

1 PRESTON DUFAUCHARD
2 CALIFORNIA CORPORATIONS COMMISSIONER
3 ALAN S. WEINGER (CA BAR NO. 86717)
4 DEPUTY COMMISSIONER
5 320 WEST 4th Street, Ste. 750
6 LOS ANGELES, CALIFORNIA 90013-1105

7 Attorneys for Complainant

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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE) File No. 413 0953
COMMISSIONER OF CORPORATIONS OF)
THE STATE OF CALIFORNIA,)
Complainant,)
vs.)
LEWIS HUNT ENTERPRISES, INC.,)
Respondent.)

ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING
AND/OR SERVICING ACTIVITIES PURSUANT TO
SECTION 50319, CALIFORNIA FINANCIAL CODE

TO: LEWIS HUNT ENTERPRISES, INC.
3250 W. BIG BEAVER ROAD, SUITE 300
TROY, MI 48084

THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA
FINDS THAT:

LEWIS HUNT ENTERPRISES, INC. has failed to comply with the bonding requirements
of the California Residential Mortgage Lending Act (California Financial Code Section 50000 et
seq.) in that effective January 29, 2011 Bond No. MLI1180345 issued by OLD REPUBLIC

1 SURETY COMPANY in favor of LEWIS HUNT ENTERPRISES, INC. expired and no
2 replacement bond has been obtained.

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4 Based on the foregoing, Respondent is conducting residential mortgage lending
5 and/or servicing business in violation of Section 50205 of the Financial Code and is conducting
6 business in such an unsafe and injurious manner as to render further operations hazardous to the
7 public or to customers.

8 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
9 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California
10 Financial Code, LEWIS HUNT ENTERPRISES, INC. immediately discontinue the disbursement,
11 in whole or in part, of trust funds held by the licensee and establish a separate trust account for all
12 subsequent trust funds received by the licensee.
13

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15 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

16 Section 50319 of the Financial Code provides as follows:

17 (a) If the commissioner, as a result of any examination or from any report
18 made to him or her, shall find that any person subject to this division is in an
19 insolvent condition, is conducting business in an unsafe or injurious manner that
20 renders further operations hazardous to the public or to customers, has failed to
21 comply with the provision of Section 50317, has permitted its tangible net worth to
22 be lower than the minimum required by law, or has failed to comply with the
23 bonding requirements of Section 50205, the commissioner may, by an order
24 addressed to and served by registered or certified mail, or by personal service on that
25 person, and on any other person having in his or her possession or control any trust
26 funds or other property deposited in escrow with that person, direct discontinuance
of the disbursement, in whole or in part, of trust funds held by the licensee and order
the establishment of a separate trust account for all subsequent trust funds received
by the licensee. No person having in his or her possession any of these funds or
documents shall be liable for failure to comply with the order unless he or she has
received written notice of the order. Subject to subdivision (b), the order shall
remain in effect until set aside by the commissioner, or the person has been adjudged
bankrupt.

27 (b) Within 15 days from the date of an order pursuant to subdivision (a), the
28 person may request a hearing under the Administrative Procedure Act (Chapter 5
(commencing with Section 11500) of Part 2 of Division 3 of Title 2 of the
Government Code). Upon receiving a request, the matter shall be set for hearing to
commence within 30 days after the receipt unless the person subject to this division
consents to a later date. If no hearing is requested within 15 days after the mailing or

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service of the notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

DATED: January 31, 2011
Los Angeles, California

Preston DuFauchard
California Corporations Commissioner

By _____
DiAun M. Burns
Special Administrator
California Residential Mortgage Lending Act

1 ALAN S. WEINGER
Deputy Commissioner
2 MIRANDA LEKANDER (BAR NO. 210082)
Senior Corporations Counsel
3 1515 K Street, Suite 200
Sacramento, California 95814
4 Telephone: (916) 322-8730 Fax: (916) 445-6985

5 Attorneys for Complainant

6
7 BEFORE THE DEPARTMENT OF CORPORATIONS
8 OF THE STATE OF CALIFORNIA

9 In the Matter of the Accusation of THE)
10 CALIFORNIA CORPORATIONS)
11 COMMISSIONER,)

) OAH Case No.: 2011100011

) File No.: 413-0953

12 Complainant,)

) ORDER REVOKING RESIDENTIAL
) MORTGAGE LENDER LICENSE

13 v.)

