

1 MARY ANN SMITH  
Deputy Commissioner  
2 Department of Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
3 Los Angeles, California 90013

4 Attorney for Complainant

5 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
6 OF THE STATE OF CALIFORNIA

8 In the Matter of:	)	CRMLA LICENSE NO.: 41DBO-137912
	)	
9 THE COMMISSIONER OF FINANCIAL	)	
10 PROTECTION AND INNOVATION,	)	
	)	
11 Complainant,	)	ACCUSATION
	)	
12 v.	)	
	)	
13 TOWN SQUARE MORTGAGE &	)	
14 INVESTMENTS LLC,	)	
	)	
15 Respondent.	)	
	)	

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19 The Complainant, the Commissioner of Financial Protection and Innovation  
20 (Commissioner) is informed and believes, and based upon such information and belief, alleges and  
21 charges Respondent TOWN SQUARE MORTGAGE & INVESTMENTS LLC (Respondent) as  
22 follows:

23 **I.**

24 **Introduction**

25 1. The Commissioner is authorized to administer and enforce the provisions of the  
26 California Residential Mortgage Lending Act (Fin. Code, § 50000 et seq.) (CRMLA) and the rules  
27 and regulations promulgated thereunder.

28 2. Respondent is a residential mortgage Lender and Residential Mortgage Loan  
Servicer licensed by the Commissioner pursuant to the CRMLA. Respondent’s principal place of

1 business is 17300 Dallas Parkway, Suite 1031, Dallas, Texas 75248.

2 3. Pursuant to Financial Code section 50205, residential mortgage Lender and  
3 Residential Mortgage Loan Servicer are required to maintain a surety bond.

4 4. On or around October 29, 2024, the Commissioner received notice that  
5 Respondent’s surety bond would expire on November 09, 2024.

6 5. On or around November 12, 2024, the Commissioner notified Respondent through  
7 the Nationwide Mortgage Licensing System (NMLS) and a letter that a replacement surety bond  
8 had to be filed no later than the cancellation date to avoid suspension or revocation of its residential  
9 mortgage Lender and Residential Mortgage Loan Servicer license.

10 6. Respondent’s surety bond expired on November 09, 2024.

11 7. Respondent has yet to replace or reinstate its surety bond in violation of Financial  
12 Code section 50205.

13 **II.**

14 **Law**

15 8. Financial Code section 50205 provides, in pertinent part:

16 (a) A residential mortgage lender or servicer licensee shall maintain a surety  
17 bond in accordance with this subdivision. The bond shall be used for the  
18 recovery of expenses, fines, and fees levied by the commissioner in accordance  
19 with this division or for losses or damages incurred by borrowers or consumers  
20 as the result of a licensee’s noncompliance with the requirements of this  
21 division. The bond shall be payable when the licensee fails to comply with a  
22 provision of this division and shall be in the amount of fifty thousand dollars  
23 (\$50,000), and may be increased by order of the commissioner to one hundred  
24 thousand dollars (\$100,000) upon a determination by the commissioner that the  
25 licensee is not in compliance with any provision of this chapter or any rule or  
26 order adopted or issued by the commissioner to implement or enforce  
27 provisions of this chapter. The bond shall be payable to the commissioner and  
28 issued by an insurance company authorized to do business in this state. An  
original surety bond, including any and all riders and endorsements executed  
subsequent to the effective date of the bond, shall be filed with the  
commissioner within 10 days of its execution.

(b) ... Failure to file a new bond within 10 days of the recovery on a bond, or  
within 10 days after notification by the commissioner that a new bond is  
required, constitutes sufficient grounds for the suspension or revocation of the  
license.

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(c) The commissioner may by rule require a higher bond amount for a licensee employing one or more mortgage loan originators, based on the dollar amount of residential mortgage loans originated by that licensee and any mortgage loan originators employed by that licensee. Every mortgage loan originator employed by the licensee shall be covered by the surety bond.

9. Financial Code section 50327 provides:

(a) The commissioner may, after notice and a reasonable opportunity to be heard, deny, decline to renew, suspend, or revoke any license if the commissioner finds that:

(1) The licensee has violated any provision of this division or any rule or order of the commissioner thereunder.

(2) Any fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.

(b) The power of investigation and examination by the commissioner is not terminated by the denial, nonrenewal, surrender, suspension, or revocation of any license issued by him or her.

**III.**

**Conclusion**

The Commissioner finds that, by reason of the foregoing, Respondent has violated Financial Code section 50205, and based thereon, grounds exist to revoke Respondent’s residential mortgage Lender and Residential Mortgage Loan Servicer license.

WHEREFORE, IT IS PRAYED that Town Square Mortgage & Investments LLC’s residential mortgage lender and Residential Mortgage Loan Servicer license be revoked.

Dated: November 25, 2024,  
Sacramento, CA

Clothilde V. Hewlett  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MEIRCEE BOULAHROUD  
Assistant Deputy Commissioner  
California Residential Mortgage Lending Act