COSTS are hereby issued and entered against Respondents pursuant to the Act as follows:

a. Respondent is assessed the Division's INVESTIGATIVE COSTS in the amount of \$840.00, which Respondent has paid to the Division.

3. Respondent's license is hereby revoked.

4. This Final Order shall be and is effective on the date as issued and entered, as shown in the caption hereof.

5. This Final Order shall remain in effect and fully enforceable until terminated, modified, or set aside, in writing, by the Commissioner.

6. The Commissioner specifically retains jurisdiction of the matter(s) contained herein to issue such further order or orders as she may deem just, necessary, or appropriate so as to assure compliance with the law and protect the interest of the public.

IT IS SO ORDERED.

DIVISION OF MORTGAGE LENDING

By: [REDACTED]
CATHY SWEENEY,
COMMISSIONER

EXHIBIT 1

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING

Before the Commissioner of the Division of Mortgage Lending

In the Matter of:

Cristobal Lara Garcia, an individual.

MLD License Number:
54720

Respondent.

Case No. 2021-012

**NOTICE OF INTENT TO ENTER FINAL ORDER
REVOKING LICENSURE, REQUIRING
PAYMENT OF INVESTIGATIVE COSTS, AND
NOTICE OF OPPORTUNITY FOR HEARING**

Issued and Entered,
This 17th day of march, 2022,
By Cathy Sheehy,
Commissioner

The Commissioner of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending ("the Commissioner") having been statutorily charged with the responsibility and authority to administer and enforce Chapter 645B of the Nevada Revised Statutes and Chapter 645B of the Nevada Administrative Code (collectively, "the Act"), governing the licensing and conduct of mortgage agents and/or mortgage loan originators and mortgage brokers and/or mortgage companies doing business in the State of Nevada; and,

The Commissioner having been further vested with broad authority to conduct investigations to determine whether any person is violating or has violated any provision of the Act,

The Division of Mortgage Lending ("the Division") having received information indicating that RESPONDENT Cristobal Lara Garcia ("RESPONDENT") engaged in the conduct specified below;

1 The Division having commenced an investigation of RESPONDENT'S conduct pursuant to
2 NRS 645B.060, and having determined from that investigation that RESPONDENTS did engage in
3 the conduct set forth below;

4 The Division staff having reported the results of its investigation to the Commissioner; and

5 The Commissioner having reviewed the results of the investigation, makes the following
6 FINDINGS OF FACT and CONCLUSIONS OF LAW.

7 8 FINDINGS OF FACT

9 1. Cristobal Lara Garcia ("RESPONDENT") was licensed by the Division as a mortgage loan
10 originator ("MLO") under MLD License No. 54720, said license being issued on or around
11 November 18, 2015.

12 2. On or around January 1, 2018, RESPONDENT'S license was in "terminated-expired"
13 status and between November 18, 2015, and January 1, 2018, his license had periods of inactivity.

14 3. On or around June 15, 2020, RESPONDENT became licensed again in Nevada and his
15 license was placed in "approved" status until January 8, 2021, at which time the status was changed
16 to "approved-inactive" status (its current status).

17 4. On or around May 25, 2021, the Division received email notification that the State of
18 Massachusetts had taken regulatory action against RESPONDENT, recorded in the Nationwide
19 Multi-State Licensing System and Registry ("NMLS") as Action ID 279498, which was an Order
20 of Revocation of Mortgage Loan Originator License.

21 5. Following receipt of the email notification, the Division opened an internal investigation
22 against RESPONDENT.

23 6. The Division discovered that on or around January 12, 2021, the State of California
24 uploaded a Statement of Issues, indicating that on or about 2007, RESPONDENT was employed
25 by JP Morgan Chase Bank, N.A. ("Chase Bank") as a personal banker and was a registered
26 representative of Chase Investment Services Corp. ("Chase Investment").
27
28

1 7. The Statement of Issues further stated that on or around December 5, 2008,
2 RESPONDENT'S employment with Chase Bank was terminated after it conducted an internal
3 investigation that revealed RESPONDENT violated the bank's code of conduct.

4 8. On or around December 23, 2008, because RESPONDENT was a registered representative
5 of Chase Investment, the investment advisor filed a Form U5 termination disclosure with the
6 Financial Industry Regulatory Authority ("FINRA").

