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

|                                    |   |                                   |
|------------------------------------|---|-----------------------------------|
| 11 In the Matter of:               | ) | CRMLA LICENSE NO.: 413-1361       |
|                                    | ) |                                   |
| 12 THE COMMISSIONER OF BUSINESS    | ) | ACCUSATION IN SUPPORT OF ORDER TO |
| 13 OVERSIGHT,                      | ) | REVOKE MORTGAGE LENDERS LICENSE   |
|                                    | ) |                                   |
| 14 Complainant,                    | ) |                                   |
|                                    | ) |                                   |
| 15 v.                              | ) |                                   |
|                                    | ) |                                   |
| 16 FIRST MORTGAGE COMPANY, L.L.C., | ) |                                   |
|                                    | ) |                                   |
| 17 Respondent.                     | ) |                                   |
|                                    | ) |                                   |

19  
20 The Complainant, Commissioner of Business Oversight (Commissioner), alleges and charges  
21 Respondent First Mortgage Company, L.L.C. (First Mortgage) as follows:

22 **I.**  
23 **Introduction**

24 1. The Commissioner seeks to revoke the residential mortgage lenders license issued to  
25 First Mortgage pursuant to Financial Code section 50327 for: (1) First Mortgage’s failure to file an  
26 audited report containing licensee’s financial statements in violation of Financial Code section  
27 50200, subdivision (d); (2) failure to file its annual report in violation of Financial Code section  
28 50307, subdivision (a); and (3) failure to pay an annual assessment pursuant to Financial Code

1 section 50401, subdivision (a).

2 2. The Commissioner has jurisdiction over the licensing and regulations of persons and  
3 entities engaged in the business of lending and/or servicing residential mortgage loans pursuant to  
4 the California Residential Mortgage Lending Act.

5 **II.**  
6 **Facts**

7 3. Respondent First Mortgage is a licensed mortgage lender under the California  
8 Residential Mortgage Lending Act (Fin. Code § 50000 et seq.) (CRMLA). First Mortgage was  
9 licensed by the Commissioner on March 17, 2015. First Mortgage has its registered principal place  
10 of business located at 6701 North Broadway, Suite 400, Oklahoma City, Oklahoma 73116.

11 4. Financial Code section 50200, subdivision (d), provides that an audited report  
12 containing the licensee’s financial statements “shall be filed with the commissioner within 105 days  
13 of the end of the licensee’s fiscal year.”

14 5. Financial Code section 50307, subdivision (a), provides that the “licensee shall file a  
15 report with the commissioner annually, on or before the first day of March, giving the relevant  
16 information that the commissioner reasonably requires to make the calculation required by  
17 subdivision (a) of Section 50401.”

18 6. Financial Code section 50401, subdivision (a), provides that each CRMLA licensee  
19 must pay an annual assessment, and “[i]n order for the commissioner to calculate the assessment...  
20 each licensee shall file an annual report for the calendar year just ended containing the information  
21 required by the commissioner on or before March 1 of the year in which the assessment is to be  
22 calculated.”

23 7. Financial Code section 50326 provides that a licensee “shall forfeit to the people of  
24 the state a sum of up to one hundred dollars (\$100) for every day up to the 10th day” when a licensee  
25 fails “to make any report required by law or by the commissioner within 10 days from the day  
26 designated for the making of the report.”

27 8. First Mortgage’s fiscal year end is December 31. Its audited report containing  
28 financial statements for December 31, 2017 was due 105 days later, on April 15, 2018.

- 1 9. On June 7, 2018, the Commissioner posted a license item on First Mortgage’s
- 2 Nationwide Multi-State Licensing System (NMLS) Account that the Department of Business
- 3 Oversight (DBO) has not received licensee’s 2017 audited report.
- 4 10. To date, First Mortgage has not submitted its 2017 audited report on NMLS.
- 5 11. On January 11, 2018, the Commissioner posted a notice on the DBO’s website
- 6 instructing licensees on how to submit their 2017 CRMLA Annual Report.
- 7 12. First Mortgage failed to submit its 2017 CRMLA Annual Report that was due on or
- 8 before March 1, 2018.
- 9 13. The Commissioner need not provide notice of the due date of the annual report
- 10 required under Financial Code sections 50401, subdivision (a), and 50307, subdivision (a).
- 11 14. Nonetheless, on May 29, 2018, the Commissioner informed First Mortgage through
- 12 NMLS that its annual report was due on March 1, 2018 and that failure to submit a report within 10
- 13 days of the due date shall constitute grounds for suspension or revocation of the license.
- 14 15. To date, First Mortgage has not submitted its 2017 CRMLA Annual Report.
- 15 16. On May 29, 2018, the Commissioner posted an “Outstanding Agency Invoice” in the
- 16 amount of \$1,000.00 on First Mortgage’s NMLS account for its failure to submit its 2017 CRMLA
- 17 Annual Report within 10 days from the report’s due date on March 1, 2018.
- 18 17. First Mortgage has failed to pay the \$1,000.00 forfeiture fee.

**III.  
Authority to Revoke CRMLA License**

- 21 18. Financial Code section 50327 provides:
- 22 (a) The Commissioner may, after notice and a reasonable opportunity to be
- 23 heard, suspend or revoke any license if the commissioner finds that:
- 24 (1) The licensee has violated any provision of this division or any rule or
- 25 order of the commissioner thereunder, and within the authority of this
- 26 division.
- 27 (2) Any fact or condition exists which, if it had existed at the time of the
- 28 original application for such license, reasonably would have warranted the
- commissioner in refusing originally to issue such license.

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**IV.**  
**Conclusion**

The Commissioner finds that, by reason of the foregoing, First Mortgage Company, L.L.C. has violated Financial Code sections 50200, 50307, and 50326 which constitutes grounds for the revocation of its CRMLA license pursuant to Financial Code section 50327.

**V.**  
**Prayer**

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

Dated: August 10, 2018  
Los Angeles, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
Vanessa T. Lu  
Counsel  
Enforcement Division