

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN M. ROONEY  
Assistant Chief Counsel  
3 AFSANEH EGHBALDARI (State Bar No. 250107)  
4 Counsel  
Department of Business Oversight  
5 1350 Front Street, Room 2034  
6 San Diego, CA 92101  
Telephone: (619) 645-3166  
7 Facsimile: (619) 525-4045  
8 Attorneys for Complainant

10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of: ) CRMLA LICENSE NO. 413-1199  
13 )  
14 THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, ) ORDER REVOKING RESIDENTIAL  
15 ) MORTGAGE LENDER LICENSE  
Complainant, )  
16 )  
17 v. )  
18 BEXIL AMERICAN MORTGAGE, INC., )  
Respondent. )  
19 )  
20 )

21  
22 The Commissioner of Business Oversight (“Commissioner”) finds:

- 23 1. Bexil American Mortgage, Inc. ("Bexil") is a residential mortgage lender licensed by  
24 the Commissioner pursuant to the California Residential Mortgage Lending Act (California Financial  
25 Code § 50000 et seq.) (“CRMLA”). Bexil has its principal place of business located at 10770  
26 Wateridge Circle, Suite 250, San Diego, CA 92121.  
27 2. Pursuant to Financial Code section 50200 and California Code of Regulations, Title  
28 10, section 1950.200, all licensees under the CRMLA are required to submit their audited financial

1 statements for fiscal year ending on December 31, including a reconciliation of trust accounts and an  
2 Independent Auditor's Report on Internal Controls ("Audit Report") to the Commissioner on or  
3 before April 15 of the following year. Licensees are directed to upload their Audit Report into the  
4 Nationwide Multistate Licensing System & Registry ("NMLS").

5 3. On December 16, 2014, the Commissioner notified Bexil by letter that its 2014 Audit  
6 Report was due on or before April 15, 2015, and that its failure to file the Audit Report would result  
7 in fines pursuant to Financial Code section 50326, and/or revocation of its license pursuant to  
8 Financial Code section 50327.

9 4. Bexil's 2014 Audit Report was due by April 15, 2015, and its 2015 Audit Report was  
10 due by April 15, 2016. Bexil failed to file its 2014 and 2015 Audit Reports.

11 5. Pursuant to Financial Code sections 50307 and 50401 and California Code of  
12 Regulations, Title 10, section 1950.314.8, all licensees under the CRMLA are required to file an  
13 annual Report of Principal Amount of Loans Originated and Aggregate Amount of Loans Serviced,  
14 Report on Non-Traditional Adjustable Rate and Mortgage Loan Products, and Non-Traditional,  
15 Adjustable Rate and Mortgage Loan Survey (collectively, "Activity Report") on or before March 1 of  
16 each year for the preceding 12-month period ended December 31.

17 6. On February 2, 2015, Activity Report forms were sent to all CRMLA licensees with a  
18 notice that their Activity Report for the period ended December 31, 2014, was due on March 1, 2015.  
19 Written reminders were sent to Bexil from February 2015 to March 1, 2015 to ensure timely  
20 submission of its 2014 Activity Report. Bexil failed to file its 2014 Activity Report.

21 7. On January 20, 2016, Activity Report forms were sent to all CRMLA licensees with a  
22 notice that their Activity Report for the period ended December 31, 2015 was due on March 1, 2016.  
23 Bexil failed to file its 2015 Activity Report, despite written reminders that were sent from February 8,  
24 2016 to March 2, 2016.

25 8. Bexil failed to submit its 2014 and 2015 Activity Reports as required by Financial  
26 Code sections 50307 and 50401 and California Code of Regulations, Title 10, section 1950.314.8.

27 9. Bexil also failed to pay its annual assessments to the Commissioner for the fiscal years  
28 2015/2016 and 2016/2017 as required by Financial Code section 50401.

1           10. Pursuant to Financial Code section 50307.2, all licensees under the CRMLA are  
2 required to file the NMLS Mortgage Call Report with the NMLS for transmission to the  
3 Commissioner. Bexil failed to file any of its Mortgage Call Reports since the third quarter of 2014.

4           11. Pursuant to Financial Code section 50205, all licensees under the CRMLA are  
5 required to maintain a surety bond in the minimum amount of \$50,000.00.

6           12. On November 7, 2014, the Commissioner received a Notice of Cancellation of Bexil's  
7 surety bond from International Fidelity Insurance Company. The date of cancellation of its surety  
8 bond was December 31, 2014.

9           13. On November 14, 2014, the Commissioner notified Bexil of its requirement to replace  
10 or reinstate its surety bond on or before the cancellation date of December 31, 2014. Bexil's surety  
11 bond expired effective December 31, 2014, and no replacement bond was obtained, in violation of  
12 Financial Code section 50205.

13           14. In December 2014, Bexil requested a surrender of its residential mortgage lender  
14 license. Pursuant to Financial Code section 50123, a license is not surrendered until its tender is  
15 accepted in writing by the Commissioner after a review, and a finding has been made on the  
16 licensee's plan, and a determination has been made that there is no violation of the CRMLA.

17           15. On January 21, 2015, the Commissioner issued an order to Bexil to discontinue  
18 residential mortgage lending activities, pursuant to Financial Code section 50319, for its failure to  
19 replace or reinstate its surety bond.

20           16. On February 24, 2015, a license item was set in Bexil's NMLS record with detailed  
21 instructions for the surrender of its license, including, but not limited to complying with all the  
22 CRMLA requirements, providing a closing audit, paying of all the assessments, and filing of all  
23 reports.

24           17. On February 27, 2015, the Commissioner also sent Bexil a written letter outlining the  
25 requirements for surrender under Financial Code section 50123.

26           18. On June 12, 2015, the Commissioner sent a letter to Bexil notifying Bexil of its failure  
27 to file the 2014 Activity Report, assessing a \$1,000.00 penalty pursuant to Financial Code section  
28 50326, and demanding that the 2014 Activity Report be filed within 10 days of the letter. The

1 Commissioner also notified Bexil that failure to file the 2014 Activity Report and/or pay the penalty  
2 by such date would result in an action to suspend or revoke its license.

3 19. In July 2015, Bexil submitted its closing audit. The surrender was not accepted  
4 because Bexil failed to file any of the required reports and pay the assessed penalty.

5 20. On November 16, 2016, the Commissioner issued and served her Notice of Intention  
6 to Issue Order Revoking Residential Mortgage Lender License, Accusation and accompanying  
7 documents against Bexil. The Commissioner has received no request for a hearing from Bexil and  
8 the time to request a hearing has expired.

9 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential  
10 mortgage lender license issued by the Commissioner to Bexil American Mortgage, Inc. is hereby  
11 revoked under Financial Code section 50327. Pursuant to Financial Code section 50311, it is ordered  
12 that Bexil American Mortgage, Inc. has sixty days within which to complete any loans for which it  
13 had prior commitments. This order is effective as of the date hereof.

14 Dated: December 5, 2016  
15 Sacramento, California

JAN LYNN OWEN  
Commissioner of Business Oversight

16  
17 By: \_\_\_\_\_  
18 MARY ANN SMITH  
19 Deputy Commissioner  
20 Enforcement Division  
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