14 LEWIS HUNT ENTERPRISES, INC.,)

15 Respondent.)
16)
17)
18)

19 On or about August 29, 2011, the California Corporations Commissioner (“Commissioner”)
20 issued a Notice of Intention, Accusation, and accompanying documents (“Accusation”) to Lewis
21 Hunt Enterprises, Inc. (“Respondent”) by certified, return receipt mail to 2140 Walnut Lake Road,
22 Suite 104, West Bloomfield, Michigan, 48323, which is Respondent’s current address on file with the
23 Nationwide Mortgage Licensing System and Registry (“NMLS”).

24 On or about September 15, 2011, the Commissioner received Respondent’s Notice of Defense
25 and request for administrative hearing, and a Notice of Administrative Hearing set for March 26,
26 2012 was mailed to Respondent by certified, return receipt mail at its address on file with the NMLS.
27 Subsequently, the parties entered into a Settlement Agreement whereby Respondent voluntarily
28 withdrew its request for hearing.

1 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
2 mortgage lender license issued by the Commissioner to Lewis Hunt Enterprises, Inc. is hereby
3 revoked. This order is effective as of the date hereof. Pursuant to California Financial Code section
4 50311, Lewis Hunt Enterprises, Inc. has sixty (60) days within which to complete any loans for
5 which it had commitments.

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7 DATED: March 9, 2012
8 Los Angeles, CA

California Corporations Commissioner

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10 By _____
11 ALAN S. WEINGER
12 Deputy Commissioner
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1 ALAN S. WEINGER
Deputy Commissioner
2 MIRANDA LEKANDER (SBN 210082)
3 Senior Corporations Counsel
1515 K Street, Suite 200
4 Sacramento, California 95814
Telephone: (916) 322-8730
5 Fax: (916) 445-6985
6 Attorneys for Complainant

7
8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA
10

11
12 THE CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) OAH No.: 2011100011
14 Complainant,) File No.: 413-0953
15) SETTLEMENT AGREEMENT
16 v.)
17 LEWIS HUNT ENTERPRISES, INC.,)
18 Respondent.)
19)

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21 This Settlement Agreement is entered into between Lewis Hunt Enterprises, Inc. (“Lewis
22 Hunt” or, alternatively, “Respondent”) and the Commissioner (“Commissioner” or, alternatively,
23 “Complainant”) of the California Department of Corporations (“Department”) (together, the
24 “Parties”), and is made with respect to the following facts.

25 **RECITALS**

26 A. On or about January 5, 2009, the Commissioner issued a residential mortgage lender
27 license to Respondent pursuant to the California Residential Mortgage Lending Act (Fin. Code, §
28 50000 *et seq.*) (“CRMLA”). Pursuant to Financial Code section 50124(a)(10), Respondent last

1 reported to the Commissioner that its principal place of business is located at 3250 W. Big Beaver
2 Road, Suite 300, Troy, Michigan, 48084.

3 B. On or about August 29, 2011, the Commissioner issued a Notice of Intention,
4 Accusation, and accompanying documents (hereafter "Accusation", attached herein as Exhibit 1) to
5 Respondent by certified, return receipt mail to 2140 Walnut Lake Road, Suite 104, West Bloomfield,
6 Michigan, 48323, which is Respondent's current address on file with the Nationwide Mortgage
7 Licensing System and Registry ("NMLS").

8 C. On or about September 13, 2011, Respondent's president informed the
9 Commissioner's counsel via electronic mail that he received the Accusation and that it was
10 Respondent's intention to surrender its California residential mortgage lender license because the
11 company does not intend to conduct business in California.

12 D. On or about September 15, 2011, the Commissioner received Respondent's Notice of
13 Defense; and, the Commissioner timely submitted a Request to Set to the Office of Administrative
14 Hearings in accordance with the California Administrative Procedures Act.

15 E. On or about October 27, 2011, the Notice of Administrative Hearing set for March 26,
16 2012 was mailed to Respondent by certified, return receipt mail at its address on file with the NMLS.

17 F. Section 50123 of the CRMLA sets forth the license surrender process, which includes
18 the filing of a plan for the withdrawal from regulated business. The plan must include a timetable for
19 the disposition of the business and a closing audit, review, or other agreed upon procedures
20 performed by an independent certified public accountant.

21 G. Due to the reasons set forth in the Accusation filed in this matter on August
22 29, 2011 (see Exhibit 1), the Commissioner was unable to accept surrender of Respondent's California
23 residential mortgage lending license.

