

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
3 MARISA I. URTEAGA-WATKINS (SBN236398)
Corporations Counsel
4 1515 K Street, Suite 200
5 Sacramento, California 95814
6 Telephone: (916) 445-9626
7 Fax: (916) 445-6985
Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10 THE CALIFORNIA CORPORATIONS) File No.: 413-0110
COMMISSIONER,)
11 Complainant,) **ACCUSATION**
12)
13 v.)
14 FIELDSTONE MORTGAGE COMPANY.)
Respondent.)
15)

16 The Complainant, California Corporations Commissioner ("Commissioner"), is informed and
17 believes, and based upon such information and belief, alleges and charges Respondent as follows:

18 **I.**

19 Respondent FIELDSTONE MORTGAGE COMPANY ("Fieldstone") is a residential
20 mortgage lender and mortgage loan servicer licensed by the Commissioner pursuant to the California
21 Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*) ("CRMLA").
22 Fieldstone has its principal place of business located at 11000 Broken Land Parkway, Suite 900,
23 Columbia, Maryland, 21044.

24 **II.**

25 Pursuant to California Financial Code section 50200, all licensees under the CRMLA are
26 required to file audited financial statements ("Audited Report") with the Commissioner. Fieldstone
27 was required to submit its Audited Report for its fiscal year ending December 31, 2007 to the
28

1 Commissioner.

2 On or about December 17, 2007 and June 2, 2008, a reminder notice was issued to Fieldstone
3 reminding Fieldstone that its Audited Report was due to be filed with the Commissioner on or before
4 April 15, 2008. Fieldstone did not submit the Audited Report to the Commissioner, despite this
5 reminder notice. To date, Fieldstone has not submitted the Audited Report to the Commissioner.

6 **III.**

7 California Financial Code section 50205(a) states “[a] licensee shall maintain a surety bond in
8 accordance with this subdivision.” Fieldstone has failed to maintain its surety bond as required by
9 that section. On or about August 19, 2008, the Commissioner received a Notice of Cancellation Non-
10 Renewal of Fieldstone’s surety bond from Liberty Mutual. The date of cancellation of the surety
11 bond was November 18, 2008.

12 On or about November 18, 2008, the Commissioner issued an Order To Discontinue
13 Residential Mortgage Lending And/Or Servicing Activities Pursuant California Financial Code
14 section 50319¹ to Fieldstone. To date, the surety bond has not been reinstated or replaced, and the
15 Order To Discontinue Residential Mortgage Lending And/Or Servicing Activities Pursuant
16 California Financial Code section 50319 remains in effect.

17 **IV.**

18 California Financial Code section 50206² requires that, prior to a change of control of the
19 business of a licensee, the person wishing to acquire control shall submit a written application to the
20 commissioner. Fieldstone has failed to submit any notice of change of control or application in
21 compliance with section 50206. On or about May 1, 2008, the Commissioner received notice that a

22 _____
23 ¹ California Financial Code section 50319 provides in pertinent part: (a) If the commissioner, as a result of any examination or from
24 any report made to him or her, shall find that any person subject to this division.... has failed to comply with the bonding requirements
25 of Section 50205, the commissioner may, by an order addressed to and served by registered or certified mail, or by personal service on
26 that person...., direct discontinuance of the disbursement, in whole or in part, of trust funds held by the licensee and order the
27 establishment of a separate trust account for all subsequent trust funds received by the licensee.

28 ² (a) Prior to a change of control of the business of a licensee, the person wishing to acquire control shall submit a
written application to the commissioner and pay an investigation fee of one hundred dollars (\$100). The application shall contain the
information that the commissioner, by rule, may prescribe as necessary to determine that the person meets the requirements of
Section 5012. (b) The commissioner shall approve or disapprove the proposed change of control of a licensee in accordance with the
provisions of Section 50126. (c) Upon notification by the commissioner that the change of control has been disapproved, the acquiring
party shall immediately cease any activity subject to regulation under this division.

1 third party was to purchase and control Fieldstone after November 2008. The Department has
2 constructive notice that a third party is currently in control of Fieldstone. To date, Fieldstone or any
3 such third party in control of Fieldstone has failed to submit any notice of change of control or
4 application in compliance with section 50206.

5 **V.**

6 California Financial Code section 50327 provides in pertinent part:

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

12 The Commissioner finds that, by reason of the foregoing, FIELDSTONE MORTGAGE
13 COMPANY has violated California Financial Code sections 50200, 50205, and 50206, and based
14 thereon, grounds exist to revoke FIELDSTONE MORTGAGE COMPANY license as a residential
15 mortgage lender and mortgage loan servicer.

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

20 DATED: May 22, 2009 PRESTON DuFAUCHARD
21 Sacramento, CA California Corporations Commissioner

22
23
24 By _____
25 Marisa I. Urteaga-Watkins
26 Corporations Counsel
27
28