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California Corporations Commissioner
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11 BEFORE THE DEPARTMENT OF CORPORATIONS
12 OF THE STATE OF CALIFORNIA

13 In the Matter of the Accusation of THE)
14 CALIFORNIA CORPORATIONS) File No.: 413-0424
COMMISSIONER,)
15) **ORDER REVOKING RESIDENTIAL**
Complainant,) **MORTGAGE LENDER LICENSE**
16)
17 v.)
18 The Lending Connection, Inc.,)
19)
20 Respondent.)
21)
22)

23 The California Corporations Commissioner finds:

- 24 1. Respondent The Lending Connection, Inc. ("Lending ") is a residential mortgage
25 lender licensed by the Commissioner pursuant to the California Residential Mortgage Lending Act
26 (California Financial Code, § 50000 *et seq.*) ("CRMLA"). Lending has its principal place of business
27 located at 949 South Coast Drive, Suite 200, Costa Mesa, California 92626.
28 2. Pursuant to California Financial Code sections 50307 and 50401, Lending is required

1 to file an annual Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced
2 ("Activity Report"), Report on Non-traditional, Adjustable Rate and Mortgage Loan Products ("Non-
3 traditional Report"), and Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey")
4 with the Commissioner on or before March 1st of each year for the preceding twelve (12) month
5 period ending December 31.

6 3. On or about February 1, 2008, an Activity Report form, Non-traditional Report form
7 and Survey were sent to all CRMLA licensees, including Lending, with a notice stating that these
8 reports were due on or before March 1, 2008.

9 4. The Commissioner assessed a penalty of one thousand dollars (\$1,000.00), pursuant to
10 California Financial Code section 50326, for the failure to submit these reports on or about May 15,
11 2008.

12 5. Lending has not submitted the Activity Report, the Non-traditional Report or the
13 Survey to the Commissioner or paid the assessed penalty as required by California Financial Code
14 sections 50307, 50326, and 50401.

15 6. Pursuant to California Financial Code section 50200, all licensees under the CRMLA
16 are required to file audited financial statements and related information ("Audit") annually with the
17 Commissioner. Lending was required to submit its Audit for its fiscal year ended December 31, 2007
18 to the Commissioner on or before April 15, 2008.

19 7. On or about December 17, 2007, a notice was issued to Lending, reminding Lending
20 that the Audit was due to be filed with the Commissioner on or before April 15, 2008. Lending did
21 not submit the Audit despite this reminder notice.

22 8. On or about June 4, 2008, a letter was sent to Lending demanding that it file the Audit
23 within ten (10) days, and notifying Lending that failure to file the Audit would result in the referral to
24 the Special Administrator for administrative action that may result in a fine, pursuant to Financial
25 Code section 50326.

26 9. On or about August 1, 2008, a letter was sent to Lending, assessing a penalty of one
27 thousand dollars (\$1,000.00) for failure to file the Audit when required, pursuant to California
28 Financial Code section 50326, and notifying Lending that failure to remit the penalty would result in

1 an action to suspend or revoke its CRMLA license pursuant to section 50327.

2 10. Lending has yet to file the Audit or pay the assessed penalties as required by
3 California Financial Code sections 50200, 50326, and California Code of Regulations, title 10,
4 section 1950.200.

5 11. On January 2, 2008, the Department received a Notice of Cancellation/Non-Renewal
6 from Hartford Fire Insurance Company, canceling Lending's surety bond effective February 6, 2008.

7 12. Section 50205 of the California Financial Code requires all CRMLA licensees to
8 maintain a surety bond. On February 14, 2008, an Order to Discontinue Residential Mortgage
9 Lending and/or Servicing Activities Pursuant to Section 50319, California Financial Code was issued
10 to Lending.

11 13. Lending has not reinstated or replaced the bond, and the order remains in effect.

12 14. On December 31, 2007, Lending sent a letter to the Department, which stated that it
13 intended to surrender its lending license.

14 15. Section 50123 of the California Financial Code requires a plan of surrender to be filed
15 the Department, with specific information provided to the Department.

16 16. On January 28, 2008, the Department sent a letter to Lending that provided
17 instructions for the information necessary to complete surrender of Lending's license.

18 17. Lending has not submitted the required information. Pursuant to section 50123 of the
19 CRMLA, a license remains in effect until it has been surrendered, suspended or revoked.

20 18. On October 10, 2008, the Commissioner issued a Notice of Intention to Issue Order
21 Revoking Residential Mortgage Lender License, Accusation and accompanying documents against
22 Lending based upon the above, and Lending was served with those documents on October 17, 2008
23 via certified mail, return receipt requested, at its licensed location on file with the California
24 Department of Corporations. The Department has received no request for a hearing from Lending
25 and the time to request a hearing has expired.

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

6 DATED: November 24, 2008
7 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

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9 By _____
10 Alan S. Weinger
11 Lead Corporations Counsel
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