7 9. The FINRA termination disclosure form disclosed that RESPONDENT was terminated by
8 Chase Bank because he violated the bank's code of conduct by enrolling bank clients in an online
9 bank feature without their knowledge, deposited \$50.00 of his own funds into client accounts and
10 subsequently withdrew those same funds, and admitted to giving bank clients incentive coupons
11 to customers not entitled to receive them.

12 10. After receiving RESPONDENT'S termination disclosure form, FINRA conducted its own
13 investigation and found that RESPONDENT, while employed at Chase Bank as a personal banker
14 and registered representative, falsified account opening documents by enrolling 12 bank customers
15 in a bank online bill payment program without their knowledge or consent, and then accessed and
16 activated those customers' accounts for person gain.

17 11. The FINRA investigation further revealed that RESPONDENT failed to respond to
18 FINRA's requests for information concerning his actions while employed by Chase Bank and
19 determined that his acts of forgery and falsification of customer records involved acts of dishonest,
20 unfair, and unethical conduct and also constituted false statements or omissions in violation of
21 FINRA rules.

22 12. On or around November 5, 2009, FINRA barred RESPONDENT from associating with
23 any member firm in any capacity due to his falsifying customer account documents (in violation
24 of FINRA rule 2110), and his failing to respond to requests for information (in violation of FINRA
25 procedural rule 8210 and conduct rule 2010).

1 13. On or around June 2, 2020, RESPONDENT applied for a California MLO license but failed
2 to disclose the following: (1) his termination from Chase Bank, (2) FINRA's investigation and
3 findings, (3) that he was found to have made a false statement or omission or had been dishonest,
4 unfair or unethical, (4) that he had been involved in violation of financial services-related business
5 regulations or statutes, (5) had an order against him in connection with a financial services-related
6 activity, (6) was barred from associating with an entity regulated by such commissions, authority,
7 agency, or officer, or from engaging in an financial services-related business, (7) had a final order
8 issued against him based on violations of law or regulations that prohibit fraudulent, manipulative,
9 or deceptive conduct, (8) and had an order entered against him concerning his connection with any
10 license or registration (collectively the "Undisclosed Information").
11

12 14. The only disclosure RESPONDENT made in his application for his California MLO
13 license was a related Order of Suspension from the State of Georgia dated November 1, 2013, that
14 was entered because RESPONDENT did not have active company sponsorship.

15 15. RESPONDENT further failed to respond to license items the Commissioner of California
16 placed on his NMLS account, requesting that RESPONDENT amend his application, provide a
17 detailed explanation concerning the termination and FINRA bar, and upload all relevant
18 documents related to his termination and the FINRA bar.
19

20 16. On or around January 12, 2021, the State of California issued RESPONDENT a Notice of
21 Intent to deny his MLO license.

22 17. On January 14, 2021, California served RESPONDENT with the Statement of Issues.

23 18. On January 15, 2021, RESPONDENT contacted California acknowledging his receipt of
24 the Statement of Issues but failed to file a notice of defense related to the same.

25 19. On or around February 9, 2021, the State of California denied RESPONDENT'S MLO
26 license application.
27

28 20. On April 5, 2021, the State of Massachusetts uploaded an Order to Show Cause: Notice
of Intent to Revoke, Notice of Right to a Hearing ("OSC") indicating that on or about January 8,

1 2021, RESPONDENT'S employing entity sponsoring RESPONDENT as an MLO updated its
2 sponsorship information to disclose RESPONDENT's termination.

3 21. The State of Massachusetts' investigation revealed that RESPONDENT failed to comply
4 with state and federal laws, rules and regulations governing the conduct of a Massachusetts MLO;
5 specifically, the OSC revealed RESPONDENT failed to disclose the Undisclosed Information.

6 22. The OSC issued by Massachusetts required RESPONDENT to file an answer or otherwise
7 respond, and advised him of right to request a hearing.

8 23. RESPONDENT failed to file an answer to the OSC or request a hearing.

9 24. Subsequently, on or around May 24, 2021, the State of Massachusetts issued an order
10 revoking RESPONDENT'S MLO license and on or around May 25, 2021, uploaded a Final Order
11 of Revocation of RESPONDENT'S MLO license to the NMLS.