24 H. On February 21, 2012, Respondent's president verbally informed the Commissioner's
25 counsel that Respondent's business has dissolved and that Respondent does not intend to appear at
26 the administrative hearing set for March 26, 2012.

27 I. It is the intention of the Parties to resolve this matter without the necessity of an
28 administrative hearing or any other litigation.

1 NOW, THEREFORE, for good and valuable consideration, and the terms and conditions set
2 forth herein, the Parties agree as follows:

3 **TERMS AND CONDITIONS**

4 1. This Agreement is entered into for the purpose of judicial economy and expediency.

5 2. Respondent acknowledges its right to a hearing under the CRMLA in connection with
6 the Commissioner's Accusation referenced herein (Exhibit 1), and it hereby waives the right to any
7 hearing, reconsideration, appeal, or other right to review, if any, which may be afforded pursuant to
8 the CRMLA, the California Administrative Procedure Act, the California Code of Civil Procedure, or
9 any other provision of law, and by waiving such rights, it consents to the Agreement as final.

10 3. Effective immediately, Respondent withdraws and dismisses with prejudice its request
11 for an administrative hearing on all pending actions referenced herein, including OAH Case Number
12 201100011 which is presently set for hearing before the California Office of Administrative
13 Hearings. Further, Respondent hereby authorizes the Commissioner to petition the Office of
14 Administrative Hearings to dismiss with prejudice all pending administrative actions referenced
15 herein.

16 4. Each Party represents, warrants, and agrees that it has received or been advised to seek
17 independent legal advice from an attorney with respect to the advisability of executing this
18 Agreement. Respondent acknowledges that it has willingly and knowingly decided to not seek the
19 advice of legal counsel prior to entering into this Agreement.

20 5. As part of a complete and final resolution of the matters set forth in the Accusation as
21 well as the other issues noted herein, Respondent hereby agrees to the immediate issuance by the
22 Commissioner of an order revoking Respondent's residential mortgage lender license, attached herein
23 as Exhibit 2.

24 6. The Commissioner reserves the right to bring any future actions against Respondent,
25 or any of its officers, employees or successors for any and all unknown or future violations of the
26 CRMLA. This Agreement shall not serve to exculpate Respondent or any of its partners, employees,
27 or successors from liability for any and all unknown or future violations of the CRMLA. If it is
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1 found, after the execution of this Agreement, that Respondent has at any time violated any provision
2 of the California Financial Code, the Commissioner reserves the right to take further action against
3 Respondent including, but not limited to, imposing penalties and requesting restitution of all CRMLA
4 transactions originated in breach of this Agreement.
5

6 7. The Parties hereby acknowledge and agree that this Agreement is intended to
7 constitute a full, final and complete resolution of all matters which were or could have been raised in
8 the Commissioner's Accusation against Respondent dated August 29, 2011 (Exhibit 1). The Parties
9 further acknowledge and agree that nothing contained in this Agreement shall operate to limit the
10 Commissioner's ability to assist any other agencies with any administrative, civil or criminal
11 prosecution brought by any such agency against Respondent based upon any of the activities alleged
12 in this matter or otherwise.

13 8. Respondent represents, warrants, and agrees that in executing this Agreement it has
14 relied solely on the statements set forth herein and has placed no reliance on any statement,
15 representation, or promise of any other party, or any other person or entity not expressly set forth
16 herein, or upon the failure of any party or any other person or entity to make any statement,
17 representation or disclosure of anything whatsoever. The Parties have included this clause: (1) to
18 preclude any claim that any party was in any way fraudulently induced to execute this Agreement;
19 and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the
20 terms of this Agreement.

21 9. This Agreement, including the attached exhibits, is the final written expression and the
22 complete and exclusive statement of all the Agreements, conditions, promises, representations, and
23 covenants between the Parties with respect to the subject matter hereof, and supersedes all prior or
24 contemporaneous Agreements, negotiations, representations, understandings, and discussions
25 between and among the Parties, their respective representatives, and any other person or entity.

26 10. In that the Parties have had the opportunity to draft, review and edit the language of
27 this Agreement, no presumption for or against any party arising out of drafting all or any part of this
28 Agreement will be applied in any action relating to, connected, to, or involving this Agreement.

1 Accordingly, the Parties waive the benefit of California Civil Code section 1654 and any successor or
2 amended statute, providing that in cases of uncertainty, language of a contract should be interpreted
3 most strongly against the party who caused the uncertainty to exist.

