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California Corporations Commissioner
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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. AMERICAN LENDING GROUP, INC. doing business as AVANT LENDING GROUP, INC., Respondent.	File No.: 413-0538 **ACCUSATION IN SUPPORT OF REVOCATION OF CALIFORNIA RESIDENTIAL MORTGAGE LENDER LICENSE**

The Complainant, California Corporations Commissioner ("Commissioner"), is informed and believes, and based upon such information and belief, alleges and charges Respondent as follows:

I.

Respondent American Lending Group, Inc. doing business as Avant Lending Group, Inc. ("Avant") is a residential mortgage lender licensed by the California Department of Corporations (“Department”) pursuant to the California Residential Mortgage Lending Act (“CRMLA”) (California Financial Code sections 50000 *et seq*.). Avant last reported to the Department that it has its principal place of business at 22 Richmond Center Court, Saint Peters, Missouri, 63376.

II.

On or about June 8, 2009, the Commissioner notified Avant in writing that, pursuant to Financial Code section 50200, it was required to submit an annual audit report for its fiscal year

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ended June 30, 2009 ("Audit Report") no later than October 15, 2009. Avant was notified in the letter that failure to file the required report may result in license revocation and/or an assessment of fines pursuant to Financial Code section 50326.

On or about October 19, 2009, the Commissioner sent a second letter to Avant informing that the Audit Report that was due on October 15, 2009 had not been received by the Department. The letter advised that the report be filed no later than 10 days from the date of the letter and reminded Avant that failure to file the information may result in assessment of fines pursuant to section 50326. Avant has yet to file its Audit Report for the year ended June 30, 2009, as required by Financial Code section 50200.

III.

Pursuant to Financial Code sections 50307 and 50401 and California Code of Regulations, title 10, section 1950.314.8, on or before March 1st of each year all licensees under the CRMLA are required to file: (1) an annual Report of Principal Amount of Loans Originated and Aggregate Amount of Loans Serviced ("Activity Report") for the preceding 12-month period ended December 31; (2) the Report on Non-Traditional, Adjustable Rate and Mortgage Loan Products ("Non-Traditional Report"); and, (3) Non-Traditional, Adjustable Rate and Mortgage Loan Survey ("Survey").

On or about January 29, 2010, forms for the Activity Report, Non-Traditional Report, and Survey preprinted with the licensee's name, address and Department file number were sent to each CRMLA licensee along with filing instructions and notice that the enclosed reports were due on or before March 1, 2010.

On or about August 12, 2010, the Commissioner assessed a $1,000.00 penalty against Avant pursuant to section 50326 for failure to submit its Activity Report, Non-Traditional Report, or Survey to the Department in compliance with the provisions of the CRMLA.

IV.

Financial Code section 50205 requires each CRMLA licensee to maintain a surety bond to be used for the recovery of expenses, fines, or fees levied by the Commissioner for losses or damages incurred by borrowers or consumers as a result of a licensee's noncompliance with the requirements

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of the CRMLA.

On or about May 13, 2010, the Commissioner mailed a certified letter to Avant at its last reported principal place of business, informing that the Department received notice from Great American Insurance Company ("Great American") that it was canceling Avant's surety bond number FS1376058 effective June 14, 2010.[1] The Commissioner's letter advised that if the surety bond was not reinstated or replaced prior to the cancellation date, it would be necessary for the Commissioner to issue an order for Avant to discontinue mortgage lending and/or brokering activities.

On June 14, 2010, the Great American surety bond number FS1376058 issued to Avant expired, and no replacement bond was obtained.

On June 14, 2010, the Commissioner issued an order under the authority of Financial Code section 50319 requiring Avant to discontinue conducting residential mortgage lending and/or servicing activities in an unsafe and injurious manner as to render further operations hazardous to the public or to customers.[2] As neither a replacement bond has been obtained nor a hearing requested by Avant pursuant to the provisions of section 50319, this order remains in effect.

V.

As part of the implementation of the Nationwide Mortgage Licensing System and Registry ("NMLS"), each company holding a residential mortgage lender and/or mortgage servicer license must create a company record for itself and each branch in the NMLS, and electronically submit its record to the Department. Avant has not filed a transition request through NMLS with the Department for its CRMLA license in violation of section 50002.5.

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[1] The return receipt from the United States Postal Service was signed by "Sharon Johnson" on May 17, 2010 and acknowledged delivery of the May 13th letter to the licensee at "10A Richmond Center Court", an address that has not been reported to the Department.

[2] The return receipt from the United States Postal Service was signed by "Sharon Johnson" on June 18, 2010 and acknowledged delivery of the June 14th order to the licensee at "#10 Richmond Center Court, Suite B", an address that has not been reported to the Department.

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Financial Code section 50002.5 provides in pertinent part:

> (d) Every licensee engaged in the business of making, servicing, or making and servicing residential mortgage loans and every mortgage loan originator licensed under this division shall register with and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry.

Further, the NMLS record that exists for Avant reflects a business address of 5700 Mexico Road, Suite 6, Saint Peters, Missouri, 63376, which is an address that has not been reported to the Department as required by Financial Code section 50124(a)(10).

VI.

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 any 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.

VII.

Financial Code section 50311 provides in pertinent part:

> Nothing in this law shall preclude a person whose license has been suspended or revoked, summarily or otherwise, from making a residential mortgage loan pursuant to a commitment issued by that person prior to the suspension or revocation. A prospective borrower who received a commitment issued by a person whose license has been suspended or revoked may, prior to the closing of the loan, terminate the commitment or receive a refund of all money paid to that person.

VIII.

The Commissioner finds that, by reason of the foregoing, American Lending Group, Inc. doing business as Avant Lending Group, Inc. has violated California Financial Code sections 50002.5, 50124, 50200, 50205, 50307, 50401 and California Code of Regulations, title 10, section 1950.314.8, and based thereon grounds exist to revoke the residential mortgage lender license of American Lending Group, Inc. doing business as Avant Lending Group, Inc.

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WHEREFORE, IT IS PRAYED that the residential mortgage lender license of American Lending Group, Inc. doing business as Avant Lending Group, Inc. be revoked and, pursuant to Financial Code section 50311, American Lending Group, Inc. doing business as Avant Lending Group, Inc. be given a transition period of sixty (60) days within which to complete servicing of any loans for which it had prior commitments.

DATED: October 20, 2010
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Miranda L. Maison
Senior Corporations Counsel

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