12 25. On or around May 24, 2021, the State of Idaho uploaded an Order of Revocation of
13 RESPONDENT'S MLO license indicating the following: (1) a Verified Complaint for Revocation
14 of Idaho Mortgage Loan Originator License and Notice of Opportunity to Request a Hearing
15 ("Verified Complaint") were issued to RESPONDENT, 2) that RESPONDENT had failed to
16 answer the Verified Complaint and had failed to request an administrative hearing; 3) that Idaho
17 issued a Notice of Proposed Default Order to RESPONDENT; 4) that RESPONDENT did not
18 submit a response to the State of Idaho, 5) that RESPONDENT failed to disclose the Undisclosed
19 Information to the State of Idaho, (6) that RESPONDENT was not fit to hold an Idaho MLO
20 license, and (7) that the State of Idaho revoked RESPONDENT'S MLO license.

21 26. On or around April 6, 2021, the State of Washington issued RESPONDENT a Statement
22 of Charges and Notice of Intent to Enter an Order to Revoke License, Prohibit from Industry,
23 Impose Fine, Collect Investigation Fee, and Recover Costs and Expenses ("Washington NOI"),
24 based on RESPONDENT's failure to disclose the Undisclosed Information.

25 27. On or around May 18, 2021, the State of Washington issued an order revoking
26 RESPONDENT's MLO license.
27
28

1 28. On or around June 22, 2021, the State of Montana uploaded a Final Order of Revocation
2 of RESPONDENT's MLO ("Final Order") license after having issued RESPONDENT a Notice
3 of Proposed Revocation of License, Imposition of Civil Penalty, and an Opportunity for
4 Administrative Hearing ("Notice").

5 29. The Notice was based on RESPONDENT's failure to disclose the Undisclosed Information
6 in connection with his application to the State of Montana for his MLO license and also his failure
7 to disclose the regulatory actions pending against him in California, Massachusetts, Washington,
8 and Idaho with respect to his MLO licenses.

9 30. RESPONDENT failed to respond to Montana's Notice and failed to request a hearing,
10 resulting in the Final Order being entered against him, revoking his MLO license.

11 31. On or around May 26, 2021, the Division mailed a letter to RESPONDENT asking him to
12 provide a response to several questions, including providing a copy of his records,
13 correspondences, and orders related to the FINRA investigation against him, a written explanation
14 regarding his failure to disclose regulatory actions taken against his MLO license by state
15 regulators, and a written explanation of his failure to disclose his termination from employment
16 with Chase Bank.

17 32. RESPONDENT never responded to the Division's May 26th letter.

18 33. On or around June 14, 2021, the Division drafted and mailed a subsequent letter to
19 RESPONDENT reminding him that the Division had not yet received a response to its May 26th
20 letter and required one no later than June 28, 2021.

21 34. To date, RESPONDENT has failed to respond to the Division.

22 35. RESPONDENT'S NMLS records further show that he has still failed to disclose his
23 termination from Chase Bank and any of the orders of administrative action taken by other states
24 and has also failed to disclose the FINRA investigation, findings, and order.

25 36. The only disclosure made by RESPONDENT was "yes" to the following question: "Has
26 any state or Federal regulatory agency or foreign financial regulatory authority or self-regulatory
27
28

1 organization (SRO) ever: denied or suspended your registration or license or application for
2 licensure, disciplined you, or otherwise by order, prevented you from associating with a financial
3 services-related business or restricted your activities?”

4 37. RESPONDENT's "yes" response was supported by his uploading of a document entitled
5 "Cristobal Garcia- GA- License Suspension due to missing Sponsorship- 2013.pdf, which
6 consisted of the Final Order of Suspension issued in Georgia on the grounds that RESPONDENT
7 did not have a sponsor as required to maintain an active MLO license.

