

1 MARY ANN SMITH
Deputy Commissioner
2 DOUGLAS M. GOODING
Assistant Chief Counsel
3 MIRANDA LEKANDER (State Bar No. 210082)
Senior Counsel
4 Department of Business Oversight
5 1515 K Street, Suite 200
Sacramento, California 95814
6 Telephone: (916) 322-8730
7 Facsimile: (916) 455-6985
8 Attorneys for Complainant

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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

12 In the Matter of:) File No. 60DBO-46027
13)
14 THE COMMISSIONER) ORDER DENYING CALIFORNIA
OF BUSINESS OVERSIGHT,) FINANCE LENDER LICENSE APPLICATION
15)
Complainant,)
16)
OAKTREE CAPITAL CORPORATION,)
17)
Respondent.)
18)

19 The Complainant, the Commissioner of Business Oversight (Commissioner), finds that:

- 20 1. On September 16, 2015, Respondent filed an application for a finance lenders license with the
21 Commissioner (Application) pursuant to section 22109 of the California Finance Lenders Law
22 (CFLL)(Fin. Code, § 22000 et seq.). Respondent submitted its application to the Commissioner by
23 filing Form MU1 through the Nationwide Mortgage Licensing System & Registry.
24 2. The Application stated that Respondent has its principal place of business located at 640 Baily
25 Road, Suite 188, Pittsburg, California, 94565.
26 3. In the “Contact Employee Information” section of the Form MU1, Richard Charles Judson
27 (Judson) was identified as the “Primary Company Contact” and “CEO” of Respondent.
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1 4. Information obtained by the Commissioner during the application process revealed that
2 Judson, an officer of Respondent, violated a “similar regulatory scheme of the State of California”
3 within the meaning of Financial Code section 22209, subdivision (a)(3).

4 5. On April 24, 2009, the California Bureau of Real Estate (BRE; formerly, the Department of
5 Real Estate) issued an Accusation to discipline Judson on the grounds of misrepresentation, fraud and
6 dishonest dealing, and negligence. The Accusation alleged that Judson, individually and as the
7 designated officer of Palm Tree Financial & Realty, Inc., in representing a buyer in four transactions
8 during May and June of 2006, had represented that each property would be the buyer’s primary
9 residence, in violation of Business and Professions Code section 10176, subdivisions (a), (b), (c), and
10 (i), and/or section 10177, subdivisions (g) and/or (j). In connection with these transactions, Judson
11 further represented that a deposit of \$2,000.00 had been received from the buyer when, in fact, the
12 check had not yet been written or received in escrow, in violation of Business and Professions Code
13 section 10176, subdivisions (a) and (i), and section 10177, subdivisions (g) and/or (j). Again in
14 January and February of 2007, Judson misrepresented that a buyer in two transactions was purchasing
15 a property for use as a primary residence. Further, the Accusation alleged that Judson had failed to
16 exercise reasonable supervision over his unlicensed employees and had compensated five of them to
17 perform activities that require a real estate license, in violation of Business and Professions Code
18 sections 10130 and 10137.

19 6. On January 28, 2010, the BRE entered into a Stipulation and Agreement in Settlement and
20 Order in Case No. H-10658 SF (Stipulation), whereby Judson admitted the factual allegations of the
21 Accusation and agreed to an order revoking his real estate broker’s license effective March 1, 2010.

22 7. On June 24, 2010, the BRE issued a restricted real estate sales license to Judson pursuant to
23 terms and conditions set forth in the Stipulation.

24 8. On February 23, 2011, the BRE suspended Judson’s restricted real estate sales license due to
25 failure to submit satisfactory proof of compliance with continuing education requirements pursuant to
26 the terms of the Stipulation. The suspension was terminated on March 22, 2011.

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1 9. Judson is identified on the finance lender Application as the “CEO” of Respondent and, thus,
2 is an “officer” or “person responsible for the applicant’s lending activities” under the meaning of
3 Financial Code section 22109, subdivision (a)(3).

4 10. The provision of the Business and Professions Code regulating real estate license holders,
5 particularly sections 10166 and 10177, constitutes a similar regulatory scheme of the State of
6 California within the meaning of Financial Code section 22109, subdivision (a)(3).

7 11. Accordingly, the Commissioner determined that Judson, an “officer” of the applicant, violated
8 a “similar regulatory scheme of the State of California” when the BRE revoked his real estate
9 broker’s license for misrepresentation, fraud and dishonest dealing, and negligence committed in
10 violation of sections 10166 and 10177 of the Business and Professions Code.

11 12. On December 1, 2015, the Commissioner issued a Notice of Intention to Issue Order Denying
12 California Finance Lender License, pursuant to Financial Code section 22209, subdivision (a)(3), and
13 accompanying documents (collectively, Notice of Intention), which was served by electronic mail to
14 Judson and sent certified mail to Respondent’s address of record.

15 13. On or about December 1, 2015, Judson acknowledged by electronic mail service of the Notice
16 of Intention. And, on December 4, 2015, Judson informed the Commissioner’s counsel via electronic
17 mail that Respondent would not request a hearing to challenge the action.

18 14. The Commissioner has received no request for a hearing, and the time to request a hearing has
19 expired.

20 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the finance
21 lender license application filed by Oaktree Capital Corporation on September 16, 2015 is denied.
22 This order is effective as of the date hereof.

23 DATED: January 5, 2016
24 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

25 By _____
26 MARY ANN SMITH
27 Deputy Commissioner
28 Enforcement Division