

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Acting Deputy Commissioner  
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8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

10 In the Matter of the Accusation of THE  
CALIFORNIA CORPORATIONS  
11 COMMISSIONER,  
12 Complainant,  
13  
14 vs.  
15 BUSH & HEWITT HOLDING, INC. dba  
DIRECT FUNDING,  
16 Respondent.  
17

File No.: 413-0863

**ORDER REVOKING RESIDENTIAL  
MORTGAGE LENDER LICENSE**

18 The California Corporations Commissioner finds:

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20 I

21 1. Respondent Bush & Hewitt Holding, Inc. dba Direct Funding (“Bush & Hewitt”) is a  
22 residential mortgage lender licensed by the California Corporations Commissioner  
23 (“Commissioner”) pursuant to the California Residential Mortgage Lending Act (California  
24 Financial Code, sections 50000 et seq.) (“CRMLA”). Bush & Hewitt has its principal place of  
25 business located at 41769 Enterprise Circle North, #108, Temecula, CA 92590.

26 II

27 2. Pursuant to California Financial Code Sections 50307 and 50401, all licensees under  
28 the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate  
Amount of Loans Serviced (“Activity Report”) on or before March 1<sup>st</sup> of each year for the

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1 preceding 12-month period ended December 31.

2 3. On or about February 1, 2008, an Activity Report form was sent to all CRMLA  
3 licensees with a notice that the Activity Report was due on or before March 1, 2008. Also, pursuant  
4 to Title 10, section 1950.314.8 of the California Code of Regulations Respondent was to submit a  
5 Non-traditional Report and Survey as an addendum to the Activity Report. Bush & Hewitt has yet to  
6 submit the Activity Report or the Non-traditional Report and Survey to the Commissioner.

7 4. On or about May 15, 2008 a letter was sent to Bush & Hewitt demanding that the  
8 Activity Report be filed no later than May 25, 2008 and assessing Bush & Hewitt a penalty of  
9 \$1,000.00 pursuant to California Financial Code section 50326. Bush & Hewitt was notified in the  
10 letter that failure to file the Activity Report and/or pay the penalty by May 25, 2008 would result in  
11 an action to either suspend or revoke its license.

12 5. Bush & Hewitt has yet to submit the Activity Report, the Non-traditional Report, or  
13 Survey or pay the penalty as required by California Financial Code sections 50307, 50326, and  
14 50401, and Title 10, section 1950.314.8 of the California Code of Regulations.

15 III

16 6. Pursuant to California Financial Code sections 50200, subdivision (a), Bush & Hewitt  
17 was required to submit its audited financial statement for its fiscal year ended December 31, 2007  
18 (“Audit Report”) to the Commissioner on or before April 15, 2008, including a reconciliation of its  
19 trust accounts. In addition, pursuant to the California Code of Regulations, Title 10, section  
20 1950.200, Bush & Hewitt was required to submit an Independent Auditor’s Report on Internal  
21 Controls (“Report on Internal Controls”) to the Commissioner on or before April 15, 2008. Bush &  
22 Hewitt has yet to file its Audit Report, trust account reconciliation, or Report on Internal Controls  
23 with the Commissioner despite having been sent numerous reminder letters.

24 7. On or about December 17, 2007 Complainant notified Bush & Hewitt in writing that  
25 its Audit Report, trust account reconciliation and Report on Internal Controls would be due on or  
26 before April 15, 2008, noting that failure to file the report by that date “may result...in revocation of  
27 the license.” Bush & Hewitt failed to submit the Audit Report, trust account reconciliation, and  
28 Report on Internal Controls or respond to the letter.



1 Holding, Inc. dba Direct Funding, has violated Financial Code sections 50200(a), 50307,  
2 50319, 50326, 50401 and California Code of Regulations, Title 10, sections 1950.200 and  
3 1950.314.8 and based thereon, grounds exist to revoke the residential mortgage lender  
4 license of Bush & Hewitt Holding, Inc. dba Direct Funding.

5 14. On August 19, 2008 the Commissioner issued a Notice of Intention to Issue  
6 Order Revoking Residential Mortgage Lender License, Accusation and accompanying  
7 documents against Bush & Hewitt, Inc. dba Direct Funding based upon the above and Bush  
8 and Hewitt, Inc. dba Direct Funding was served with those documents via certified mail,  
9 return receipt requested on August 29, 2008. The Department has not received a request for  
10 a hearing from Bush and Hewitt, Inc. dba Direct Funding and the time to request a hearing  
11 has now expired.

12 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the  
13 residential mortgage lender license issued by the Commissioner to Bush and Hewitt, Inc. dba  
14 Direct Funding is hereby revoked. This order is effective as of the date hereof. Pursuant to  
15 California Financial Code section 50311, Bush and Hewitt, Inc. dba Direct Funding has sixty  
16 (60) days within which to complete any loans for which it had commitments.

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19 Dated: September 5, 2008  
20 San Francisco, CA

21  
22 PRESTON DuFAUCHARD  
23 California Corporations Commissioner

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25  
26 By: \_\_\_\_\_  
27 Alan S. Weinger  
28 Acting Deputy Commissioner  
California Department of Corporations

**ORDER REVOKING RESIDENTIAL MORTGAGE LENDER LICENSE**

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