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

10 In the Matter of the Accusation of THE)	File No.: 413-0175
11 CALIFORNIA CORPORATIONS)	
12 COMMISSIONER,)	
13 Complainant,)	AMENDED ACCUSATION IN SUPPORT
)	OF REVOCATION OF CALIFORNIA
14 v.)	RESIDENTIAL MORTGAGE LENDER
)	AND RESIDENTIAL MORTGAGE LOAN
)	SERVICER LICENSES
15 UNITED CALIFORNIA SYSTEMS)	
16 INTERNATIONAL, INC. doing business as)	
17 UNITED INTERNATIONAL MORTGAGE &)	
INVESTMENT CO.,)	
18 Respondent.)	

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20 The Complainant, California Corporations Commissioner ("Commissioner"), is informed and
21 believes, and based upon such information and belief, alleges and charges Respondent as follows:

22 **I.**

23 Respondent United California Systems International, Inc. doing business as United
24 International Mortgage & Investment Co. ("United International") is a residential mortgage lender
25 and residential mortgage loan servicer licensed by the California Department of Corporations
26 ("Department") pursuant to the California Residential Mortgage Lending Act ("CRMLA")
27 (California Financial Code sections 50000 *et seq.*). United International has its principal place of
28 business located at 2049 Century Park East, Suite 2550, Los Angeles, CA 90067.

II.

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2 On February 26, 2008, United International was notified of a scheduled regulatory
3 examination to take place during April 2008. In preparation for the examination, United International
4 was required to electronically file application/loan and servicing reports with the Department by
5 March 7, 2008. United International failed to file these reports in violation of Financial Code
6 sections 50302 and 50314(b).

7 On June 5, 2008, one of the Commissioner's corporations examiners went to United
8 International's licensed location of record. The examiner discovered that United International had
9 relocated its business operations without providing prior notification to the Department in violation of
10 Financial Code section 50306. When the Commissioner's examiner subsequently attempted to visit
11 the licensee's new location, United Financial denied the examiner access and failed to provide the
12 requested reports and examination documentation in violation of sections 50302 and 50314(b).

III.

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14 Financial Code section 50317 prohibits any person who within the past 10 years has been
15 convicted of, or pleaded nolo contendere to, or within the past seven years has been held liable in any
16 civil action by final judgment or any administrative judgment by any public agency for any of the
17 violations set forth in subdivision (b) of that section from holding the position of an officer, director,
18 partner, shareholder controlling 10% or more of ownership interest, trustee, or employee of a
19 CRMLA licensee. Subdivision (b) violations include any criminal convictions, or pleas of nolo
20 contendere to, offenses involving robbery, burglary, theft, embezzlement, fraud, fraudulent
21 conversion or misappropriation of property, forgery, or receiving stolen property.

22 The Department received information that on September 17, 2007, Sandra Kay McBeth
23 ("McBeth") pleaded nolo contendere to a charge of unlawful taking of vehicle in violation of Vehicle
24 Code section 10851. At the time of entry of the plea, McBeth was the president and primary
25 stockholder of United International.

26 On June 9, 2008, the Department sent a letter to United International informing them that
27 McBeth, due to her violation, was prohibited from serving as an officer, director, partner, shareholder
28 controlling 10% or more of ownership interest, trustee, or employee of United International. The

1 letter also informed United International that it was in violation of section 50317 for any period
2 during which McBeth held a prohibited position with the licensee. The Department further requested
3 confirmation that McBeth had been removed from all positions and relinquished control of ownership
4 interest of 10% or more.

5 On June 24, 2008, the licensee provided the Department copies of minutes from a June 18,
6 2008 special meeting of the board of directors of United International. The minutes reflected that
7 McBeth resigned as president and relinquished control of ownership interest of 10% or more in
8 United International. The minutes further stated that Dori Sanford (“Sanford”) had been appointed
9 vice president in charge of United International’s daily affairs. The minutes were signed by Bill
10 Shack (“Shack”) and Timothy Woods (“Woods”), both of whom were identified as directors of
11 United International.

12 Additionally, at a meeting that took place on June 10, 2008 at the Department’s Los Angeles
13 office, an individual who identified himself as an attorney named Rod Wellington (“Wellington”)
14 provided the Department with a business card reflecting his position as “Chief Operating Officer” of
15 United International.

