

1 PRESTON DUFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 MARISA I. URTEAGA-WATKINS (SBN236398)  
4 Corporations Counsel  
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8 Attorneys for Complainant

9  
10 BEFORE THE DEPARTMENT OF CORPORATIONS  
11 OF THE STATE OF CALIFORNIA  
12

13 In the Matter of the Accusation of THE )File No.: 4130384  
14 CALIFORNIA CORPORATIONS )  
15 COMMISSIONER, )**ACCUSATION**  
16 Complainant, )California Financial Code §50311  
17 v. )  
18 THORNBURG MORTGAGE HOME LOANS, )  
19 INC. )  
20 Respondent. )  
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22  
23 The Complainant, California Corporations Commissioner ("Commissioner"), is informed and  
24 believes, and based upon such information and belief, alleges and charges Respondent as follows:

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26 **I.**

27 Respondent THORNBURG MORTGAGE HOME LOANS, INC. ("THORNBURG") is a  
28 residential mortgage lender and mortgage loan servicer licensed by the Commissioner pursuant to the

1 California Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*)  
2 ("CRMLA"). THORNBURG has its principal place of business located at 2300 North Ridgetop Rd.  
3 Santa Fe, NM 87506.

## 4 5 **II.**

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

14 On or about January 24, 2011, an Activity Report form, Non-traditional Report form and  
15 Survey were sent to all CRMLA licensees, including THORNBURG, with a notice stating that these  
16 reports were due on or before March 1, 2011. To date, THORNBURG has not submitted the Activity  
17 Report, the Non-traditional Report or the Survey to the Commissioner.

## 18 19 **III.**

20 Pursuant to California Financial Code section 50200, all licensees under the CRMLA are  
21 required to file audited financial statements ("Audited Report") with the Commissioner.  
22 THORNBURG was required to file its Audited Report for its fiscal year ending December 31, 2010  
23 to the Commissioner on or before April 15, 2011.

24 On or about December 9, 2010, a reminder notice was issued to THORNBURG reminding  
25 THORNBURG that the Audited Report was due to be filed with the Commissioner on or before April  
26 15, 2011. THORNBURG did not submit the Audited Report to the Commissioner, despite this  
27 reminder notice.

28 On or about May 31, 2011, a letter was sent to THORNBURG demanding that it file the

1 Audited Report “within ten (10) days of the date of this letter.” THORNBURG was notified that  
2 failure to file the Audited Report would result in the referral of this matter to the Special  
3 Administrator for administrative action that may result in fines and a revocation of THORNBURG’s  
4 license pursuant to Financial Code section 50326. THORNBURG failed to submit the Audited  
5 Report. To date, THORNBURG has not filed the Audited Report.

6  
7 **IV.**

8 Pursuant to California Financial Code section 50401, all licensees under the CRMLA are  
9 required to pay any and all assessments or fees issued by the Commissioner. Assessment invoice  
10 number MB0259 for 2010/2011 was issued to THORNBURG pursuant to Financial Code section  
11 50401 on or about September 30, 2010 (“Assessment”). The Assessment payment was due within  
12 twenty (20) days of September 30, 2010. To date, THORNBURG has not paid the Assessment.

13  
14 **V.**

15 Pursuant to California Financial Code section 50002.5, all licensees under the CRMLA are  
16 required to transition their licenses to the Nationwide Mortgage Licensing System (NMLS) when  
17 they are issued a license by the Commissioner. On or about September 12, 2001, the Commissioner  
18 issued license number 4130384 to THORNBURG pursuant to the CRMLA. To date, THORNBURG  
19 has not transitioned their license to the NMLS.

20 **VII.**

21 California Financial Code section 50327 provides in pertinent part:

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

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**VIII.**

The Commissioner finds that, by reason of the foregoing, THORNBURG MORTGAGE HOME LOANS, INC. has violated California Financial Code sections 50002.5, 50200, 50307, 50401 and California Code of Regulations, title 10, section 1950.314.8. Based thereon, grounds exist to revoke THORNBURG MORTGAGE HOME LOANS, INC.'s license as a residential mortgage lender and mortgage loan servicer.

WHEREFORE, IT IS PRAYED that the residential mortgage lender and mortgage loan servicer license of THORNBURG MORTGAGE HOME LOANS, INC. be revoked and, pursuant to Financial Code section 50311, be given a transition period of sixty (60) days within which to complete any loans for which it had prior commitments.

DATED: September 5, 2011  
Sacramento, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_

Marisa I. Urteaga-Watkins  
Corporations Counsel

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

7 Attorneys for Complainant

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BEFORE THE DEPARTMENT OF CORPORATIONS  
OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE ) File No. 413 0384  
COMMISSIONER OF CORPORATIONS OF )  
THE STATE OF CALIFORNIA, )  
Complainant, )  
vs. )  
THORNBURG MORTGAGE HOME LOANS, )  
INC., )  
Respondent. )

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

TO: THORNBURG MORTGAGE HOME LOANS, INC.  
2300 NORTH RIDGETOP ROAD  
SANTA FE, NM 87506

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

THORNBURG MORTGAGE HOME LOANS, INC. has failed to comply with the bonding  
requirements of the California Residential Mortgage Lending Act (California Financial Code  
Section 50000 et seq.) in that effective September 22, 2011 Bond No. 965000221 issued by

