

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 JOYCE TSAI (CA BAR NO. 241908)  
Corporations Counsel  
4 Department of Corporations  
1350 Front Street, Suite 2034  
5 San Diego, CA 92101  
Telephone: (619) 525-4043 Fax: (619) 525-4045  
6 Attorneys for Complainant

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

11 CALIFORNIA CORPORATIONS ) File No.: 413-0096  
12 COMMISSIONER, )  
13 Complainant, )  
14 vs. ) **ACCUSATION**  
15 WMC MORTGAGE CORPORATION, dba )  
16 AMERICAN LOAN CENTERS, )  
17 Respondent. )  
18 \_\_\_\_\_ )

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

22 I

23 WMC Mortgage Corporation, doing business as American Loan Centers (“Respondent” or  
24 “WMC”), is a residential mortgage lender and mortgage loan servicer licensed by the California  
25 Department of Corporations (“Department”) pursuant to the California Residential Mortgage  
26 Lending Act (“CRMLA”), California Financial Code sections 50000 et seq. At all relevant times,  
27 Respondent had a principal place of business at 3100 Thornton Avenue, Burbank, CA 91504  
28 Respondent’s license was issued on September 19, 1996.

## II

1  
2 Pursuant to Financial Code section 50200, all licensees under the CRMLA are required to  
3 cause their books and accounts to be audited by an independent certified public accountant. Under §  
4 50200, subd. (d), within 105 days of the end of the licensee's fiscal year, the audit report must be  
5 filed with California Corporations Commissioner ("Commissioner"). Respondent's fiscal year end  
6 is December 31. Accordingly, Respondent was required to file an audit report on or before April 15  
7 of each year.

8 On or about December 17, 2007, the Department notified Respondent in writing that its 2007  
9 audit report would be due on April 15, 2008. The letter stated that pursuant to Financial Code  
10 section 50326, fines could result from failure to file the audit report. Respondent failed to file the  
11 audit report by April 15, 2008.

12 On or about June 3, 2008, the Department sent another letter to Respondent demanding the  
13 immediate filing of the audit report. The letter again stated that fines could be imposed under  
14 Financial Code section 50326.

15 On or about August 1, 2008, the Department assessed a penalty of \$1,000.00 pursuant to  
16 Financial Code section 50326 and again instructed Respondent to file the audit report. The  
17 Department told Respondent that failure to file the report or remit the \$1,000.00 penalty could result  
18 in an action to suspend or revoke its license.

19 On or about October 14, 2008, Respondent paid the penalty of \$1,000.00. However,  
20 Respondent has not filed the 2007 audit report.

21 On or about December 23, 2008, the Department notified Respondent in writing that its 2008  
22 audit report would be due on April 15, 2009. The letter stated that pursuant to Financial Code  
23 section 50326, fines could result from failure to file the audit report. Respondent failed to file the  
24 audit report by April 15, 2009.

25 On or about April 17, 2009, the Department sent another letter to Respondent demanding the  
26 immediate filing of the 2008 audit report. The letter again stated that fines could be imposed under  
27 Financial Code section 50326.

28 On or about May 1, 2009, Respondent, through its attorney, notified the Department that

1 Respondent could not comply with the requirement to file the 2008 audit report because Respondent  
2 ceased to be a going concern in late 2007. Respondent’s attorney also stated that Respondent had  
3 been attempting to surrender its CRMLA license pursuant to Financial Code section 50123, but had  
4 not complied with the closing audit requirement under Section 50123.

5 Respondent has not filed its 2008 audit report. Respondent has not completed the surrender  
6 of its license pursuant to Section 50123.

7 III

8 Financial Code section 50326 provides in pertinent part as follows:

9 If any licensee fails to do any of the following, the licensee shall forfeit to the people  
10 of the state a sum of up to one hundred dollars (\$100) for every day up to the 10th  
11 day: (a) to make any report required by law or by the commissioner within 10 days  
12 from the day designated for the making of the report.... Thereafter, any failure shall  
13 constitute grounds for the suspension or revocation of the license held by the  
14 residential mortgage lender or residential mortgage loan servicer.

15 Financial Code section 50327, subd. (a), provides in pertinent part as follows:

16 The commissioner may, after notice and reasonable opportunity to be heard, suspend  
17 or revoke any license if the commissioner finds that: (1) the licensee has violated any  
18 provision of this division or any rule or order of the commissioner thereunder....

19 IV

20 The Commissioner finds that, by reason of the foregoing, Respondent has violated Financial  
21 Code sections 50200 and 50326, which constitutes grounds for revocation of its license as a  
22 residential mortgage lender and mortgage loan servicer.

23 WHEREFORE, IT IS PRAYED that the Respondent's residential mortgage lender and  
24 mortgage loan servicer license be revoked pursuant to Financial Code sections 50326 and 50327.

25 Dated: July 9, 2009  
26 San Diego, CA

27 PRESTON DuFAUCHARD  
28 California Corporations Commissioner

By \_\_\_\_\_  
Joyce Tsai  
Corporations Counsel