ALAN S. WEINGER
Deputy Commissioner
MARISA I. URTEAGA-WATKINS (SBN236398)
Corporations Counsel
1515 K Street, Suite 200
Sacramento, California 95814
Telephone: (916) 445-9626
Fax: (916) 445-6985

Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. HARBOR LENDING, L.L.C. Respondent.	File No.: 413 1107 **ACCUSATION** California Financial Code §50311

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 HARBOR LENDING, L.L.C. ("HARBOR") is a residential mortgage lender and mortgage loan servicer licensed by the Commissioner pursuant to the California Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq*.) ("CRMLA"). HARBOR has its principal place of business located at 166 N. 9th Street, Suite B, Grover Beach, California, with a Zip Code of 93433.

State of California - Department of Corporations

II.

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 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-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.

On or about February 6, 2012, an Activity Report form, Non-traditional Report form and Survey were sent to all CRMLA licensees, including HARBOR, with a notice stating that these reports were due on or before March 1, 2012. HARBOR failed to submit these reports with the Commissioner. Pursuant to California Financial Code section 50326, the Commissioner assessed a penalty of $1000.00 for the failure to submit these reports on June 5, 2012. To date, HARBOR has not submitted the Activity Report, the Non-traditional Report or the Survey to the Commissioner and paid the assessed penalty.

III.

Pursuant to California Financial Code section 50200, all licensees under the CRMLA are required to file audited financial statements ("Audited Report") with the Commissioner. On or about January 19, 2011, HARBOR changed its information with the Department to reflect a revised fiscal year end date of December 31. Therefore, HARBOR was required to file its Audited Report for its fiscal year ending May 31, 2011 (due to the Commissioner on September 15, 2011) and for December 31, 2011 (due to the Commissioner on April 15, 2012). To date, HARBOR has not submitted the Audited Reports to the Commissioner.

IV.

Pursuant to California Financial Code section 50307.2 and California Code of Regulations, title 10, section 1950.314.8 all licensees under the CRMLA are required to file quarterly Mortgage Call reports with the Commissioner. Therefore, HARBOR is and was required to file Mortgage Call

reports each quarter with the Commissioner. HARBOR failed to file its Mortgage Call reports with the Commissioner for the fourth (4th) quarter of 2011 and the first (1st) quarter of 2012. To date, HARBOR has not submitted the Mortgage Call reports to the Commissioner.

V.

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 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 the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

VI.

The Commissioner finds that, by reason of the foregoing, HARBOR LENDING, L.L.C. has violated California Financial Code sections 50200, 50307, 50307.2, 50326, 50401, and California Code of Regulations, title 10, section 1950.314.8, and based thereon, grounds exist to revoke HARBOR LENDING, L.L.C.'s license as a residential mortgage lender and mortgage loan servicer.

WHEREFORE, IT IS PRAYED that the residential mortgage lender and mortgage loan servicer license of HARBOR LENDING, L.L.C. be revoked and, pursuant to Financial Code section 50311, HARBOR LENDING, L.L.C. be given a transition period of sixty (60) days within which to complete any loans for which it had prior commitments.

DATED: July 24, 2012
Sacramento, CA

JAN LYNN OWEN
California Corporations Commissioner

By_____
Marisa I. Urteaga-Watkins
Corporations Counsel

State of California - Department of Corporations