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

11

12 THE CALIFORNIA CORPORATIONS)
COMMISSIONER,)

File No.: 413-0794

13

Complainant,)

**ACCUSATION IN SUPPORT OF
REVOCATION OF CALIFORNIA
RESIDENTIAL MORTGAGE LENDER
AND MORTGAGE LOAN SERVICER
LICENSE**

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v.)

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16 U.S. MORTGAGE CORP.,)

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Respondent.)

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21 The Complainant, California Corporations Commissioner ("Commissioner"), is informed and
22 believes, and based upon such information and belief, alleges and charges U.S. MORTGAGE
23 CORP. ("Respondent") as follows:

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I.

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26 Respondent is a residential mortgage lender and mortgage loan servicer licensed by the
California Department of Corporations pursuant to the California Residential Mortgage Lending Act
27 ("CRMLA") (California Financial Code sections 50000 *et seq.*).
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II.

Pursuant to California Financial Code section 50200, each licensee is required to submit a comprehensive audited financial report ("Audit Report") audited by an independent certified public accountant for the end of the licensee's fiscal year. On or about December 23, 2008, the Commissioner notified Respondent in writing that it was required to submit its Audit Report for its fiscal year ending on December 31, 2008 no later than April 15, 2009. Respondent was further notified that its failure to file its Audit Report may result in assessment of fines, an immediate examination by the Commissioner, and/or revocation of Respondent's license. Respondent did not file its Audit Report. On or about April 17, 2009, the Commissioner again notified Respondent in writing that it had failed to file its Audit Report and it was required to file its Audit Report within ten (10) days of the date of the letter. Respondent failed to file its Audit Report in violation of California Financial Code section 50200.

III.

Pursuant to California 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 and Aggregate Amount of Loans Serviced ("Activity Report") on or before March 1st of each year for the preceding 12-month period ended December 31. On January 23, 2009, an Activity Report form was sent to all CRMLA licensees with a notice that their Activity Report was due on or before March 1, 2009. Respondent failed to submit its Activity Report to the Commissioner in violation of California Financial Code sections 50307, 50401 and California Code of Regulations, title 10, section 1950.314.8.

IV.

On or about February 17, 2009, Respondent notified the Commissioner that it was ceasing operations and attempted to surrender its license. Pursuant to California Financial Code section 50123, a license is not surrendered until its tender is accepted in writing by the Commissioner, after a review and a determination has been made that there is no violation of this law. On February 19, 2009, the Commissioner provided Respondent detailed instructions for the surrender of its license. Respondent did not respond to the surrender instructions and its surrender was not accepted.

1 On April 21, 2009, Respondent, by and through its attorney, notified the Commissioner that
2 Respondent had ceased doing business and had filed for bankruptcy in the United States Bankruptcy
3 Court for the District of New Jersey.

4 Respondent never filed its Audit Report and Activity Report, and did not respond to the
5 surrender instructions.

6 **V.**

7 Financial Code section 50327 provides in pertinent part:
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- 9 (a) The commissioner may, after notice and a reasonable opportunity to be
10 heard, suspend or revoke any license if the commissioner finds that: (1) the
11 licensee has violated any provision of this division or any rule or order of
12 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.

13 Financial Code section 50311 states:

14 Nothing in this law shall preclude a person whose license has been
15 suspended or revoked, summarily or otherwise, from making a
16 residential mortgage loan pursuant to a commitment issued by that
17 person prior to the suspension or revocation. A prospective borrower
18 who received a commitment issued by a person whose license has
19 been suspended or revoked may, prior to the closing of the loan,
20 terminate the commitment or receive a refund of all money paid to
that person.

21 **VI.**

22 The Commissioner finds that, by reason of the foregoing, U.S. MORTGAGE CORP. has
23 violated California Financial Code sections 50200, 50307, 50401 and California Code of Regulations,
24 title 10, section 1950.314.8, and based thereon grounds exist to revoke the residential mortgage
25 lender and mortgage loan servicer license of U.S. MORTGAGE CORP..

26 WHEREFORE, IT IS PRAYED that the residential mortgage lender and mortgage loan
27 servicer license of U.S. MORTGAGE CORP. be revoked and, pursuant to California Financial Code
28 section 50311, U.S. MORTGAGE CORP. be given a transition period of sixty (60) days within
which to complete any loans for which it had prior commitments.

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DATED: October 21, 2009
San Diego, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
AFSANEH EGHBALDARI
Corporations Counsel