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8  
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:	)	CRMLA License No.: 415-0042
	)	
12 THE COMMISSIONER OF BUSINESS	)	
13 OVERSIGHT,	)	ACCUSATION IN SUPPORT OF ORDER TO
	)	REVOKE MORTGAGE LENDERS LICENSE
14 Complainant,	)	
	)	
15 v.	)	
	)	
16 FIRST CALIFORNIA MORTGAGE	)	
17 COMPANY,	)	
	)	
18 Respondent.	)	
	)	

19  
20 The Complainant, Commissioner of Business Oversight (Commissioner), alleges and charges  
21 Respondent First California Mortgage Company which has also done business under the names First  
22 Cal, Dealworks, and First Cal Mortgage Services Across America (First Cal) as follows:

23 **I.**

24 **Introduction**

25 1. The Commissioner seeks to revoke the residential mortgage lender license issued to  
26 First Cal by the Commissioner pursuant to Financial Code section 50327 as a result of (1) repeated  
27 failures by First Cal to remedy violations of Financial Code section 50202 and California Code of  
28

1 Regulations, title 10, section 1950.314.1 with regard to the improper commingling of trust account  
2 funds noted during repeated examinations and in violation of a prior order by the Department of  
3 Business Oversight (Department); and (2) failed to notify the Department that it had ceased doing  
4 business, no longer was located at any of its registered business addresses, failed to maintain working  
5 phone numbers or provide current address and contact information to the Department as required by  
6 Financial Code section 50124.

## 7 **II.**

### 8 **Facts**

9 2. Respondent First Cal is a residential mortgage lender and loan servicer licensed by  
10 the Commissioner under the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, §  
11 50000 et seq.), (CRMLA License No. 415-0042). First Cal was also licensed by the Commissioner  
12 as a finance lender under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.), (CFL  
13 License No. 605-4270) but that license was revoked by the Department pursuant to an order issued  
14 on December 27, 2017 for failure to pay required annual assessments. First Cal has its registered  
15 principal place of business located at 1400 North McDowell Boulevard, Suite 300, Petaluma  
16 California, 94954.

17 3. The Commissioner has jurisdiction over the licensing and regulation of persons and  
18 entities engaged in the business of lending and/or servicing residential mortgage loans pursuant to the  
19 CRMLA.

20 4. Pursuant to Financial Code section 50202, and California Code of Regulations, title  
21 10, section 1950.314.1, licensees under the CRMLA are required to deposit all escrow and loan funds  
22 into a separate trust account, may not commingle their own assets with trust account funds, and are  
23 required to keep accounting records and ledgers of the trust accounts that are reconciled on a regular  
24 basis to verify compliance. Licensees are also required under Financial Code section 50124,  
25 subdivisions 6 and 10 to notify the Commissioner of any change in its business plan of operations  
26 and business location.

27 5. During a regulatory examination by the Department that commenced on October 3,  
28 2016, First Cal was found to have commingled its own funds with loan funds held in trust account in

1 violation of Financial Code section 50202. This same violation was noted in examinations conducted  
2 by the Department on December 15, 2008 and October 22, 2012. The Department had issued an  
3 administrative order on October 14, 2014 to First Cal ordering it to discontinue such violations.

4 6. Subsequent efforts to contact First Cal by the Department regarding the violations at  
5 their place of business registered with the Department indicated that they no longer had any business  
6 operations at that address and all phone numbers provided by First Cal to the Department on their  
7 license application had been disconnect. Further investigation by the Department indicated First Cal  
8 had close all business locations and had ceased doing business without notifying the Department. No  
9 notice was ever filed with the Department by First Cal of any change of it registered business  
10 location, contact information or the status of the business as required by Financial Code section  
11 50124.

12 **III.**

13 **Authority to Revoke CRMLA License**

14 7. Financial Code section 50327 provides:

15 (a) The commissioner may, after notice and a reasonable opportunity to be  
16 heard, suspend or revoke any license if the commissioner finds that:

17 (1) The licensee has violated any provision of this division or any rule  
18 or order of the commissioner thereunder. and within the authority of this  
19 division.

20 (2) Any fact or condition exists which, if it had existed at the time of  
21 the original application for such license, reasonably would have warranted  
22 the commissioner in refusing originally to issue such license.

23 **IV.**

24 **Conclusion**

25 The Commissioner finds that, by reason of the foregoing, First Cal Escrow Services  
26 Corporation has violated Financial Code sections 50202, and 50124 which constitutes grounds for the  
27 revocation of its CRMLA license pursuant to Financial Code section 50327.

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V.

**Prayer**

WHEREFORE, IT IS PRAYED that the CRMLA license of First California Mortgage Company be revoked pursuant to Financial Code section 50327.

Dated: May 18, 2018  
San Francisco, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
KIRK WALLACE  
Senior Counsel