

1 WILLIAM P. WOOD
California Corporations Commissioner
2 WAYNE STRUMPFER (CA BAR NO. 160080)
Acting Deputy Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
Supervising Counsel
4 MICHELLE LIPTON (CA BAR NO. 178078)
Corporations Counsel
5 Department of Corporations
6 320 West 4th Street, Ste. 750
7 Los Angeles, California 90013-2344
8 Telephone: (213) 576-7591 Fax: (213) 576-7181
Attorneys for Complainant

9
10 Attorneys for Complainant

11 BEFORE THE DEPARTMENT OF CORPORATIONS
12 OF THE STATE OF CALIFORNIA
13

14 In the Matter of THE CALIFORNIA) Case No.: 413-0094
15 CORPORATIONS COMMISSIONER,)
16 Complainant,) FINAL ORDER TO DISCONTINUE
17 vs.) VIOLATIONS PURSUANT TO
18 OLYMPIA MORTGAGE CORP.,) CALIFORNIA FINANCIAL CODE SECTION
19 Respondent.) 50321
20) FINAL ORDER TO DISCONTINUE UNSAFE
21) AND INJURIOUS PRACTICES PURSUANT
TO FINANCIAL CODE SECTION 50322
22)
23)
24)

22 TO: OLYMPIA MORTGAGE CORP.
23 1716 Coney Island Avenue
24 Brooklyn, New York 11230

25 1. Olympia Mortgage Corp. (“Olympia”) has been a residential mortgage lender and
26 loan servicer licensed by the California Corporations Commissioner ("Commissioner" or
27 "Complainant") since July 1, 1996, pursuant to the California Residential Mortgage Lending Act
28

1 ("CRMLA") (California Financial Code Section 50000 et seq.). Olympia's main address is or was
2 1716 Coney Island Avenue, Brooklyn, New York 11230.

3 2. Olympia Mortgage Corp. violated California Financial Code section 50202 (b)(1) and
4 engaged in unsafe and injurious practices by failing to make payments as authorized by the borrower
5 when it diverted mortgage payments and proceeds on at least 270 loans totaling over \$35 million.

6 3. On October 29, 2004, the Commissioner issued the following Orders: 1) an Order to
7 Discontinue Residential Mortgage Lending and/or Servicing Activities Pursuant to California
8 Financial Code Section 50319; 2) an Order to Discontinue Violations Pursuant to California
9 Financial Code Section 50321; and 3) an Order to Discontinue Unsafe and Injurious Practices
10 Pursuant to California Financial Code Section 50322.

11 4. On November 1, 2004, the above Orders were served by certified mail on Susan Smith,
12 as the agent for service of process on behalf of Olympia Mortgage Corp. and signed by Judy Garcia.
13 As of today's date, Olympia Mortgage Corp. has not requested a hearing and any right to a hearing
14 has expired.

15 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, the
16 Commissioner hereby makes final: 1) the Order to Discontinue Violations Pursuant to California
17 Financial Code Section 50321; and 2) the Order to Discontinue Unsafe and Injurious Practices
18 Pursuant to California Financial Code Section 50322 and Olympia Mortgage Corp. shall
19 immediately discontinue the violations and the unsafe and injurious practices set forth above.

20 Dated: March 15, 2005
21 Los Angeles, CA

WILLIAM P. WOOD
California Corporations Commissioner

22
23 By _____
24 DiAun M. Burns
25 Special Administrator
26 California Residential Mortgage Lending Act
27
28

1 WILLIAM P. WOOD
California Corporations Commissioner
2 WAYNE STRUMPFER (CA BAR NO. 160080)
Acting Deputy Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
Supervising Counsel
4 MICHELLE LIPTON (CA BAR NO. 178078)
Corporations Counsel
5 Department of Corporations
6 320 West 4th Street, Ste. 750
7 Los Angeles, California 90013-2344
8 Telephone: (213) 576-7591 Fax: (213) 576-7181
Attorneys for Complainant

9
10 BEFORE THE DEPARTMENT OF CORPORATIONS
11 OF THE STATE OF CALIFORNIA

12
13 In the Matter of THE CALIFORNIA) Case No.: 413-0094
CORPORATIONS COMMISSIONER,)
14) ACCUSATION
Complainant,)
15)
16 vs.)
17 OLYMPIA MORTGAGE CORP.,)
18 Respondent.)
19)
20)

21 The Complainant is informed and believes and based upon such information and belief,
22 alleges and charges as follows:

23 1. Olympia Mortgage Corp. (“Olympia”) has been a residential mortgage lender and
24 loan servicer licensed by the California Corporations Commissioner ("Commissioner" or
25 "Complainant") since July 1, 1996, pursuant to the California Residential Mortgage Lending Act
26 ("CRMLA") (California Financial Code Section 50000 et seq.). Olympia’s main address is or was
27 1716 Coney Island Avenue, Brooklyn, New York 11230. Olympia also had branch offices located
28

1 at: 1) 3969 Fourth Avenue, Suite 202, San Diego, California 92103; 2) 100 North Brand Avenue,
2 Suite 304, Glendale, California 91203; and 3) 3190 South Bascom Avenue, Suite 115, San Jose,
3 California 95124.

4 2. The State of New York Banking Department suspended Olympia's mortgage banker
5 license for a period of 30 days, effective October 28, 2004, for diverting mortgage payments and
6 proceeds on at least 270 loans totaling over \$35 million.

7 3. The Commissioner determined that Olympia violated California Financial
8 Code section 50202 (b)(1) and engaged in unsafe and injurious practices by failing to make
9 payments as authorized by the borrower when it diverted the mortgage payments and proceeds. As a
10 result, on October 29, 2004, the Commissioner issued the following Orders: 1) an Order to
11 Discontinue Residential Mortgage Lending and/or Servicing Activities Pursuant to Financial Code
12 Section 50319; 2) an Order to Discontinue Violations Pursuant to Financial Code Section 50321; and
13 3) an Order to Discontinue Unsafe and Injurious Practices Pursuant to Financial Code Section
14 50322.

15 4. California Financial Code section 50202(b)(1) provides in pertinent part:

16 ... a trust account shall be placed in a non-interest-bearing account in a federally
17 insured depository institution, a federal home loan bank, a federal reserve bank, or
18 other similar government-sponsored enterprise, to be removed and used only for the
19 following:

20 (1) Payments authorized by the borrower, allowed by the mortgage loan contract, or
21 required by federal or state law.

22 5. In addition, Olympia is in violation of California Financial Code section 50205 by
23 failing to comply with the bonding requirements of the California Residential Mortgage Lending
24 Act. Effective December 23, 2004, 2004 Bond No. 5864482 issued by Safeco Insurance Company
25 of America to Olympia expired and no replacement bond has been obtained. As such, on December
26 23, 2004, the Commissioner issued an Order to Discontinue Residential Mortgage Lending and/or
27 Servicing Activities Pursuant to Financial Code section 50319.

28 6. 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
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

(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.

The Commissioner finds that, by reason of the foregoing, Olympia has violated California Financial Code Sections 50202(b)(1) and 50205 and based thereon, grounds exist to revoke the residential mortgage lender and loan servicer license of Olympia.

WHEREFORE, IT IS PRAYED that the residential mortgage lender and loan servicer license of Olympia be revoked and that pursuant to California Financial Code Sections 50310 and 50311, Olympia be given a transition period of sixty (60) days within which to transfer any of its existing service accounts and to complete any loans for which it had commitments.

Dated: March 14, 2005 WILLIAM P. WOOD
Los Angeles, California California Corporations Commissioner

By _____
Michelle Lipton
Corporations Counsel