

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 SOPHIA C. KIM (CA BAR NO. 265649)
Corporations Counsel
4 Department of Business Oversight
320 West 4th Street, Suite 750
5 Los Angeles, California 90013
Telephone: (213) 576-7594
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

11 In the Matter of Accusation of THE) File No.: 415-0076
12 COMMISSIONER OF BUSINESS)
13 OVERSIGHT OF THE STATE OF) ACCUSATION IN SUPPORT OF
CALIFORNIA,) REVOCATION OF CALIFORNIA
14 Complainant,) RESIDENTIAL MORTGAGE LENDER
15 vs.) LICENSE
16 ILOAN, LLC,)
17 Respondent.)
18)
19)

21 The Complainant is informed and believes and based upon such information and belief,
22 alleges and charges the Respondent as follows:

23 **I**
24 **Introduction**

25 1. ILoan, LLC (“ILoan” or “Respondent”) is a residential mortgage lender licensed
26 since November 15, 2011 by Complainant, the Commissioner of Business Oversight
27 (“Commissioner”),¹ pursuant to the California Residential Mortgage Lending Act (“CRMLA”)

28 _____
¹ As of July 1, 2013, the Department of Corporations and the Department of Financial Institutions merged to form the Department of Business Oversight.

1 (Cal. Fin. Code § 50000 et seq.). ILoan has its principal place of business located at 11875 Dublin
2 Blvd., Suite D277, Dublin, California 94568.

3 **II**
4 **Violation of Financial Code Sections 50307 and 50401**

5 2. Pursuant to Financial Code sections 50307 and 50401 and California Code of
6 Regulations, title 10, section 1950.314.8, on or before March 1st of each year all licensees under the
7 CRMLA are required to file: (1) an annual Report of Principal Amount of Loans Originated and
8 Aggregate Amount of Loans Serviced for the preceding 12-month period ended December 31
9 (“Activity Report”); (2) the Report on Non-Traditional, Adjustable Rate and Mortgage Loan
10 Products (“Non-Traditional Report”); and (3) Non-Traditional, Adjustable Rate and Mortgage Loan
11 Survey (“Survey”).

12 3. On or around February 24, 2014, forms for the Activity Report, Non-Traditional
13 Report, and Survey were sent to ILoan at its principal place of business along with filing
14 instructions and notice that the enclosed reports were due on or before April 4, 2014. ILoan was
15 notified that pursuant to Financial Code section 50326 failure to file the reports within ten days of
16 the due date or any extension of time granted will result in a penalty of \$100 for every day up to the
17 tenth day. Thereafter any failure shall constitute grounds for suspension or revocation of the
18 license. To date, ILoan has not filed the reports.

19 4. On or around September 3, 2014, a letter was sent to ILoan at its principal place of
20 business stating that for its failure to file the Activity Report, Non-Traditional Report, or Survey
21 within ten days following the deadline, ILoan was being assessed a penalty of \$100.00 per day up
22 to the tenth day, for a total of \$1,000.00. The penalty was due by no later than ten days from the
23 date of the letter. ILoan was further notified that its failure to file the Activity Report, Non-
24 Traditional Report, or Survey or to remit the \$1,000.00 penalty would result in an action to suspend
25 or revoke pursuant to Financial Code section 50327. To date, ILoan has not filed the reports or paid
26 the penalty.

27 ///

28 ///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

III
Violation of Financial Code Section 50205

5. Financial Code section 50205 requires each CRMLA licensee to maintain a surety bond to be used for the recovery of expenses, fines, or fees levied by the Commissioner for losses or damages incurred by borrowers or consumers as a result of a licensee’s noncompliance with the requirements of the CRMLA. Failure to file a new bond within ten days of the recovery on a bond, or within ten days after notification by the Commissioner that a new bond is required, constitutes sufficient grounds for suspension or revocation of the license.

6. On or about March 8, 2013, a letter was sent to ILoan at its principal place of business stating that the Department received notice from Danielson National Insurance Company (“Danielson”) that ILoan’s surety bond number 14-SUR-141232 would be cancelled effective April 6, 2013. On April 6, 2013, the Danielson surety bond number 14-SUR-141232 issued to ILoan expired. To date, ILoan has not obtained a replacement bond, in violation of Financial Code section 50205.

IV
Applicable Law

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 rule or order of 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.

Financial Code section 50311 provides:

Nothing in this law shall preclude a person whose license has been suspended or revoked, summarily or otherwise, from making a residential mortgage loan pursuant to a commitment issued by that person prior to the suspension or revocation. A prospective borrower who received a commitment issued by a person whose license has been suspended or revoked may, prior to the closing of the loan, terminate the commitment and receive a refund of all money paid to that person.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

V
Conclusion

The Commissioner finds that, by reason of the foregoing, ILoan, LLC has violated Financial Code sections 50205, 50307, and 50401, and California Code of Regulations, title 10, section 1950.314.8. Therefore, pursuant to Financial Code section 50327, grounds exist to revoke the residential mortgage lender license of ILoan, LLC.

WHEREFORE, IT IS PRAYED that the residential mortgage lender license of ILoan, LLC be revoked and, pursuant to Financial Code section 50311, ILoan, LLC be given a transition period of sixty (60) days within which to complete servicing of any loans for which it had prior commitments.

Dated: November 25, 2014
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
Sophia C. Kim
Corporations Counsel
Enforcement Division