1 LIBERTY MUTUAL INSURANCE COMPANY in favor of THORNBURG MORTGAGE  
2 HOME LOANS, INC. expired and no 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, THORNBURG MORTGAGE HOME LOANS, INC. immediately discontinue the  
11 disbursement, in whole or in part, of trust funds held by the licensee and establish a separate trust  
12 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

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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: September 22, 2011  
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  
3 Deputy Commissioner  
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9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA  
11

12 In the Matter of the Accusation of THE ) File No.: 4130384  
13 CALIFORNIA CORPORATIONS )  
COMMISSIONER, )  
14 ) **ORDER REVOKING RESIDENTIAL**  
Complainant, ) **MORTGAGE LENDER AND MORTGAGE**  
15 ) **SERVICER LICENSE**  
v. )  
16 )  
17 THORNBURG MORTGAGE HOME LOANS, )  
18 INC. )  
Respondent. )  
19 )  
20 )

21 The California Corporations Commissioner finds:

22 1. Respondent THORNBURG MORTGAGE HOME LOANS, INC. ("THORNBURG")  
23 is a residential mortgage lender and mortgage loan servicer licensed by the Commissioner pursuant to  
24 the California Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*)  
25 ("CRMLA"). THORNBURG has its principal place of business located at 2300 North Ridgetop Rd.  
26 Santa Fe, NM 87506.

27 2. Pursuant to California Financial Code sections 50307 and 50401, and California Code  
28 of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file the



1 following annual reports with the Commissioner: (1) Report of Principal Amount of Loans and  
2 Aggregate Amount of Loans Serviced ("Activity Report"); (2) Report on Non-traditional, Adjustable  
3 Rate and Mortgage Loan Products ("Non-traditional Report"); and (3) Non-traditional, Adjustable  
4 Rate and Mortgage Loan Survey ("Survey"). The Activity Report, Non-traditional Report, and  
5 Survey must be filed with the Commissioner on or before March 1st of each year for the preceding  
6 twelve (12) month period ending on December 31.

7 3. On or about January 24, 2011, an Activity Report form, Non-traditional Report form  
8 and Survey were sent to all CRMLA licensees, including THORNBURG, with a notice stating that  
9 these reports were due on or before March 1, 2011. To date, THORNBURG has not submitted the  
10 Activity Report, the Non-traditional Report or the Survey to the Commissioner.

11 4. Pursuant to California Financial Code section 50200, all licensees under the CRMLA  
12 are required to file audited financial statements ("Audited Report") with the Commissioner.  
13 THORNBURG was required to file its Audited Report for its fiscal year ending December 31, 2010  
14 to the Commissioner on or before April 15, 2011.

15 5. On or about December 9, 2010, a reminder notice was issued to THORNBURG  
16 reminding THORNBURG that the Audited Report was due to be filed with the Commissioner on or  
17 before April 15, 2011. THORNBURG did not submit the Audited Report to the Commissioner,  
18 despite this reminder notice.

19 6. On or about May 31, 2011, a letter was sent to THORNBURG demanding that it file  
20 the Audited Report "within ten (10) days of the date of this letter." THORNBURG was notified that  
21 failure to file the Audited Report would result in the referral of this matter to the Special  
22 Administrator for administrative action that may result in fines and a revocation of THORNBURG's  
23 license pursuant to Financial Code section 50326. THORNBURG failed to submit the Audited  
24 Report. To date, THORNBURG has not filed the Audited Report.

25 7. Pursuant to California Financial Code section 50401, all licensees under the CRMLA  
26 are required to pay any and all assessments or fees issued by the Commissioner. Assessment invoice  
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28 50401 on or about September 30, 2010 ("Assessment"). The Assessment payment was due within

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2 8. Pursuant to California Financial Code section 50002.5, all licensees under the  
3 CRMLA are required to transition their licenses to the Nationwide Mortgage Licensing System  
4 (NMLS) when they are issued a license by the Commissioner. On or about September 12, 2001, the  
5 Commissioner issued license number 4130384 to THORNBURG pursuant to the CRMLA. To date,  
6 THORNBURG has not transitioned their license to the NMLS.

7 9. Failure to file the Activity Report, Non-traditional Report, Survey, Audit Report,  
8 transition a license, and/or pay assessed penalties are grounds under California Financial Code  
9 section 50327 for the revocation of a license issued under the CRMLA.

10 8. On September 6, 2011, the Commissioner issued a Notice of Intention to Issue Order  
11 Revoking Residential Mortgage Lender License, Accusation and accompanying documents against  
12 THORNBURG based upon the above, and THORNBURG was served with those documents on  
13 September 22, 2011, at its licensed location on file with the California Department of Corporations.  
14 The Department has not received a request for hearing from THORNBURG and the time to request a  
15 hearing has expired.

16 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential  
17 mortgage lender and mortgage servicer license issued by the Commissioner to THORNBURG  
18 MORTGAGE HOME LOANS, INC., is hereby revoked. This order is effective as of the date hereof.  
19 Pursuant to California Financial Code section 50311, THORNBURG MORTGAGE HOME LOANS,  
20 INC., has sixty (60) days within which to complete any loans for which it had commitments.

21 DATED: November 21, 2011  
22 Sacramento, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

23  
24  
25 By \_\_\_\_\_  
26 Alan S. Weinger  
27 Deputy Commissioner  
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