16 On or about February 24, 2009, the Department received information that Wellington had
17 been denied reinstatement to the practice of law by the Illinois Attorney Registration and Disciplinary
18 Commission on January 4, 2006. Wellington’s suspension was due to neglect, misrepresentation,
19 failure to communicate with clients, failure to refund fees, and practicing law without being
20 registered with the Illinois Attorney Registration and Disciplinary Commission. The Illinois
21 Supreme Court’s judgment denying reinstatement was issued within seven years of Wellington’s
22 ostensible service as of an officer of United International.

23 United International is in violation of section 50317 for any period during which Wellington
24 held a prohibited position or controlled ownership interest of 10% or more of the licensee. Further,
25 United International did not disclose to the Department that Sanford, Shack, Woods, or Wellington
26 were officers in its initial application or as part of a post-license amendment as required by Financial
27 Code section 50124(a)(6).

28 **IV.**

1 Pursuant to Financial Code section 50307 and section 1950.314.8 of Title 10 of the California
2 Code of Regulations, all licensees under the CRMLA are required to annually file a Report of
3 Principal Amount of Loans and Aggregate Amount of Loans Serviced for the preceding 12-month
4 period ended December 31 ("Activity Report") on or before March 1st of each year.

5 On or about February 1, 2008, an Activity Report form was sent to all CRMLA licensees with
6 a notice that the Activity Report was due on or before March 1, 2008. United International failed to
7 submit its 2007 Activity Report to the Commissioner. On May 15, 2008, the Commissioner assessed
8 a penalty pursuant to Financial Code section 50326 against United International for failing to file the
9 2007 Activity Report.

10 Additionally, the 2008 Activity Report was due on or before March 1, 2009. United
11 International has yet to submit its 2008 Activity Report to the Commissioner. United International
12 shall be assessed a penalty pursuant to Financial Code section 50326 for failing to file the 2008
13 Activity Report. To date, United International has still not paid the penalty for failure to file the 2007
14 Activity Report

15 Moreover, United International has failed to pay its annual assessments for the prior two fiscal
16 years, in violation of Financial Code section 50401.

17 V.

18 United International failed to file its annual audit report required for the fiscal year ended
19 December 31, 2007, which was due on or before April 15, 2008. The Commissioner sent a filing
20 reminder to United Financial on December 17, 2007, as well as a follow-up notice on June 4, 2008.
21 Both notices advised that failure to file the report may result in the assessment of penalties and/or
22 administrative enforcement action. United International has yet to file its annual audit report for its
23 fiscal year ended December 31, 2007, as required by Financial Code section 50200.

24 Further, United International has failed to file its annual audit report required for the fiscal
25 year ended December 31, 2008, which was due on or before April 15, 2009, as required by Financial
26 Code section 50200.

27 VI.

1 Financial Code section 50327 provides in pertinent part:

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

8 Based upon the foregoing information, had the facts and conditions found therein existed at
9 the time of United International’s original residential mortgage lender and residential mortgage loan
10 servicer license applications, the Commissioner would have been warranted in refusing to issue such
11 licenses. Further, the facts and conditions set forth herein present sufficient grounds for the revocation
12 of the residential mortgage lender and residential mortgage loan servicer licenses of United
13 International pursuant to Financial Code section 50327.

14 **VII.**

15 Financial Code section 50311 provides in pertinent part:

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

22 **VIII.**

23 The Commissioner finds that, by reason of the foregoing, United International Mortgage &
24 Investment Co. has violated California Financial Code sections 50124(a)(6), 50200, 50302, 50306,
25 50314(b), 50307, 50317, 50401 and section 1950.314.8 of Title 10 of the California Code of
26 Regulations, and based thereon grounds exist to revoke its residential mortgage lender and residential
27 mortgage loan servicer licenses.

28 WHEREFORE, IT IS PRAYED that the residential mortgage lender and residential mortgage
loan servicer licenses of United California Systems International, Inc. doing business as United
International Mortgage & Investment Co. be revoked and, pursuant to Financial Code section 50311,
United California Systems International, Inc. doing business as United International Mortgage &

1 Investment Co. be given a transition period of sixty (60) days within which to complete any loans for
2 which it had prior commitments.

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4 DATED: April 22, 2009
5 Sacramento, CA

PRESTON DUFAUCHARD
California Corporations Commissioner

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7 By _____
8 Miranda L. Maison
9 Senior Corporations Counsel

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