

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 MICHAEL L. PINKERTON  
Deputy Commissioner  
3 ALAN S. WEINGER  
Lead Corporations Counsel  
4 AFSANEH EGHBALDARI (CA BAR NO. 250107)  
Corporations Counsel  
5 Department of Corporations  
1350 Front Street, Room 2034  
6 San Diego, California 92101  
Telephone: (619) 645-3166  
7 Fax: (619) 525-4045

8 Attorneys for Complainant

9

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

12 In the Matter of the Accusation of THE )  
13 CALIFORNIA CORPORATIONS )  
14 COMMISSIONER, )

File No.: 413-0731

15 Complainant, )

**ACCUSATION IN SUPPORT OF  
REVOCATION OF CALIFORNIA  
RESIDENTIAL MORTGAGE SERVICING  
LICENSE**

16 v. )

17 AMERICAN HOME MORTGAGE )  
18 SERVICING, INC DOING BUSINESS AS )  
19 AMERICAN HOME MTG SERVICING, )

20 Respondent. )  
21

22 The Complainant, California Corporations Commissioner ("Commissioner"), is informed and  
23 believes, and based upon such information and belief, alleges and charges Respondent American  
24 Home Mortgage Servicing, Inc. doing business as American Home Mtg Servicing ("Respondent") as  
25 follows:

26 **I.**

27 Respondent is a residential mortgage servicer licensed by the California Department of  
28 Corporations pursuant to the California Residential Mortgage Lending Act ("CRMLA") (California

1 Financial Code sections 50000 *et seq.*). Respondent has its principal place of business located at 538  
2 Broadhollow Road, Melville, NY 11747.

3 **II.**

4 On or about December 17, 2007, the Commissioner notified Respondent in writing that,  
5 pursuant to Financial Code section 50200, it was required to submit an annual audit report ("Audit  
6 Report") for its fiscal year ending on December 31, 2007 no later than April 15, 2008. Respondent  
7 was notified in the letter that its failure to file the required reports may result in license revocation  
8 and/or an assessment of fines pursuant to Financial Code section 50326, an immediate examination  
9 by the Commissioner pursuant to Financial Code section 50307, and/or revocation of the license.

10 On or about May 30, 2008, the Commissioner again notified Respondent in writing that it had  
11 failed to file its Audit Report and it was required to file the Audit Report within ten (10) days of the  
12 date of the letter. On April 11, 2008, Respondent informed the Commissioner that it had filed for  
13 Chapter 11 bankruptcy with the United States Bankruptcy Court for the District of Delaware.  
14 Respondent failed to file its 2007 Audit Reports required by Financial Code section 50200.

15 **III.**

16 Financial Code section 50327 provides in pertinent part:

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

22 Financial Code section 50311 states:

23 Nothing in this law shall preclude a person whose license has been  
24 suspended or revoked, summarily or otherwise, from making a  
25 residential mortgage loan pursuant to a commitment issued by that  
26 person prior to the suspension or revocation. A prospective borrower  
27 who received a commitment issued by a person whose license has  
28 been suspended or revoked may, prior to the closing of the loan,  
terminate the commitment or receive a refund of all money paid to  
that person.

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

**IV.**

The Commissioner finds that, by reason of the foregoing, American Home Mortgage Servicing, Inc. doing business as American Home Mtg Servicing has violated California Financial Code section 50200 and based thereon grounds exist to revoke the residential mortgage servicer license of American Home Mortgage Servicing, Inc. doing business as American Home Mtg Servicing.

WHEREFORE, IT IS PRAYED that the residential mortgage servicer license of American Home Mortgage Servicing, Inc. doing business as American Home Mtg Servicing be revoked and, pursuant to Financial Code section 50311, American Home Mortgage Servicing, Inc. doing business as American Home Mtg Servicing be given a transition period of sixty (60) days within which to complete any loans for which it had prior commitments.

DATED: January 23, 2009  
San Diego, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
AFSANEH EGHBALDARI  
Corporations Counsel