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3 STATE OF OREGON
4 DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
5 DIVISION OF FINANCIAL REGULATION

6 In the Matter of:

Case No. M-16-0322

7 JULIO N. GRANDA and JM EQUITY
8 GROUP, LLC,

FINAL ORDER TO CEASE AND
DESIST, ORDER ASSESSING A
CIVIL PENALTY, AND CONSENT TO
ENTRY OF ORDER

9 Respondents.

10 The Director of the Department of Consumer and Business Services for the State
11 of Oregon (“Director”) conducted an investigation of Julio N. Granda (“Granda”) and JM
12 Equity Group, LLC (“JM Equity”) (collectively, “Respondents”) and determined that
13 Respondents engaged in activities constituting a violation of Oregon Revised Statutes
14 (“ORS”) 86A.100 et seq. and Oregon Administrative Rules (“OAR”) 441-850-0005
15 through 441-885-0010 (“Oregon Mortgage Lender Law”).

16 Respondents wish to resolve and settle this matter with the Director.

17 Now, therefore, as evidenced by the signature(s) subscribed in this Order,
18 Respondents hereby CONSENT to entry of this Order.

19 FINDINGS OF FACT

20 The Director FINDS that:

21 1. JM Equity Group, LLC is a limited liability company registered in
22 Washington since December 29, 2014, with a principal place of business of 11207 1st
23 Avenue CT E Apt A203, Tacoma, WA 98445.

24 2. Julio Granda is listed as the Registered Agent and the Governor of JM Equity.
25 The Registered Agent address is listed as the same address as the principal place of
26 business.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387





- 1 3. An annual report was filed for JM Equity by Granda on January 17, 2018.
- 2 4. The requested return address for the filing is listed as Attention: Julio Granda,
- 3 email: PDXSpaces@gmail.com, and an address in Rancho Palos Verdes, CA 90275.
- 4 5. On April 27, 2016, a realtor, BG, contacted the Division of Financial
- 5 Regulation (“Division”) to determine if Granda of JM Equity maintained an Oregon
- 6 mortgage loan originator or an Oregon mortgage lending license. BG had been working
- 7 with a client, FM, to refinance investment properties located in Washington.
- 8 6. After finding JM Equity on the internet, BG and FM traveled from
- 9 Washington to JM Equity’s offices located at 8383 Northeast Sandy Boulevard, Suite
- 10 110B, Portland, Oregon 97220.
- 11 7. In late April 2016, BG and FM meet with Granda who offered to complete
- 12 one loan for FM’s three investment properties with an interest rate of eight percent (8%)
- 13 for a period of 24 months.
- 14 8. FM completed a mortgage loan application at JM Equity that he gave to
- 15 Granda.
- 16 9. Granda required a fee of \$2,000 to start the loan. FM paid the fee through a
- 17 credit card processing device attached to Granda’s cellular phone.
- 18 10. FM received a receipt by electronic mail from Granda. The signature line of
- 19 the credit card receipt included the following information: “Jules Granda, Managing
- 20 Partner,... JM Equity Group, LLC,...info@pdxspaces.com,... 8383 NE Sandy Blvd.
- 21 #110B, Portland, OR 97220.”
- 22 11. Granda provided FM a Loan Estimate, a Good Faith Estimate, and Fees
- 23 Worksheet. The header of the Fees Worksheet and the Good Faith Estimate state “JM
- 24 Equity Group Originator: Julio Granda.” On the Good Faith Estimate in the box labeled
- 25 Name of Originator, “JM Equity Group LLC” is listed. Under the box labeled Originator
- 26 Address, “8383 NE Sandy Blvd. STE 110B, Portland, OR 97220” is listed. JM Equity’s



1 name and address is listed on the top of the Loan Estimate document.

2 12. On April 29, 2016, a Division investigator made a written request to Granda
3 to obtain a list of loans made in the state of Oregon for a period of January 1, 2012
4 through the current date.

5 13. The investigator received a hostile phone call from Granda. Granda stated
6 that he only completes commercial loans. The investigator attempted to explain the
7 definition of a residential transaction under Oregon law, but Granda disconnected the
8 telephone call.

9 14. On May 19, 2016, Granda responded to the investigator in writing on JM
10 Equity letterhead that listed the following information at the bottom of the letter: "8383
11 NE Sandy Blvd. #110B Portland OR 97220...info@pdxspaces.com,
12 www.pdxspaces.com." In the letter, Granda stated that "at no time past or present has JM
13 Equity Group engaged, originated or solicited any consumer to originate, sell and/or
14 transact any type of residential mortgage loan(s) in the State of Oregon." The letter was
15 signed "Julio Granda, CEO."

16 15. On May 23, 2016, the investigator issued a subpoena duces tecum by
17 certified mail to Respondents to the address on NE Sandy Blvd. The subpoena required
18 the appearance of Granda for an interview on June 14, 2016 at 10am and the production
19 of a list of all loans originated from the NE Sandy address.

20 16. The United States Postal Service was unable to deliver the certified mailing
21 because an authorized representative was unavailable for a signature.

22 17. On May 31, 2016, another subpoena was issued and sent by first class and
23 certified mail to Granda at his residential address in Happy Valley, Oregon.

