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Deputy Commissioner
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3 DEPARTMENT OF CORPORATIONS
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6 Attorneys for Complainant

7
8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the Statement of Issues of THE) LICENSE NO: 413-0234
11 CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)

13 Complainant,

14 vs.

15 LITTON LOAN SERVICING LP,)

16 Respondent.)
17

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

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

22 **I.**

23 LITTON is a residential mortgage lender and mortgage loan servicer licensed by the
24 California Department of Corporations ("Department") pursuant to the California Residential
25 Mortgage Lending Act ("CRMLA") (California Financial Code sections 50000 *et seq.*) (All future
26 references to sections are to the California Financial Code unless indicated otherwise.).

27 LITTON has its principal place of business located at 4828 Loop Central Drive, Houston,
28 TX 77081.

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28**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. LITTON was required to submit its Audit Report for its fiscal year ending on December 31, 2011 no later than April 15, 2012. LITTON has yet 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 Originated and Aggregate Amount of Loans Serviced for the 12 Month Period Ended December 31, 2011 ("Activity Report"), an annual Report on Non-traditional Adjustable Rate and Mortgage Loan Products ("Non-traditional Report") and an annual Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey") on or before March 1st of each year.

On or about February 6, 2012, Activity Report forms, Non-traditional Report forms, and Surveys were sent to all CRMLA licensees, including LITTON, with a notice that their reports were due on or before March 1, 2012. LITTON failed to submit its Activity Report, Non-traditional Report and Survey by the due date.

On or about June 5, 2012, a letter was sent to LITTON demanding that its Activity Report, Non-traditional Report, and Survey be filed "no later than 10 days from the date of this letter" and assessing a penalty of \$1,000, pursuant to California Financial Code section 50326. LITTON was notified in the letter that its failure to file the reports or pay the penalty would result in an action to either suspend or revoke its license. A penalty of \$1,000 was assessed. On or about August 2, 2012, the Department received the penalty payment for LITTON from Ocwen Loan Servicing LLC.

LITTON has yet to submit its Activity Report, Non-traditional Report and Survey, as required by California Financial Code sections 50307, and 50401 and California Code of Regulations, title 10, section 1950.314.8.

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IV.

Pursuant to California Financial Code section 50307.2 and California Code of Regulations, title 10, section 1950.307, all licensees are required to file the Nationwide Mortgage Licensing System Mortgage Call Report (“MCR”) within 45 days of the end of each quarter. LITTON failed to file its MCR reports for the quarters ended December 31, 2011 and March 31, 2012 as well as its Statement of Financial Condition for the year ended December 31, 2011.

V.

California Financial Code section 50327 provides in pertinent part:

- (a) The commissioner may, after notice and a reasonable opportunity to be heard, 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; 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.

VI.

The Commissioner finds that, by reason of the foregoing, LITTON LOAN SERVICING LP has violated California Financial Code sections 50307, 50307.2, 50200, 50401, and California Code of Regulations, title 10, sections 1950.314.8 and 1950.307, and based thereon grounds exist to revoke the residential mortgage lender and mortgage loan servicer license of LITTON LOAN SERVICING LP.

WHEREFORE, IT IS PRAYED that the residential mortgage lender and mortgage loan servicer license of LITTON LOAN SERVICING LP be revoked and pursuant to California Financial Code sections 50310 and 50311, LITTON LOAN SERVICING LP be given a transition period of sixty (60) days within which to complete any loans for which it had commitments and to transfer servicing to an authorized mortgage loan servicer.