4 11. This Agreement shall not be effective until executed by all Parties. The
5 Commissioner shall file this Agreement with the Office of Administrative Hearings five (5) business
6 days after execution by all Parties.

7 12. This Agreement may be executed in any number of counterparts by the Parties and when
8 each party has signed and delivered at least one such counterpart to the other party, each counterpart
9 shall be deemed an original and taken together shall constitute one and the same Agreement.

10 13. No amendment, change or modification of this Agreement shall be valid or binding to
11 any extent unless it is in writing and signed by all of the Parties affected by it.

12 14. Each party covenants that it possesses all necessary capacity and authority to sign and
13 enter into this Agreement. Each party warrants and represents that such party is fully entitled and duly
14 authorized to enter into and deliver this Agreement. In particular, and without limiting the generality of
15 the foregoing, each party warrants and represents that it is fully entitled to enter into the covenants, and
16 undertake the obligations set forth herein.

17 15. The Parties each represent and acknowledge that it is executing this Agreement
18 completely voluntarily and without any duress or undue influence of any kind from any source.

19 16. Respondent acknowledges that this Agreement is a public record.

20 17. This Agreement shall not become effective until signed and delivered by the Parties.

21 18. Notice shall be provided to each party at the following addresses:

22 If to Respondent to:

23 Hunt Gersin, President
24 Lewis Hunt Enterprises, Inc.
25 2140 Walnut Lake Road, Suite 104
West Bloomington, MI 48323

26 Respondent has also consented to service via facsimile or electronic means at the following:

27 FAX: _____
28 EMAIL: _____

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If to the Commissioner to:

Miranda LeKander, Senior Corporations Counsel
Department of Corporations
1515 K Street, Suite 200
Sacramento, California 95814

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Agreement on
the dates set forth opposite their respective signatures.

JAN LYNN OWEN
California Corporations Commissioner

Dated: 3/9/12

By _____

ALAN S. WEINGER
Deputy Commissioner
Enforcement Division

Dated: 2-28-12

By _____

HUNT GERSIN
President
Lewis Hunt Enterprises, Inc.

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 MIRANDA LEKANDER (BAR NO. 210082)
Senior Corporations Counsel
4 1515 K Street, Suite 200
Sacramento, California 95814
5 Telephone: (916) 320-8730 Fax: (916) 445-6985
6 Attorneys for Complainant

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

10	In the Matter of the Accusation of THE)	OAH NO: UNASSIGNED
	CALIFORNIA CORPORATIONS)	
11	COMMISSIONER,)	File No.: 413-0953
)	
12	Complainant,)	
)	ACCUSATION IN SUPPORT OF
13)	REVOCAION OF CALIFORNIA
	v.)	RESIDENTIAL MORTGAGE LENDER
14)	LICENSE
)	
15	LEWIS HUNT ENTERPRISES, INC,)	
)	
16	Respondent.)	
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20 The California Corporations Commissioner ("Commissioner" or "Complainant") is informed
21 and believes, and based upon such information and belief, alleges and charges as follows:

22 I.

23 Lewis Hunt Enterprises, Inc. ("Lewis Hunt" or "Respondent") is a residential mortgage lender
24 licensed by the California Department of Corporations ("Department") pursuant to the California
25 Residential Mortgage Lending Act ("CRMLA") (California Financial Code section 50000 *et seq.*¹).
26 Respondent last reported to the Commissioner that its principal place of business is located at 3250

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28 ¹ All code references are to the California Financial Code unless otherwise indicated.

1 W. Big Beaver Road, Suite 300, Troy, Michigan, 48084.²

2 On or about January 5, 2009, the Department first issued a CRMLA license to Respondent.

3 At the section marked "Exhibit M" of the CRMLA license application, Respondent averred under
4 penalty of perjury that the licensee:

5 15. Hereby attests that the applicant has acted with due care and competence in
6 performing any act for which it is required to hold a license under the California
7 Residential Mortgage Lending Act.

8 16. Hereby attests that the applicant will comply with all applicable requirements
9 of California and federal law. . . when servicing residential mortgage loans.

