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BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. L & G Mortgagebanc, Inc., Respondent.	File No.: 413-0334 ORDER REVOKING RESIDENTIAL MORTGAGE LENDER AND RESIDENTIAL MORTGAGE LOAN SERVICER LICENSE

The California Corporations Commissioner finds that:

1. Respondent L & G Mortgagebanc, Inc., ("L & G") is a residential mortgage lender licensed by the Commissioner pursuant to the California Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*) ("CRMLA"). L & G has its principal place of business located at 8151 E. Evans Rd., Suite D-10, Scottsdale, Arizona 85260.

2. Pursuant to California Financial Code sections 50307 and 50401 and California Code of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file the following annual reports with the Commissioner: (1) Report of Principal Amount of Loans Originated and Aggregate Amount of Loans Serviced ("Activity Report"); (2) Report on Non-traditional, Adjustable Rate and Mortgage Loan Products ("Non-traditional Report"); and (3) Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey"). The Activity Report, Non-

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traditional Report, and Survey must be filed with the Commissioner on or before March 1st of each year for the preceding twelve (12) month period ending December 31.

3. On or about February 6, 2012, an Activity Report form, Non-traditional Report form and Survey were sent to all CRMLA licensees, including L & G, with a notice stating that these reports were due on or before March 1, 2012.

4. On or about June 5, 2012, the Commissioner assessed a penalty against L & G of one thousand dollars ($1,000.00), pursuant to California Financial Code section 50326, for the failure to submit these reports.

5. To date, L & G has not submitted the Activity Report, the Non-traditional Report or the Survey to the Commissioner, or paid the assessed penalty.

6. Pursuant to California Financial Code section 50200, all licensees under the CRMLA are required to file audited financial statements annually with the Commissioner.

7. L & G was required to submit this statement for its fiscal year ending December 31, 2011.

8. To date, L & G has not filed its audited financial statements.

9. On or about January 3, 2012, the Commissioner received a Notice of Bond Cancellation from The Hartford Fire Insurance Company that L & G's bond would be cancelled on February 7, 2012.

10. Section 50205 of the California Financial Code requires all CRMLA licensees to maintain a surety bond.

11. On February 7, 2012, an Order to Discontinue Residential Mortgage Lending and/or Servicing Activities Pursuant to Section 50319, California Financial Code (the "Order") was issued to L & G.

12. To date, L & G has not reinstated or replaced the bond, and the Order remains in effect.

13. On or about January 23, 2012, L & G notified the Commissioner that it intended to surrender its lending license.

14. Section 50123 of the California Financial Code requires a plan of surrender to be filed with the Commissioner, with specific information provided to the Commissioner.

15. On or about February 7, 2012, the Department sent a letter to L & G that provided instructions for the information necessary to complete surrender of L & G's license.

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16. To date, L & G has not submitted the required information. Pursuant to section 50123 of the CRMLA, a license remains in effect until it has been surrendered, suspended or revoked.

17. California Financial Code section 50327 provides in pertinent part:

> (a) The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if the commissioner finds that: (1) the licensee has violated any provision of this division or rule or order of the commissioner thereunder; or (2) any fact or condition exists that, if it had existed at the time of the original application for license, reasonably would have warranted the commissioner in refusing to issue the license originally.

18. The Commissioner finds that, by reason of the foregoing, L & G has violated California Financial Code sections 50200, 50205, 50307, 50326, 50401 and California Code of Regulations, title 10, section 1950.314.8, and based thereon, grounds exist to revoke L & G's license as a residential mortgage lender.

19. On August 31, 2012, the Commissioner issued a Notice of Intention to Issue Order Revoking Residential Mortgage Lender and Loan Servicer License, Accusation and accompanying documents against L & G based upon the above, and L & G was served with those documents on September 27, 2012 via certified mail. The Department has received no request for a hearing or any other response from L & G.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential mortgage lender and residential mortgage loan servicer license issued by the Commissioner to L & G Mortgagebanc, Inc. is hereby revoked. This order is effective as of the date hereof. Pursuant to California Financial Code sections 50310 and 50311, L & G Mortgagebanc, Inc. has sixty days within which to transfer its existing service accounts and complete any loans for which it had commitments.

Dated: October 30, 2012
Sacramento, California

JAN LYNN OWEN
California Corporations Commissioner

By_____
Mary Ann Smith
Deputy Commissioner

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