8 38. Pursuant to NRS 645B.670 (1)(c), except as otherwise provided in NRS 645B.690, for
9 each violation committed by a mortgage loan originator, the Commissioner may impose upon the
10 mortgage loan originator an administrative fine of not more than \$25,000.00, may suspend,
11 revoke or place conditions upon the mortgage loan originator's license, or may do both, if the
12 mortgage loan originator, whether or not acting as such, commits a violation of NRS
13 645B.670(1)(c)(1)-(12).
14

15 CONCLUSIONS OF LAW

16 39. RESPONDENT violated NRS 645B.670(1)(c)(4) by knowingly making or causing to
17 make to the Commissioner a false representation of material fact or by suppressing or withholding
18 from the Commissioner any information which the mortgage loan originator possesses and which,
19 if submitted by the mortgage loan originator, would have rendered the mortgage loan originator
20 ineligible to be licensed pursuant to the provisions of NRS 645B, by failing to timely disclose the
21 FINRA investigation and order, and/or any of the other state orders revoking/denying his licensure.
22 Had RESPONDENT made such disclosures, RESPONDENT would have been determined by the
23 Division to be ineligible to hold a MLO license pursuant to the provisions of NRS Chapter 645B.
24

25 40. REPONDENT violated NRS 645B.670(1)(c)(8) by engaging in conduct constituting a
26 deceitful, fraudulent or dishonest business practice, by, while being employed at Chase Bank,
27 enrolling bank clients in an online banking feature without their knowledge, depositing \$50.00 of
28

1 his own funds into client accounts and later withdrawing the same funds, and doing so to
2 improperly generate incentive coupons.

3 41. RESPONDENT violated NRS 645B.670(1)(c)(12) by violating the provisions of NRS
4 Chapter 645B based on the conduct set forth in the Findings of Fact.

5 42. Pursuant to NRS 645B.410(3)(a) and (b)(2), RESPONDENT is not eligible for a MLO
6 license in Nevada because he had had his MLO license revoked in other jurisdictions.

7 43. Pursuant to NRS 645B.410(3)(a) and (b)(3), RESPONDENT is not eligible for a MLO
8 license in Nevada due to his making a false statement of material fact on his application by failing
9 to disclose his termination of employment with Chase Bank, the dishonest conduct that resulted in
10 the same, and based on his failure to disclose information on his termination form regarding the
11 FINRA investigation and order and orders entered into by other states revoking/denying his
12 licensure.
13

14 44. Pursuant to NRS 645B.410(3)(a) and (b)(4), RESPONDENT is not eligible for a MLO
15 license in Nevada due his violating the provision of NRS Chapter 645B as set forth herein.

16 45. Pursuant to NRS 645B.410(3)(a) and (b)(5) RESPONDENT is not eligible for a MLO
17 license because he has failed to demonstrate financial responsibility, character and general fitness
18 so as to command the confidence of the community and warrant a determination that he will
19 operate honestly fairly and efficiently for purposes of NRS Chapter 645B based on his conduct set
20 forth in the Findings of Fact.
21

22 ORDER

23
24 The Commissioner having formed the opinion based upon the foregoing that RESPONDENT
25 engaged in the foregoing activity in violation of the Act and having concluded and determined that
26 RESPONDENT'S license should be revoked;

27 NOW, THEREFORE, IT IS ORDERED that RESPONDENT'S MLO license is hereby
28 revoked.

1 IT IS FURTHER ORDERED that RESPONDENT shall be and hereby is assessed the
2 Division's INVESTIGATIVE COSTS in the amount of \$840.00 in accordance with NRS 645B.070
3 The INVESTIGATIVE COSTS shall be due and payable on the 30th day following the effective date
4 of this Order and shall be tendered to the Division in accordance with the attached wire transfer
5 instructions.

6 IT IS FURTHER ORDERED that an administrative hearing shall be scheduled in this matter
7 only if RESPONDENT timely requests an administrative hearing in accordance with the instructions
8 set forth in the section of this Order below entitled Notice of Opportunity for an Administrative
9 Hearing. **If no administrative hearing is requested within 30 calendar days of the effective date**
10 **of this ORDER, RESPONDENT shall be deemed to have waived and relinquished the right to**
11 **an administrative hearing in this matter and a FINAL ORDER shall be issued in this matter.**

12 IT IS FURTHER ORDERED that this Order shall be and is effective and enforceable on the
13 date that it is issued and entered, as shown in the caption hereof.

14 IT IS FURTHER ORDERED that this Order shall remain effective and enforceable until
15 terminated, modified, set aside, or suspended in writing by the Commissioner.

16 IT IS FURTHER ORDERED that the Commissioner specifically retains jurisdiction over the
17 matters contained herein and has the authority to issue such further order(s) as the Commissioner shall
18 deem just, necessary, and appropriate to enforce the Act and protect the public.

