

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN ROONEY  
Assistant Chief Counsel  
3 TIMOTHY L. Le BAS (State Bar No. 135565)  
Senior Counsel  
4 Department of Business Oversight  
5 1515 K Street, Suite 200  
6 Sacramento, California 95814  
Telephone: (916) 322-2050  
7 Facsimile: (916) 445-6985  
8 Attorneys for Complainant

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

12 In the Matter of: )  
13 THE COMMISSIONER OF BUSINESS ) CRMLA NO.: 413-1280  
OVERSIGHT, )  
14 Complainant, ) ACCUSATION TO REVOKE LICENSE  
15 ) PURSUANT TO FINANCIAL CODE  
16 v. ) SECTION 50327  
17 HARTFORD FINANCIAL SERVICES, INC., )  
18 Respondent. )  
19 )  
20 )

21 Jan Lynn Owen, the Commissioner of Business Oversight (Commissioner), alleges and charges  
22 as follows:

23 I.  
24 INTRODUCTION

25 1. Hartford Financial Services, Inc. is a residential mortgage lender licensed by the Commissioner  
26 (CRMLA License No. 413-1280), pursuant to the California Residential

27 ///

28 ///

1 Mortgage Lending Act (CRMLA) as set forth in Financial Code section 50000 et seq.<sup>1</sup>

2 2. Hartford Financial Services, Inc. has its principal place of business at 1750 East Golf Road,  
3 Suite 140, Schaumburg, Illinois 60173.

4 3. The Commissioner is authorized to administer and enforce the provisions of the CRMLA.

5 4. The Commissioner brings this action to revoke the license of Hartford Financial Services, Inc.  
6 pursuant to section 50327.

7 **II.**

8 **VIOLATIONS OF CRMLA**

9 5. As of March 2, 2018, the Department detected four violations of law by Hartford Financial  
10 Services, Inc., as specified below.

11 **A. Failing to File Annual Report**

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

16 7. Section 50307, subdivision (a) further provides that “[e]ach residential mortgage lender or  
17 servicer licensee shall file a report with the commissioner annually, on or before the first day of  
18 March, giving the relevant information that the commissioner reasonably requires to make the  
19 calculation required by subdivision (a) of Section 50401.”

20 8. On or about January 11, 2018, the Commissioner posted a notice on the Department of  
21 Business Oversight’s (DBO) website instructing licensees on how to submit their 2017 CRMLA  
22 annual report.

23 9. To date, Hartford Financial Services, Inc. failed to submit its annual report. Thus, it violated  
24 section 50401.

25 ///

26 ///

27 \_\_\_\_\_

28 <sup>1</sup> All further section references are to the California Financial Code.

1           **B. Failing to Pay \$1,000.00 Fine**

2       10.     Section 50326 provides that a licensee “shall forfeit to the people of the state a sum of up to  
3       one hundred dollars (\$100) for every day up to the 10th day” when a licensee fails “to make any report  
4       required by law or by the commissioner within 10 days from the day designated for the making of the  
5       report.”

6       11.     Hartford Financial Services, Inc. failed to submit its annual report that was due on or before  
7       March 1, 2018.

8       12.     The Commissioner need not provide notice of the due date of the annual report required under  
9       sections 50401, subdivision (a) and 50307, subdivision (a).

10      13.     Nonetheless, on March 10, 2018, the Commissioner informed Hartford Financial Services, Inc.  
11      through the Nationwide Mortgage Licensing System that its annual report was past due.

12      14.     To date, Hartford Financial Services, Inc. failed to pay the \$1,000.00 fine provided by law.  
13      Therefore, it violated section 50326.

14           **C. Failing to Submit Audited Financial Statements and Failing to Pay \$1,000.00 Fine**

15      15.     Section 50200, subdivision (a), states in relevant part, that at the end of the licensee’s fiscal  
16      year “... each licensed residential mortgage lender or servicer shall cause its books and accounts to be  
17      audited by an independent certified public accountant...” Section 50200, subdivision (d), further  
18      states, “the audit report shall be filed with the commissioner within 105 days of the end of the  
19      licensee’s fiscal year.”

20      16.     The fiscal year of Hartford Financial Services, Inc. ended on December 31, 2017. Yet, if failed  
21      to file the audit report in violation of section 50200.

22      17.     In addition, Hartford Financial Services, Inc. failed to pay the \$1,000.00 fine thereby violating  
23      section 50326, since no audit report has been filed.

24           **D. Failing to Maintain Surety Bond**

25      18.     Financial Code section 50205 requires a residential mortgage lender or servicer to maintain a  
26      surety bond in the amount of \$50,000.00. On May 24, 2018, the surety bond of Hartford Financial  
27      Services, Inc. had been cancelled by its insurance carrier, Aegis Security Insurance Co.

28      19.     Because Hartford Financial Services, Inc. failed to maintain a surety bond, it violated section

1 50205.

2 **E. Violating Order**

3 20. On June 28, 2018, an order to discontinue violations was served on Hartford Financial  
4 Services, Inc. pursuant to section 50321. Hartford Financial Services, Inc. failed to request a hearing  
5 within 30 days under section 50323 and, therefore, that order became final on July 27, 2018. Hartford  
6 Financial Services, Inc. violated the order by not taking the actions required by that order, in addition  
7 to the violations of law underlying the order.

8 **III.**

9 **ORDER TO REVOKE LICENSE**

10 Section 50327 provides that the Commissioner may, after notice and a reasonable opportunity  
11 to be heard, revoke any license if the Commissioner finds that the licensee has violated any provision  
12 of the CRMLA and any order of the Commissioner under the CRMLA.

13 WHEREFORE, good cause showing, and pursuant to section 50327, the Commissioner prays  
14 for an order revoking the residential mortgage lender license of Hartford Financial Services, Inc.

15 Dated: August 17, 2018  
16 Sacramento, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

17  
18 By \_\_\_\_\_  
19 TIMOTHY L. Le BAS  
20 Senior Counsel  
21 Enforcement Division  
22  
23  
24  
25  
26  
27  
28