1	PRESTON DuFAUCHARD		
2	California Corporations Commissioner		
	ALAN S. WEINGER		
3	Acting Deputy Commissioner JOHN R. DREWS (CA Bar No. 69595)		
4	Corporations Counsel		
	71 Stevenson Street, Suite 2100		
5	San Francisco, California 94105-2980		
6	Telephone: (415) 972-8570		
7	Facsimile: (415) 972-8550		
′	Attorneys for the Complainant		
8	BEFORE THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA		
9			
10	In the Matter of the Accusation of THE	File No.: 413-0863	
10	CALIFORNIA CORPORATIONS	THE NO.: 413-0003	
11	COMMISSIONER,	ORDER REVOKING RESIDENTIAL	
12		MORTGAGE LENDER LICENSE	
12	Complainant,		
13	vs.		
14	, ,		
15	BUSH & HEWITT HOLDING, INC. dba		
16	DIRECT FUNDING,		
16	Respondent.		
17	Respondent.	J	
18	The California Commentions Commission on find		
10	The California Corporations Commissioner finds	S.	
19		I	
20			
21	1. Respondent Bush & Hewitt Holding, Inc. dba Direct Funding ("Bush & Hewitt") is		
22	residential mortgage lender licensed by the California Corporations Commissioner		
22	("Commissioner") pursuant to the California Residential Mortgage Lending Act (California		
23			
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.		
25		II	
26	2. Pursuant to California Financial C	Code Sections 50307 and 50401, all licensees under	
27	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 1st of each year for the		
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preceding 12-month period ended December 31.

- 3. On or about February 1, 2008, an Activity Report form was sent to all CRMLA licensees with a notice that the Activity Report was due on or before March 1, 2008. Also, pursuant to Title 10, section 1950.314.8 of the California Code of Regulations Respondent was to submit a Non-traditional Report and Survey as an addendum to the Activity Report. Bush & Hewitt has yet to submit the Activity Report or the Non-traditional Report and Survey to the Commissioner.
- 4. On or about May 15, 2008 a letter was sent to Bush & Hewitt demanding that the Activity Report be filed no later than May 25, 2008 and assessing Bush & Hewitt a penalty of \$1,000.00 pursuant to California Financial Code section 50326. Bush & Hewitt was notified in the letter that failure to file the Activity Report and/or pay the penalty by May 25, 2008 would result in an action to either suspend or revoke its license.
- 5. Bush & Hewitt has yet to submit the Activity Report, the Non-traditional Report, or Survey or pay the penalty as required by California Financial Code sections 50307, 50326, and 50401, and Title 10, section 1950.314.8 of the California Code of Regulations.

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- 6. Pursuant to California Financial Code sections 50200, subdivision (a), Bush & Hewitt was required to submit its audited financial statement for its fiscal year ended December 31, 2007 ("Audit Report") to the Commissioner on or before April 15, 2008, including a reconciliation of its trust accounts. In addition, pursuant to the California Code of Regulations, Title 10, section 1950.200, Bush & Hewitt was required to submit an Independent Auditor's Report on Internal Controls ("Report on Internal Controls") to the Commissioner on or before April 15, 2008. Bush & Hewitt has yet to file its Audit Report, trust account reconciliation, or Report on Internal Controls with the Commissioner despite having been sent numerous reminder letters.
- 7. On or about December 17, 2007 Complainant notified Bush & Hewitt in writing that its Audit Report, trust account reconciliation and Report on Internal Controls would be due on or before April 15, 2008, noting that failure to file the report by that date "may result....in revocation of the license." Bush & Hewitt failed to submit the Audit Report, trust account reconciliation, and Report on Internal Controls or respond to the letter.

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- 8. On or about June 3, 2008 a second letter was mailed to Bush & Hewitt reminding the licensee that the Audit Report had been due on April 15, 2008 and adding that failure to file the report would result in fines and possible administrative action.
- 9. On or about August 1, 2008 a final letter was sent to Bush & Hewitt demanding that the Audit Report, trust account reconciliation, and Report on Internal Controls be filed no later than August 11, 2008 and imposing a \$1000 fine pursuant to California Financial Code section 50326 and warning, for a second time, that failure to comply may result in a referral for administrative action.
- 10. Bush & Hewitt has yet to file its Audit Report, trust account reconciliation, Report on Internal Controls as required by Financial Code sections 50200, subdivision (a), 50326, and Title 10, section 1950.200 of the California Code of Regulations.

IV

11. On or about May 6, 2008, Hartford Fire Insurance Co. ("Hartford") notified the Commissioner that the bond that Hartford had put in place in favor of the Principal, Bush & Hewitt in the amount of \$50,000 would be terminated effective June 10, 2008. In response to said bond termination notice, the Commissioner, pursuant to California Financial Code section 50319, issued an Order to Discontinue Residential Mortgage Lending for failure to comply with the bonding requirements of the CRMLA. Bush & Hewitt was validly served with the above captioned Order and never requested a hearing in the matter as provided for in Financial Code section 50319. To date the Order remains in effect and the bond has not been reinstated.

V

- 12. California Financial Code section 50327 provides in pertinent part:
- (a) The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if the commissioner finds that: (1) the licensee has violated any provision of this division or any rule or order f the commissioner thereunder; or (2) any fact or condition exists that, if it had existed at the time of the original application for license, reasonably would have warranted the commissioner in refusing to issue the license originally.

VI.

13. The Commissioner finds that, by reason of the foregoing, Bush & Hewitt

Holding, Inc. dba Direct Funding, has violate	ed Financial Code sections 50200(a), 50307,	
50319, 50326, 50401 and California Code of	Regulations, Title 10, sections 1950.200 and	
1950.314.8 and based thereon, grounds exist	to revoke the residential mortgage lender	
license of Bush & Hewitt Holding, Inc. dba I	Direct Funding.	
14. On August 19, 2008 the Commis	sioner issued a Notice of Intention to Issue	
Order Revoking Residential Mortgage Lende	er License, Accusation and accompanying	
documents against Bush & Hewitt, Inc. dba I	Direct Funding based upon the above and Bush	
and Hewitt, Inc. dba Direct Funding was serv	ved with those documents via certified mail,	
return receipt requested on August 29, 2008.	The Department has not received a request for	
a hearing from Bush and Hewitt, Inc. dba Dir	rect Funding and the time to request a hearing	
has now expired.		
NOW GOOD CAUSE APPEARING	THEREFORE, it is hereby ordered that the	
residential mortgage lender license issued by	the Commissioner to Bush and Hewitt, Inc. dba	
Direct Funding is hereby revoked. This order	r is effective as of the date hereof. Pursuant to	
California Financial Code section 50311, Bus	sh and Hewitt, Inc. dba Direct Funding has sixty	
(60) days within which to complete any loans for which it had commitments.		
Dated: September 5, 2008		
San Francisco, CA		
PI	RESTON DuFAUCHARD	
C	alifornia Corporations Commissioner	
D	X/-	
	y: lan S. Weinger	
	cting Deputy Commissioner	

California Department of Corporations

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