10 II.

11 Despite the Respondent's sworn acknowledgment of the CRMLA licensing requirements,
12 Respondent has committed multiple violations of the CRMLA during its tenure of licensure,
13 including the following:

14 i. Failure to File 2010 Activity Report

15 Pursuant to Financial Code sections 50307 and 50401 and California Code of Regulations,
16 title 10, section 1950.314.8, on or before March 1st of each year all licensees under the CRMLA are
17 required to file an annual Report of Principal Amount of Loans Originated and Aggregate Amount of
18 Loans Serviced for the preceding 12-month period ended December 31, the Report on Non-
19 Traditional, Adjustable Rate and Mortgage Loan Products, and, the Non-Traditional, Adjustable Rate
20 and Mortgage Loan Survey (hereafter collectively referred to as the "Activity Report").
21

22 On or about January 27, 2011, forms for the Activity Report preprinted with the licensee's
23 name, address and Department file number were sent to each CRMLA licensee along with filing
24 instructions and notice that the enclosed reports were due on or before March 1, 2011.

25 Respondent failed to timely file its 2010 Activity Report by the March 1, 2011 deadline.

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27 ² The Nationwide Mortgage Licensing System and Registry ("NMLS") electronic record that exists for Respondent
28 (Entity ID# 3047) reflects a current business address of 2140 Walnut Lake Road, Suite 104, West Bloomfield, Michigan,
48323, which is not the address the licensee reported to the Department pursuant to Financial Code section 50124(a)(10).

1 On or about June 17, 2011, the Commissioner assessed a \$1,000.00 penalty against
2 Respondent pursuant to Financial Code section 50326 for failure to timely submit its 2010 Activity
3 Report to the Department in compliance with the provisions of the CRMLA. To date, Respondent's
4 2010 Activity Report has not been filed with the Commissioner nor has the \$1,000.00 penalty been
5 paid.

6 ii. Failure to File 2010 Audit Report

7 On or about December 9, 2010, the Commissioner notified Respondent in writing that,
8 pursuant to Financial Code section 50200, the licensee was required to submit an annual audit report
9 for its fiscal year ended December 31, 2010 (hereafter referred to as the "Audit Report") no later than
10 April 15, 2011. Respondent was notified in the December 9, 2010 letter that failure to file the Audit
11 Report may result in license revocation and/or an assessment of fines pursuant to section 50326.

12 Respondent failed to timely file its 2010 Audit Report by the April 15, 2011 deadline.

13 On May 27, 2011, the Commissioner sent a letter to Respondent, demanding that the Audit
14 Report be filed no later than 10 days from the date of the letter. The letter reminded Respondent that
15 failure to file the Audit Report may result in assessment of fines pursuant to section 50326. To date,
16 Respondent's Audit Report has not been filed with the Commissioner.

17 iii. Failure to Maintain Surety Bond

18 Financial Code section 50205 requires each CRMLA licensee to maintain a surety bond to be
19 used for the recovery of expenses, fines, or fees levied by the Commissioner for losses or damages
20 incurred by borrowers or consumers as a result of a licensee's noncompliance with the requirements
21 of the CRMLA.

22 On January 6, 2011, the Commissioner informed Respondent that on December 30, 2010 the
23 Department was notified by Old Republic Surety Company that it was canceling Respondent's surety
24 bond number 1180345 effective January 27, 2011. The January 6, 2011 letter advised that if a new
25 replacement bond was not obtained prior to the cancellation date, it would be necessary for the
26 Commissioner to issue an order for Respondent to discontinue mortgage lending and/or servicing
27 activities.

28 On January 27, 2011, the surety bond issued to Respondent expired, and no replacement bond

1 was obtained.

2 On January 31, 2011, the Commissioner issued an order under the authority of Financial Code
3 section 50319 requiring Respondent to discontinue conducting residential mortgage lending and/or
4 servicing activities in an unsafe and injurious manner as to render further operations hazardous to the
5 public or to customers. As no hearing was timely requested by Respondent pursuant to the provisions
6 of section 50319, this order is final and remains in effect.

7 iv. Failure to Comply with License-Surrender Requirements

8 On or about December 21, 2010, Respondent submitted an electronic request through the
9 NMLS to surrender its California residential mortgage lender license.

