

1 PRESTON DUFAUCHARD
2 CALIFORNIA CORPORATIONS COMMISSIONER
3 ALAN S. WEINGER (CA BAR NO. 86717)
4 DEPUTY COMMISSIONER
5 320 WEST 4th Street, Ste. 750
6 LOS ANGELES, CALIFORNIA 90013-1105

7 Attorneys for Complainant

8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of the Accusation of THE) File No. 413 0609
13 COMMISSIONER OF CORPORATIONS OF)
14 THE STATE OF CALIFORNIA,)
15)
16 Complainant,)
17)
18 vs.)
19)
20 LEND AMERICA; LENDING KEY (IDEAL)
21 MORTGAGE BANKERS, LTD., DBA,)
22)
23 Respondent.)
24)

25 ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING
26 AND/OR SERVICING ACTIVITIES PURSUANT TO
27 SECTION 50319, CALIFORNIA FINANCIAL CODE
28

29 TO: LEND AMERICA; LENDING KEY
30 (IDEAL MORTGAGE BANKERS, LTD., DBA)
31 520 BROADHOLLOW ROAD
32 MELVILLE, NY 11747

33 THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA
34 FINDS THAT:

35 LEND AMERICA; LENDING KEY (IDEAL MORTGAGE BANKERS, LTD., DBA) has
36 failed to comply with the bonding requirements of the California Residential Mortgage Lending Act
37 (California Financial Code Section 50000 et seq.) in that effective January 11, 2010 Bond No.
38 83BSBEU2044 issued by HARTFORD FIRE INSURANCE COMPANY in favor of IDEAL

1 MORTGAGE BANKERS, LTD. DBA LEND AMERICA DBA LENDING KEY expired and no
2 replacement bond has been obtained.

3
4 Based on the foregoing, Respondent is conducting residential mortgage lending
5 and/or servicing business in violation of Section 50205 of the Financial Code and is conducting
6 business in such an unsafe and injurious manner as to render further operations hazardous to the
7 public or to customers.

8 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
9 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California
10 Financial Code, LEND AMERICA; LENDING KEY (IDEAL MORTGAGE BANKERS, LTD.,
11 DBA) immediately discontinue the disbursement, in whole or in part, of trust funds held by the
12 licensee and establish a separate trust account for all subsequent trust funds received by the licensee.
13

14
15 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

16 Section 50319 of the Financial Code provides as follows:

17 (a) If the commissioner, as a result of any examination or from any report
18 made to him or her, shall find that any person subject to this division is in an
19 insolvent condition, is conducting business in an unsafe or injurious manner that
20 renders further operations hazardous to the public or to customers, has failed to
21 comply with the provision of Section 50317, has permitted its tangible net worth to
22 be lower than the minimum required by law, or has failed to comply with the
23 bonding requirements of Section 50205, the commissioner may, by an order
24 addressed to and served by registered or certified mail, or by personal service on that
25 person, and on any other person having in his or her possession or control any trust
26 funds or other property deposited in escrow with that person, direct discontinuance
of the disbursement, in whole or in part, of trust funds held by the licensee and order
the establishment of a separate trust account for all subsequent trust funds received
by the licensee. No person having in his or her possession any of these funds or
documents shall be liable for failure to comply with the order unless he or she has
received written notice of the order. Subject to subdivision (b), the order shall
remain in effect until set aside by the commissioner, or the person has been adjudged
bankrupt.

27 (b) Within 15 days from the date of an order pursuant to subdivision (a), the
28 person may request a hearing under the Administrative Procedure Act (Chapter 5
(commencing with Section 11500) of Part 2 of Division 3 of Title 2 of the
Government Code). Upon receiving a request, the matter shall be set for hearing to
commence within 30 days after the receipt unless the person subject to this division
consents to a later date. If no hearing is requested within 15 days after the mailing or

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

service of the notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

DATED: January 11, 2010
Los Angeles, California

Preston DuFauchard
California Corporations Commissioner

By _____
DiAun M. Burns
Special Administrator
California Residential Mortgage Lending Act

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 ERIK BRUNKAL (CA BAR NO. 166086)
Corporations Counsel
4 Department of Corporations
5 1515 K Street, Ste. 200
6 Sacramento, California 95814
Telephone: (916) 322-8782
7 Facsimile: (916) 445-6985
8 Attorneys for Complainant

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

11 In the Matter of the Accusation of THE) File No.: 413-0609
12 CALIFORNIA CORPORATIONS)
COMMISSIONER,)
13) **ACCUSATION**
Complainant,)
14)
15 v.)
16 IDEAL MORTGAGE BANKERS, LTD., dba)
LEND AMERICA and LENDING KEY)
17)
18)
Respondent.)
19

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

23 **I.**

24 Respondent Ideal Mortgage Bankers, LTD., dba Lend America and Lending Key,
25 ("Ideal") is a residential mortgage lender licensed by the Commissioner pursuant to the California
26 Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*) ("CRMLA"). Ideal
27 has its principal place of business located at 520 Broadhollow Road, Melville, New York 11747.
28

II.