24 18. On June 13, 2016, Granda responded with an "Affidavit of Julio Granda in
25 Support of Response Subpoena Duces Tecum." The affidavit stated that "no mortgage
26 loans have been originated since the beginning of January 1, 2012, therefore there are no

1 documents and/or items to submit.”

2 19. Granda failed to appear for the interview on June 14, 2016.

3 20. On November 20, 2016, Granda applied to be licensed as a mortgage loan
4 originator in California. Granda used the same address as the address used in paragraph
5 three.

6 21. Neither Granda nor JM Equity are licensed with the State of Oregon as
7 mortgage brokers.

8 22. Granda is not licensed with the State of Oregon as a mortgage loan originator.
9

10 CONCLUSIONS OF LAW

11 The Director CONCLUDES that:

12 23. Under ORS 86A.127(4) and 86A.224(2)(a), whenever the Director has
13 reasonable cause to believe that any person has been engaged or is engaging or is about to
14 engage in any violation of the Oregon Mortgage Lender Law, the Director may issue an
15 order to that person to cease and desist from such violation or threatened violation.

16 24. Originating a loan for a business purpose, non-owner occupied, non-rural,
17 single family residence of 1-4 units is a residential mortgage transaction under ORS
18 86A.100(8).

19 25. Under ORS 86A.103(1), it is unlawful for any person to engage in residential
20 mortgage transactions in this state as a mortgage banker or mortgage broker unless the
21 person is licensed. Respondents violated ORS 86A.103 by negotiating a loan for FM’s
22 investment properties located in Washington.

23 26. Granda and JM Equity acted as mortgage brokers under ORS
24 86A.100(5)(a)(C) by negotiating a mortgage loan with the expectation of compensation.

25 27. Granda acted as a mortgage loan originator under ORS 86A.200(4)(a)(A) and
26 (B) by taking an application and negotiating terms for a residential mortgage.



1 term of this Order.

2

3 SO ORDERED this 22nd day of May, 2018 in Salem,
4 Oregon.

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CAMERON C. SMITH, Director
Department of Consumer and Business Services

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Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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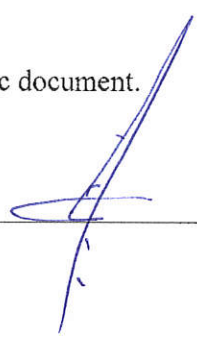


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CONSENT TO ENTRY OF ORDER

I, Julio Granda, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Mortgage Lender Law by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.



Signature

State of _____


County of _____

Signed or attested before me on this _____ day of _____, 2018

by Julio Granda.

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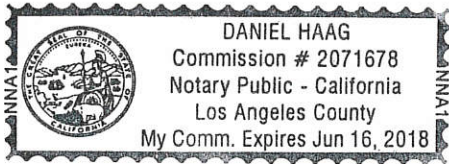
SEE ATTACHED CERTIFICATE
Notary Public  06/16/2018

California Jurat

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me
on this 16TH day of MAY, 2018,
by JULIO GRANDA



Place Notary Seal Above

proved to me on the basis of satisfactory evidence
to be the person(s) who appeared before me.

Signature Daniel Haag
Signature of Notary Public

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this jurat to an unauthorized document and may prove useful to persons on the attached document.

Description of Attached Document

Title or Type of Document CONSENT TO ENTRY Document Date 05/16/2018
Number of Pages: 8 OF ORDER

1 ENTITY CONSENT TO ENTRY OF ORDER

2 I, Julio Granda, am an officer of JM Equity Group, LLC ("JM Equity"), and I am
3 authorized to act on its behalf. I have read the foregoing Order and I know and fully
4 understand the contents hereof. The factual allegations stated herein are true and
5 correct. I have been advised of the right to a hearing and of the right to be represented by
6 counsel in this matter. JM Equity voluntarily consents to the entry of this Order without
7 any force or duress, expressly waiving any right to a hearing in this matter, as well as
8 any rights to administrative or judicial review of this order. JM Equity understands that
9 the Director reserves the right to take further action against it to enforce this order or to
10 take appropriate action upon discovery that JM Equity has committed other violations of
11 the Oregon Mortgage Lender Law. JM Equity, along with its officers, directors,
12 employees, or agents, will fully comply with the terms and conditions stated herein.

13 JM Equity understands that this Order is a public document.

14
15 Signature: _____

16 Position Held: Manager

17 State of _____

18 County of _____

19
20 Signed or attested before me on this _____ day of _____, 2017

21 by _____

22
23 SEE ATTACHED CERTIFICATE

24 Notary Public

05/16/2018

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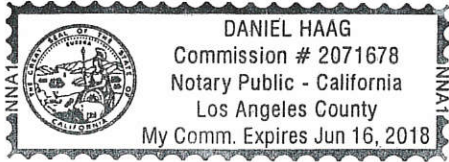


California Jurat

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me
on this 16TH day of MAY, 2018,
by JULIO GRANDA



Place Notary Seal Above

proved to me on the basis of satisfactory evidence
to be the person(s) who appeared before me.

Signature Daniel Haag
Signature of Notary Public

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