10 On December 27, 2010, the Department provided Respondent instructions through the NMLS
11 outlining how to comply with the “Jurisdiction-Specific Requirements” for surrender of its California
12 residential mortgage lender license as set forth in Financial Code section 50123. This
13 jurisdiction-specific list (“Surrender Checklist”) informs that surrender of a California residential
14 mortgage lender license cannot be completed unless the licensee, among other things, files with the
15 Commissioner a withdrawal plan setting forth a timetable for the orderly disposition of its California
16 residential mortgage lender business. The Surrender Checklist itemizes documents that the licensee
17 must submit to the Commissioner in connection with the proposed closure. To date, Respondent has
18 not submitted the information and closing documents necessary to effectuate the surrender of its
19 California residential mortgage lender license, as required by section 50123.

20 III.

21 Financial Code section 50326 provides:

22 If any licensee fails to do any of the following, the licensee shall forfeit to the people of the
23 state a sum of up to one hundred dollars (\$100) for every day up to the 10th day: (a) to make
24 any report required by law or by the commissioner within 10 days from the day designated for
25 the making of the report, or within any extension of time granted by the commissioner, or (b)
26 fails to include therein any matter required by law or by the commissioner. Thereafter, any
27 failure shall constitute grounds for the suspension or revocation of the license held by the
28 residential mortgage lender or residential mortgage loan servicer.

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IV.

Financial Code section 50205 provides in pertinent part:

(a) A residential mortgage lender or servicer licensee shall maintain a surety bond in accordance with this subdivision. The bond shall be used for the recovery of expenses, fines, and fees levied by the commissioner in accordance with this division or for losses or damages incurred by borrowers or consumers as the result of a licensee's noncompliance with the requirements of this division.

V.

Financial Code section 50123 provides in relevant part:

(a) A license shall remain in effect until suspended, surrendered, or revoked.

(b) A licensee that ceases to engage in the business regulated by this division and desires to no longer be licensed shall inform the commissioner in writing and, at that time, surrender the license and all other indicia of licensure to the commissioner. The licensee shall file a plan for the withdrawal from regulated business, and the plan shall include a timetable for the disposition of the business. The plan shall also include a closing audit, review, or other agreed upon procedures performed by an independent certified public accountant prescribed by rule or order of the commissioner. Upon receipt of the written notice and plan, the commissioner shall review the plan and, if satisfactory to the commissioner, shall accept the surrender of the license. A license is not surrendered until its tender is accepted in writing by the commissioner after a review, and a finding has been made on the licensee's plan required to be filed by this section, and a determination has been made that there is no violation of this law

VI.

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 any 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.

VII.

Financial Code section 50311 provides in pertinent part:

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.

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1 A prospective borrower who received a commitment issued by a person whose license
2 has been suspended or revoked may, prior to the closing of the loan, terminate the
3 commitment or receive a refund of all money paid to that person.

4 VIII.

5 A CRMLA applicant is required pursuant to Financial Code section 50124, as a condition of
6 receiving a license, to agree in writing to, among other things, comply with the provisions of the
7 CRMLA and any rule or order of the Commissioner and file with the Commissioner all reports
8 required under law or by rule or order of the Commissioner. Failure to comply with the provisions of
9 section 50124 constitutes grounds under Financial Code section 50125 for the Commissioner to
10 refuse to issue a license.

11 Pursuant to Financial Code section 50327, the Commissioner can revoke a CRMLA license if
12 a fact or condition now exists, that if it existed at the time of original licensure, would reasonably
13 have warranted the Commissioner in refusing to issue the license originally. Had the facts and
14 conditions alleged herein existed at the time Respondent applied for its residential mortgage lender
15 license, the Commissioner would have been warranted in refusing to issue such license. Further, the
16 present facts set forth herein constitute sufficient grounds for the revocation of the residential
17 mortgage lender license of Respondent pursuant to section 50327.

18 The Commissioner finds that, by reason of the foregoing, Lewis Hunt Enterprises, Inc. is in
19 violation of Financial Code sections 50123, 50200, 50205, 50307, 50326, 50401 and section
20 1950.314.8 of title 10 of the California Code of Regulations, and based thereon grounds exist under
21 Financial Code section 50327 to revoke Respondent's residential mortgage lender license.

22 WHEREFORE, IT IS PRAYED that the residential mortgage lender license of Lewis Hunt
23 Enterprises, Inc. be revoked pursuant to Financial Code section 50327 and that Respondent be given

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1 a transition period of sixty (60) days within which to complete any loans for which it had prior
2 commitments pursuant to Financial Code section 50311.

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DATED: August 29, 2011
Sacramento, CA

PRESTON DUFAUCHARD
California Corporations Commissioner

By _____
Miranda LeKander
Senior Corporations Counsel