Dated: August 13, 2012

JAN LYNN OWEN
California Corporations Commissioner

By: _____
AFSANEH EGHBALDARI
Corporations Counsel

1 MARY ANN SMITH
Deputy Commissioner
2 AFSANEH EGHBALDARI (SBN 250107)
Corporations Counsel
3 DEPARTMENT OF CORPORATIONS
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the Statement of Issues of THE) LICENSE NO: 413-0234
11 CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)
13 Complainant,) **ORDER REVOKING RESIDENTIAL**
14 vs.) **MORTGAGE LENDER AND MORTGAGE**
15 LITTON LOAN SERVICING LP,) **LOAN SERVICER LICENSE**
16 Respondent.)
17

18 The California Corporations Commissioner ("Commissioner") finds:

19 1. Respondent LITTON LOAN SERVICING LP ("LITTON") is a residential
20 mortgage lender and mortgage loan servicer licensed by the California Department of
21 Corporations ("Department") pursuant to the California Residential Mortgage Lending Act
22 ("CRMLA") (California Financial Code sections 50000 *et seq.*) (All future references to sections
23 are to the California Financial Code unless indicated otherwise).

24 2. LITTON has its principal place of business located at 4828 Loop Central Drive,
25 Houston, TX 77081.

26 3. In violation of California Financial Code section 50200, LITTON failed to submit
27 its comprehensive financial report audited by an independent certified public accountant for its
28 fiscal year ending on December 31, 2011.

1 4. Pursuant to California Financial Code sections 50307 and 50401, and California
2 Code of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to
3 file an annual Report of Principal Amount of Loans Originated and Aggregate Amount of Loans
4 Serviced for the 12 Month Period Ended December 31, 2011 ("Activity Report"), an annual
5 Report on Non-traditional Adjustable Rate and Mortgage Loan Products ("Non-traditional
6 Report") and an annual Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey")
7 on or before March 1st of each year.

8 5. On February 6, 2012, Activity Report forms, Non-traditional Report forms, and
9 Surveys were sent to all CRMLA licensees, including LITTON, with a notice that their reports
10 were due on or before March 1, 2012. LITTON failed to submit its Activity Report, Non-
11 traditional Report and Survey by the due date.

12 6. On June 5, 2012, a letter was sent to LITTON demanding that its Activity Report,
13 Non-traditional Report, and Survey be filed "no later than 10 days from the date of this letter" and
14 assessing a penalty of \$1,000, pursuant to California Financial Code section 50326. LITTON was
15 notified in the letter that its failure to file the reports or pay the penalty would result in an action to
16 either suspend or revoke its license.

17 7. A penalty of \$1,000 was assessed. On August 2, 2012, the Department received
18 the penalty payment for LITTON from Ocwen Loan Servicing, LLC.

19 8. LITTON failed to submit its Activity Report, Non-traditional Report and Survey, as
20 required by California Financial Code sections 50307 and 50401, and California Code of
21 Regulations, title 10, section 1950.314.8.

22 9. Pursuant to California Financial Code section 50307.2 and California Code of
23 Regulations, title 10, section 1950.307, all licensees are required to file the Nationwide Mortgage
24 Licensing System Mortgage Call Report ("MCR") within 45 days of the end of each quarter.

25 10. LITTON failed to file its MCR reports for the quarters ended December 31, 2011
26 and March 31, 2012 as well as its Statement of Financial Condition for the year ended December
27 31, 2011, as required by California Financial Code section 50307.2 and California Code of
28 Regulations, title 10, section 1950.307.

1 11. On August 13, 2012, the Commissioner filed and served, via certified mail, return
2 receipt requested, her accusation and notice of intention to revoke LITTON’S residential mortgage
3 lender and mortgage loan servicer license and the accompanying documents (collectively,
4 “Accusation”). The return receipt shows that LITTON received the Accusation on August 20,
5 2012.

6 12. The Department has received no request for a hearing from LITTON and the time
7 to request a hearing has expired.

8 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the
9 residential mortgage lender and mortgage loan servicer license of LITTON LOAN SERVICING
10 LP be revoked, and pursuant to California Financial Code sections 50310 and 50311, LITTON
11 LOAN SERVICING LP be given a transition period of sixty (60) days within which to complete
12 any loans for which it had commitments and to transfer servicing to an authorized mortgage loan
13 servicer.

14
15 Dated: August 31, 2012
16 Sacramento, California

JAN LYNN OWEN
California Corporations Commissioner

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18 By: _____
19 MARY ANN SMITH
20 Deputy Commissioner
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