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BEFORE THE DEPARTMENT OF CORPORATIONS

10

OF THE STATE OF CALIFORNIA

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THE CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)

File No.: 413-0794

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Complainant,)

**ORDER REVOKING 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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The Complainant, California Corporations Commissioner ("Commissioner"), finds:

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1. Respondent U.S. MORTGAGE CORP. ("USMC") is a residential mortgage lender
23 and mortgage loan servicer licensed by the California Department of Corporations pursuant to the
24 California Residential Mortgage Lending Act ("CRMLA") (California Financial Code sections 50000
25 *et seq.*).

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2. Pursuant to California Financial Code section 50200, USMC is required to submit a
27 comprehensive audited financial report ("Audit Report") audited by an independent certified public
28 accountant for the end of its fiscal year. On December 23, 2008, the Commissioner notified USMC

1 in writing that it was required to submit its Audit Report for its fiscal year ending on December 31,
2 2008 no later than April 15, 2009. USMC was further notified that its failure to file its Audit Report
3 may result in assessment of fines, an immediate examination by the Commissioner, and/or revocation
4 of USMC's license. USMC did not file its Audit Report.

5 3. On April 17, 2009, the Commissioner again notified USMC in writing that it had
6 failed to file its Audit Report and it was required to file its Audit Report within ten (10) days of the
7 date of the letter. USMC failed to file its Audit Report in violation of California Financial Code
8 section 50200.

9 4. Pursuant to California Financial Code sections 50307, 50401 and California Code of
10 Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file an
11 annual Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced ("Activity
12 Report") on or before March 1st of each year for the preceding 12-month period ended December 31.
13 On January 23, 2009, an Activity Report form was sent to USMC with a notice that its Activity
14 Report was due on or before March 1, 2009. USMC failed to submit its Activity Report in violation
15 of California Financial Code sections 50307, 50401 and California Code of Regulations, title 10,
16 section 1950.314.8.

17 5. On February 17, 2009, USMC notified the Commissioner that it was ceasing
18 operations and attempted to surrender its license. Pursuant to California Financial Code section
19 50123, a license is not surrendered until its tender is accepted in writing by the Commissioner.

20 6. On February 19, 2009, the Commissioner provided USMC detailed instructions for the
21 surrender of its license. USMC did not respond to the surrender instructions and its surrender was not
22 accepted.

23 7. On April 21, 2009, USMC, by and through its attorney, notified the Commissioner
24 that it had ceased doing business and had filed for bankruptcy in the United States Bankruptcy Court
25 for the District of New Jersey.

26 8. USMC never filed its Audit Report and Activity Report, and did not respond to the
27 surrender instructions.

28 9. On October 21, 2009, the Commissioner issued a Notice of Intention to Issue Order

1 Revoking Residential Mortgage Lender and Mortgage Loan Service License, Accusation and
2 accompanying documents (collectively, "Accusation") against USMC. Based on the above, on
3 October 21, 2009, the Accusation was served by certified mail. USMC received the Accusation on
4 October 27, 2009. USMC did not request a hearing and the time to request a hearing has expired.

5 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
6 mortgage lender and mortgage loan servicer license issued by the Commissioner to U.S.
7 MORTGAGE CORP. is hereby revoked. This order is effective as of the date hereof. Pursuant to
8 California Financial Code section 50311, U.S. MORTGAGE CORP. has sixty days within which to
9 complete any loans for which it had commitments.

10 DATED: November 17, 2009
11 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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13 By _____
14 ALAN S. WEINGER
15 Deputy Commissioner
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