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California Corporations Commissioner
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

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In the Matter of the Accusation of THE) File No.: 413-0350
11 CALIFORNIA CORPORATIONS)
COMMISSIONER,)

12

) **ACCUSATION**

13

Complainant,

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v.

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TAYLOR, BEAN & WHITAKER)
16 MORTGAGE CORP.,)

17

Respondent.

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

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I.

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Respondent Taylor, Bean & Whitaker Mortgage Corp. ("Taylor, Bean & Whitaker") is a
23 residential mortgage lender and mortgage loan servicer licensed by the California Corporations
24 Commissioner ("Commissioner" or "Complainant") pursuant to the California Residential Mortgage
25 Lending Act (Fin. Code, §§ 50000 et seq.) ("CRMLA"). Taylor, Bean & Whitaker has or had its
26 principal place of business located at 315 N.E. 14th Street, Ocala, Florida 34470.

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28**II.**

Pursuant to Financial Code sections 50307, 50401, and California Code of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file an annual Report of Principal Amount of Loans Originated and Aggregate Amount of Loans Serviced for the 12 Month Period Ended December 31, 2009 ("Activity Report"), an annual Report on Non-traditional Adjustable Rate and Mortgage Loan Products ("Non-traditional Report") and an annual Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey") on or before March 1st of each year for the preceding twelve month period ended December 31st.

On or about January 29, 2010, Activity Report forms, Non-traditional Report forms, and Surveys were sent to all CRMLA licensees, including Taylor, Bean & Whitaker, with a notice that their reports were due on or before March 1, 2010. Taylor, Bean & Whitaker has yet to submit its Activity Report, Non-traditional Report or Survey to the Commissioner in violation of Financial Code sections 50307, 50401, and California Code of Regulations, title 10, section 1950.314.8.

III.

Pursuant to Financial Code sections 50200, subdivision (a), Taylor, Bean & Whitaker was required to submit its audited financial statement for its fiscal year ended April 30, 2010 ("Audit Report") to the Commissioner on or before August 16, 2010, including a reconciliation of its trust accounts. In addition, pursuant to the California Code of Regulations, title 10, section 1950.200, Taylor, Bean & Whitaker was required to submit an Independent Auditor's Report on Internal Controls ("Report on Internal Controls") to the Commissioner on or before August 16, 2010. Taylor, Bean & Whitaker has yet to file its Audit Report, trust account reconciliation, or Report on Internal Controls with the Commissioner.

On or about April 12, 2010, and again on June 29, 2010, the Complainant notified Taylor, Bean & Whitaker in writing that its Audit Report, trust account reconciliation, and Report on Internal Controls were due on or before August 16, 2010. Taylor, Bean & Whitaker failed to submit the Audit Report, trust account reconciliation, Report on Internal Controls by the August 16, 2010 deadline.

Taylor, Bean & Whitaker has yet to file its Audit Report, trust account reconciliation, Report

1 on Internal Controls as required by Financial Code section 50200, subdivision (a) and title 10, section
2 1950.200 of the California Code of Regulations.

3 **IV.**

4 Pursuant to Financial Code section 50205, all licensees under the CRMLA are required to
5 maintain a surety bond. On or about August 19, 2009, the Complainant received a Notice of
6 Cancellation from Fidelity and Deposit Company of Maryland notifying the Commissioner that the
7 surety bond of Taylor, Bean & Whitaker would be cancelled effective August 6, 2009. On or about
8 August 20, 2009, the Commissioner sent Taylor, Bean & Whitaker a certified letter reminding it that
9 its surety bond needed to be replaced or reinstated before the cancellation date. To date, the bond has
10 not been reinstated or replaced in violation of Financial Code section 50205.

11 **V.**

12 Pursuant to Financial Code section 50002.5, all licensees under the CRMLA were required to
13 register with the Nationwide Mortgage Licensing System and Registry (“NMLS”) on or before July
14 31, 2010. To date, Taylor, Bean & Whitaker has failed to file a transition request through NMLS for
15 its CRMLA license in violation of Financial Code section 50002.5.

16 **VI.**

17 Financial Code section 50123 requires that prior to surrendering a license, a licensee must file
18 a plan for approval by the Commissioner. The plan must contain the licensee’s detailed proposal for
19 orderly closing out of the residential mortgage lending/mortgage loan servicing business. In addition,
20 the Commissioner must make a determination that there has been no violation of the CRMLA.

21 On or about July 13, 2010, Taylor, Bean & Whitaker, through its counsel, notified the
22 Commissioner by letter that it intended to surrender its residential mortgage lender and mortgage loan
23 servicer license. On or about September 9, 2010, the Commissioner sent Taylor, Bean & Whitaker
24 instructions concerning the manner in which it is required to surrender its license under the CRMLA.

25 Taylor, Bean & Whitaker also notified the Commissioner that on or about August 24, 2009,
26 Taylor, Bean & Whitaker filed for voluntary Chapter 11 bankruptcy protection in the United States
27 Bankruptcy Court, Middle District of Florida, Jacksonville Division, Case Number 3:09-bk-07047-
28 JAF.

1 Taylor, Bean & Whitaker has yet to file its plan for approval by the Commissioner pursuant to
2 Financial Code section 50123 and it is not considered to have surrendered its residential mortgage
3 lender and mortgage loan servicer license for purposes of the CRMLA.

4 **VII.**

5 California Financial Code section 50327 provides in pertinent part:

6 (a) The commissioner may, after notice and a reasonable opportunity to be
7 heard, suspend or revoke any license if the commissioner finds that: (1) the
8 licensee has violated any provision of this division or any rule or order of the
9 commissioner thereunder; or (2) any fact or condition exists that, if it had
10 existed at the time of the original application for license, reasonably would
11 have warranted the commissioner in refusing to issue the license originally.

12 **VIII.**

13 The Commissioner finds that, by reason of the foregoing, Taylor, Bean & Whitaker Mortgage
14 Corp. has violated Code sections 50002.5, 50200, subdivision (a), 50205, 50307, 50401 and
15 California Code of Regulations, title 10, sections 1950.200 and 1950.314.8, and based thereon,
16 grounds exist to revoke the residential mortgage lender and servicer license of Taylor, Bean &
17 Whitaker Mortgage Corp.

18 WHEREFORE, IT IS PRAYED that the residential mortgage lender and servicer license of
19 Taylor, Bean & Whitaker Mortgage Corp. be revoked and pursuant to Financial Code sections 50310
20 and 50311, Taylor, Bean & Whitaker Mortgage Corp. be given a transition period of sixty (60) days
21 within which to complete any loans for which it had commitments and to transfer servicing to an
22 authorized mortgage loan servicer.

23 DATED: September 30, 2010
24 Los Angeles, CA

25 PRESTON DuFAUCHARD
26 California Corporations Commissioner

27 By _____
28 Blaine A. Noblett
Corporations Counsel
Enforcement Division