19 **IT IS SO ORDERED.**

20 DIVISION OF MORTGAGE LENDING

21 By: 
22 Cathy Sheehy, Commissioner

23
24 **NOTICE OF OPPORTUNITY FOR ADMINISTRATIVE HEARING**

25 The following provisions of the Nevada Revised Statutes and Nevada Administrative Code are
26 relevant to the right to hearing in this matter:

27
28 **NRS 645B.750 Duty of Commissioner to provide written notice of disciplinary action or
denial of license; right to administrative hearing; entry of final order; appeals.**

1 1. If the Commissioner enters an order taking any disciplinary action against a person or
2 denying a person's application for a license, the Commissioner shall cause a written notice of
3 the order to be served personally or sent by certified mail or telegram to the person.

4 2. Unless a hearing has already been conducted concerning the matter, the person, upon
5 application, is entitled to a hearing. If the person does not make such an application within 20
6 days after the date of the initial order, the Commissioner shall enter a final order concerning
7 the matter.

8 3. A person may appeal a final order of the Commissioner in accordance with the provisions
9 of chapter 233B of NRS that apply to a contested case.
10

11 **NRS 233B.121 Notice of hearing in contested case; contents of notice; representation**
12 **by counsel; opportunity to respond and present evidence and argument; fees and mileage**
13 **for witnesses; informal disposition; voluntary surrender of license in contested case**
14 **deemed disciplinary action; contents of record; transcriptions; findings of fact.**

15 1. In a contested case, all parties must be afforded an opportunity for hearing after
16 reasonable notice.

17 2. The notice must include:

18 (a) A statement of the time, place and nature of the hearing.

19 (b) A statement of the legal authority and jurisdiction under which the hearing is to be held.

20 (c) A reference to the particular sections of the statutes and regulations involved.

21 (d) A short and plain statement of the matters asserted. If the agency or other party is unable
22 to state the matters in detail at the time the notice is served, the initial notice may be limited
23 to a statement of the issues involved. Thereafter, upon application, a more definite and detailed
24 statement must be furnished.
25

26 3. Any party is entitled to be represented by counsel.

27 4. Opportunity must be afforded all parties to respond and present evidence and argument
28 on all issues involved. An agency may by regulation authorize the payment of fees and

1 reimbursement for mileage to witnesses in the same amounts and under the same conditions
2 as for witnesses in the courts of this state.

3 5. Unless precluded by law, informal disposition may be made of any contested case by
4 stipulation, agreed settlement, consent order or default. If an informal disposition is made, the
5 parties may waive the requirement for findings of fact and conclusions of law.

6 6. The voluntary surrender of a license in a contested case shall be deemed to constitute
7 disciplinary action against the licensee.

8 7. The record in a contested case must include:
9

10 (a) All pleadings, motions and intermediate rulings.

11 (b) Evidence received or considered.

12 (c) A statement of matters officially noticed.

13 (d) Questions and offers of proof and objections, and rulings thereon.

14 (e) Proposed findings and exceptions.

15 (f) Any decision, opinion or report by the hearing officer presiding at the hearing.

16 8. Oral proceedings, or any part thereof, must be transcribed on request of any party. The
17 party making the request shall pay all the costs for the transcription.

18 9. Findings of fact must be based exclusively on a preponderance of the evidence and on
19 matters officially noticed.
20

21 **NRS 233B.032 "Contested case" defined.**

22 "Contested case" means a proceeding, including but not restricted to rate making and
23 licensing, in which the legal rights, duties or privileges of a party are required by law to be
24 determined by an agency after an opportunity for hearing, or in which an administrative
25 penalty may be imposed.
26
27
28

1 **If you wish to exercise your right to an opportunity for an administrative hearing, within**
2 **30 calendar days after receiving this Order, you must file a verified petition with the**
3 **Commissioner to request a hearing.**

4 The verified petition requesting a hearing must be delivered to:

5 Division of Mortgage Lending

6 Attn. Kelley Pacheco

7 3300 W. Sahara Avenue, Suite #285

8 Las Vegas, Nevada 89102

9 **If you fail to timely file a verified petition to request a hearing, your right to a hearing to**
10 **contest this matter will be deemed waived and relinquished and a Final Order will be issued.**