

1 PRESTON DUFAUCHARD
California Corporations Commissioner
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Deputy Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 THE CALIFORNIA CORPORATIONS) File No.: 4130952
COMMISSIONER,)

11 Complainant,)

12 v.)

13)
14 1st REPUBLIC MORTGAGE BANKERS, INC.)
15)
16)
17)

**ORDER REVOKING RESIDENTIAL
MORTGAGE LENDER AND MORTGAGE
SERVICER LICENSE**

18 The California Corporations Commissioner finds:

19 1. Respondent 1st REPUBLIC MORTGAGE BANKERS, INC. ("REPUBLIC") is a
20 residential mortgage lender and mortgage loan servicer licensed by the Commissioner pursuant to the
21 California Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*)
22 ("CRMLA"). REPUBLIC has its principal place of business located at 110 Jericho Turnpike, 2nd
23 Floor Suite 200 Floral Park, New York, 11001.

24 2. Pursuant to California Financial Code sections 50307 and 50401 and California Code
25 of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file the
26 following annual reports with the Commissioner: (1) Report of Principal Amount of Loans and
27 Aggregate Amount of Loans Serviced ("Activity Report"); (2) Report on Non-traditional, Adjustable
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1 Rate and Mortgage Loan Products (“Non-traditional Report”); and (3) Non-traditional, Adjustable
2 Rate and Mortgage Loan Survey (“Survey”). The Activity Report, Non-traditional Report, and
3 Survey must be filed with the Commissioner on or before March 1st of each year for the preceding
4 twelve (12) month period ending December 31.

5 3. On or about January 23, 2009, an Activity Report form, Non-traditional Report form
6 and Survey were sent to all CRMLA licensees, including REPUBLIC, with a notice stating that these
7 reports were due on or before March 1, 2009. The Commissioner assessed a penalty of \$1000.00 for
8 the failure to submit these reports on or about May 22, 2009. To date, REPUBLIC has not submitted
9 the Activity Report, the Non-traditional Report or the Survey to the Commissioner and paid the
10 assessed penalty.

11 4. Pursuant to California Financial Code section 50200, all licensees under the CRMLA
12 are required to file audited financial statements (“Audited Report”) with the Commissioner.
13 REPUBLIC was required to submit its Audited Report for its fiscal year ending December 31, 2008
14 to the Commissioner.

15 5. On or about December 23, 2008 and April 16, 2009, a reminder notice was issued to
16 REPUBLIC reminding REPUBLIC that these reports were due to be filed with the Commissioner on
17 or before April 15, 2009. REPUBLIC did not submit the Audited Report to the Commissioner,
18 despite this reminder notice.

19 6. On or about June 10, 2009, the Commissioner assessed a penalty of \$1000.00 for
20 failure to submit the Audited Report pursuant to California Financial Code section 50326. To date,
21 REPUBLIC has not submitted the Audited Report to the Commissioner and paid the assessed
22 penalty.

23 7. California Financial Code section 50205(a) states “[a] licensee shall maintain a surety
24 bond in accordance with this subdivision.” REPUBLIC has failed to maintain its surety bond as
25 required by that section. On or about January 27, 2009, the Commissioner received a Notice of
26 Cancellation Non-Renewal of REPUBLIC’s surety bond from Hartford Fire Insurance Company.
27 The date of cancellation of the surety bond was February 25, 2009.
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1 8. On or about March 2, 2009, the Commissioner issued an Order To Discontinue
2 Residential Mortgage Lending And/Or Servicing Activities Pursuant California Financial Code
3 section 50319 to REPUBLIC. To date, the surety bond has not been reinstated or replaced, and the
4 Order To Discontinue Residential Mortgage Lending And/Or Servicing Activities Pursuant
5 California Financial Code section 50319 remains in effect.

6 9. Failure to file the Activity Report, Non-traditional Report, Survey, Audit Report,
7 maintain a valid surety bond and/or pay assessed penalties are grounds under California Financial
8 Code section 50327 for the revocation of a license issued under the CRMLA.

9 10. On September 1, 2009, the Commissioner issued a Notice of Intention to Issue Order
10 Revoking Residential Mortgage Lender License, Accusation and accompanying documents against
11 REPUBLIC based upon the above, and REPUBLIC was served with those documents on September
12 1, 2009, at its licensed location on file with the California Department of Corporations. The
13 Department has not received a request for hearing from REPUBLIC and the time to request a hearing
14 has expired.

15 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
16 mortgage lender and mortgage servicer license issued by the Commissioner to 1st REPUBLIC
17 MORTGAGE BANKERS, INC., is hereby revoked. This order is effective as of the date hereof.
18 Pursuant to California Financial Code section 50311, 1st REPUBLIC MORTGAGE BANKERS,
19 INC., has sixty (60) days within which to complete any loans for which it had commitments.

20 DATED: October 14, 2009
21 Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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23
24 By _____
25 Alan S. Weinger
26 Deputy Commissioner
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