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California Corporations Commissioner
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9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
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12 In the Matter of the Accusation of THE) File No.: 413-0120
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ACCUSATION
14)
Complainant,)
15)
16 vs.)
17 NEW CENTURY MORTGAGE)
CORPORATION,)
18)
Respondent.)
19)
20

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

23 I

24 1. Respondent New Century Mortgage Corporation ("New Century") is a residential
25 mortgage lender and residential mortgage loan servicer licensed by the California Corporations
26 Commissioner ("Commissioner") pursuant to the California Residential Mortgage Lending Act
27 (California Financial Code § 50000 et seq.) ("CRMLA"). New Century had its main office located
28 at 18400 Von Karman, Suite 1000, Irvine, California 92612.

II

Pursuant to California Financial Code section 50200, New Century was required to submit its audited financial statement for its fiscal year ended December 31, 2006 (“audit report”) to the Commissioner by April 15, 2007. New Century has yet to file its audit report with the Commissioner despite numerous reminders.

On or about December 11, 2006, the Commissioner notified New Century in writing that its audit report was due April 15, 2007. New Century failed to submit the audit report by April 15, 2007.

On or about June 13, 2007, a further letter was sent to New Century demanding that the audit report be filed no later than June 23, 2007. New Century was notified in the letter that failure to file the audit report by June 23, 2007 would result in an action to either suspend or revoke its license. The June 13, 2007 letter further instructed New Century regarding the requirements of filing its Report on Internal Controls and its Uniform Single Attestation Program for Mortgage Bankers (“USAP”) for the year ending December 31, 2006 with the annual audit report.

On or about June 18, 2007, New Century submitted the USAP, but stated that it would not be able to submit the audit report or Report of Internal Controls due to its bankruptcy. New Century requested an alternative such as un-audited financial statements. However, Financial Code section 17200 requires that the audit report contain audited financial statements.

New Century has yet to file the audit report, or Report on Internal Controls as required by Financial Code section 50200.

III

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.

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IV

The Commissioner finds that, by reason of the foregoing, New Century has violated Financial Code section 50200, and based thereon, grounds exist to revoke the residential mortgage lender and residential mortgage loan servicer license of New Century.

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

Dated: September 12, 2007
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Judy L. Hartley
Senior Corporations Counsel