Pursuant to California Financial Code sections 50307 and 50401 and California Code of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file the following annual reports with the Commissioner: (1) Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced ("Activity Report"); (2) Report on Non-traditional, Adjustable Rate and Mortgage Loan Products ("Non-traditional Report"); and (3) Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey"). The Activity Report, Non-traditional Report, and Survey must be filed with the Commissioner on or before March 1st of each year for the preceding twelve (12) month period ending December 31.

On or about January 29, 2010, an Activity Report form, Non-traditional Report form and Survey were sent to all CRMLA licensees, including Ideal, with a notice stating that these reports were due on or before March 1, 2010. Ideal failed to submit these reports covering the 2009 time period. The Commissioner assessed a penalty of one thousand dollars (\$1,000.00), pursuant to California Financial Code section 50326, for the failure to submit these reports on or about August 12, 2010.

On or about January 24, 2011, an Activity Report form, Non-traditional Report form and Survey were sent to all CRMLA licensees, including Ideal, with a notice stating that these reports were due on or before March 1, 2010. Ideal failed to submit these reports covering the 2010 time period. The Commissioner assessed a penalty of one thousand dollars (\$1,000.00), pursuant to California Financial Code section 50326, for the failure to submit these reports on or about June 17, 2011.

To date, Ideal has not submitted the Activity Report, the Non-traditional Report or the Survey to the Commissioner or paid the assessed penalties.

III.

Pursuant to California Financial Code section 50200, all licensees under the CRMLA are required to file audited financial statements ("Audited Report"), an Independent Auditor's Report on Internal Controls ("Report on Internal Controls"), and its Uniform Single Attestation Program for Mortgage Bankers ("USAP"), or its reconciliation of trust accounts, annually with the Commissioner.

1 Ideal was required to submit these reports for its fiscal year ending December 31, 2010 to the
2 Commissioner on or before April 15, 2011. Ideal did not file these reports.

3 **IV.**

4 On or about December 7, 2009, the Department received a Notice of Bond Cancellation from
5 Hartford Fire Insurance Company that Ideal's bond would be cancelled effective January 11, 2010.
6 Section 50205 of the California Financial Code requires all CRMLA licensees to maintain a surety
7 bond. On December 10, 2009, the California Department of Corporations sent Ideal a certified letter
8 confirming that the surety bond needed to be replaced or re-instated before the cancellation date.
9 Ideal failed to do so. On January 11, 2010, the Department issued an Order to Discontinue
10 Residential Mortgage Lending and/or Servicing Activities Pursuant to Section 50319 of the
11 California Financial Code was issued to Ideal. To date, Ideal has not reinstated or replaced the bond
12 and the order remains in effect.

13 **V.**

14 On or about December 10, 2009, Ideal notified the Department that it intended to surrender its
15 lending license. Section 50123 of the California Financial Code requires a plan of surrender to be
16 filed the Department, with specific information provided to the Department. On or about December
17 28, 2009, the Department sent a letter to Ideal that provided instructions for the information necessary
18 to complete surrender of Ideal's license. To date, Ideal has not submitted the required information.
19 Pursuant to section 50123 of the CRMLA, a license remains in effect until it has been surrendered,
20 suspended or revoked.

21 **VI.**

22 California Financial Code section 50327 provides in pertinent part:

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

VII.

The Commissioner finds that, by reason of the foregoing, Ideal has violated California Financial Code sections 50200, 50205, 50307, 50326, 50401 and California Code of Regulations, title 10, section 1950.314.8, and based thereon, grounds exist to revoke Ideal’s license as a residential mortgage lender.

WHEREFORE, IT IS PRAYED that the residential mortgage lender license of Ideal Mortgage Bankers, LTD., dba Lend America and Lending Key, be revoked and, pursuant to Financial Code section 50311, Ideal Mortgage Bankers, LTD., dba Lend America and Lending Key be given a transition period of sixty (60) days within which to complete any loans for which it had prior commitments.

DATED: October 10, 2011
 Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Erik Brunkal
Senior Corporations Counsel

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 ERIK BRUNKAL (CA BAR NO. 166086)
Corporations Counsel
4 Department of Corporations
5 1515 K Street, Ste. 200
6 Sacramento, California 95814
Telephone: (916) 322-8782
7 Facsimile: (916) 445-6985
8 Attorneys for Complainant

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

11 In the Matter of the Accusation of THE) File No.: 413-0609
12 CALIFORNIA CORPORATIONS)
COMMISSIONER,)
13) **ORDER REVOKING RESIDENTIAL**
Complainant,) **MORTGAGE LENDER LICENSE**
14)
15 v.)
16 IDEAL MORTGAGE BANKERS, LTD., dba)
LEND AMERICA and LENDING KEY)
17)
18 Respondent.)
19

20 The California Corporations Commissioner ("Commissioner") finds that:

- 21 1. Respondent Ideal Mortgage Bankers, LTD., dba Lend America and Lending Key, ("Ideal") is
22 a residential mortgage lender licensed by the Commissioner pursuant to the California Residential
23 Mortgage Lending Act (California Financial Code, § 50000 *et seq.*) ("CRMLA"). Ideal has its
24 principal place of business located at 520 Broadhollow Road, Melville, New York 11747.
25 2. Pursuant to California Financial Code sections 50307 and 50401 and California Code of
26 Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file the
27 following annual reports with the Commissioner: (1) Report of Principal Amount of Loans and
28 Aggregate Amount of Loans Serviced ("Activity Report"); (2) Report on Non-traditional, Adjustable

1 Rate and Mortgage Loan Products (“Non-traditional Report”); and (3) Non-traditional, Adjustable
2 Rate and Mortgage Loan Survey (“Survey”). The Activity Report, Non-traditional Report, and
3 Survey must be filed with the Commissioner on or before March 1st of each year for the preceding
4 twelve (12) month period ending December 31.

5 3. On or about January 29, 2010, an Activity Report form, Non-traditional Report form and
6 Survey were sent to all CRMLA licensees, including Ideal, with a notice stating that these reports
7 were due on or before March 1, 2010. Ideal failed to submit these reports covering the 2009 time
8 period. The Commissioner assessed a penalty of one thousand dollars (\$1,000.00), pursuant to
9 California Financial Code section 50326, for the failure to submit these reports on or about August
10 12, 2010.

11 4. On or about January 24, 2011, an Activity Report form, Non-traditional Report form and
12 Survey were sent to all CRMLA licensees, including Ideal, with a notice stating that these reports
13 were due on or before March 1, 2010. Ideal failed to submit these reports covering the 2010 time
14 period. The Commissioner assessed a penalty of one thousand dollars (\$1,000.00), pursuant to
15 California Financial Code section 50326, for the failure to submit these reports on or about June 17,
16 2011.

17 5. To date, Ideal has not submitted the Activity Report, the Non-traditional Report or the Survey
18 to the Commissioner or paid the assessed penalties.

19 6. Pursuant to California Financial Code section 50200, all licensees under the CRMLA are
20 required to file audited financial statements (“Audited Report”), an Independent Auditor’s Report on
21 Internal Controls (“Report on Internal Controls”), and its Uniform Single Attestation Program for
22 Mortgage Bankers (“USAP”), or its reconciliation of trust accounts, annually with the Commissioner.
23 Ideal was required to submit these reports for its fiscal year ending December 31, 2010 to the
24 Commissioner on or before April 15, 2011. Ideal did not file these reports.

25 7. On or about December 7, 2009, the Department received a Notice of Bond Cancellation from
26 Hartford Fire Insurance Company that Ideal’s bond would be cancelled effective January 11, 2010.
27 Section 50205 of the California Financial Code requires all CRMLA licensees to maintain a surety
28 bond. On December 10, 2009, the California Department of Corporations sent Ideal a certified letter

1 confirming that the surety bond needed to be replaced or re-instated before the cancellation date.
2 Ideal failed to do so. On January 11, 2010, the Department issued an Order to Discontinue
3 Residential Mortgage Lending and/or Servicing Activities Pursuant to Section 50319 of the
4 California Financial Code was issued to Ideal. To date, Ideal has not reinstated or replaced the bond
5 and the order remains in effect.

6 8. On or about December 10, 2009, Ideal notified the Department that it intended to surrender its
7 lending license. Section 50123 of the California Financial Code requires a plan of surrender to be
8 filed the Department, with specific information provided to the Department. On or about December
9 28, 2009, the Department sent a letter to Ideal that provided instructions for the information necessary
10 to complete surrender of Ideal's license. To date, Ideal has not submitted the required information.
11 Pursuant to section 50123 of the CRMLA, a license remains in effect until it has been surrendered,
12 suspended or revoked.

13 9. On October 10, 2011, the Commissioner issued a Notice of Intention to Issue Order Revoking
14 Residential Mortgage Lender License, Accusation and accompanying documents against Ideal based
15 upon the above, and Ideal was served with those documents on October 10, 2011, pursuant to
16 California Government Code section 11505(c) via certified mail, return receipt requested, to the Ideal
17 at the latest address on file with the Department of Corporations.

18 10. The Department has received no request for a hearing from First NLC and the time to request
19 a hearing has expired.

20 ///
21 ///
22 ///
23 ///
24 ///
25 ///
26 ///
27 ///
28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential mortgage lender license issued by the Commissioner to Respondent Ideal Mortgage Bankers, LTD., dba Lend America and Lending Key, is hereby revoked. This order is effective as of the date hereof. Pursuant to California Financial Code section 50311, Respondent Ideal Mortgage Bankers, LTD., dba Lend America and Lending Key, has sixty (60) days within which to complete any loans for which it had commitments.

DATED: November 17, 2011
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Deputy Commissioner, Enforcement