

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 MICHAEL L. PINKERTON
Deputy Commissioner
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7 Attorneys for Complainant
8

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

11
12 In the Matter of THE CALIFORNIA) Case No.: 413-0344
CORPORATIONS COMMISSIONER,)
13)
14 Complainant,) **STATEMENT OF FACTS IN SUPPORT OF**
15 vs.) **ORDER TO DISCONTINUE VIOLATIONS**
16) **PURSUANT TO CALIFORNIA**
MILLENNIA MORTGAGE CORPORATION,) **FINANCIAL CODE SECTION 50321**
17 dba FUNDERS, COUNTYWIDE)
18 MORTGAGE.COM,)
19 Respondent.)

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

- 22 1. Millennia Mortgage Corporation, dba Funders, Countywide Mortgage.Com
23 (“Millennia Mortgage” or "Respondent") is a residential mortgage lender licensed by the California
24 Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the California
25 Residential Mortgage Lending Act ("CRMLA") (Cal. Fin. Code, §§ 50000 et seq.).
26 2. On or about August 6, 2007, the Commissioner commenced a regulatory examination
27 of the books and records of Millennia Mortgage (“2007 regulatory examination”). The 2007
28 regulatory examination disclosed that in five of seventeen, or approximately twenty-nine percent

1 (29%), of the loans reviewed, Millennia Mortgage was charging the borrower per diem interest in
2 excess of one day prior to the date on which the majority of the loan proceeds were disbursed to the
3 borrower, to a third party on behalf of the borrower, or to the licensee to satisfy an existing
4 obligation of the borrower in violation of California Financial Code sections 50204, subdivision (i),
5 50204, subdivision (k), and 50204, subdivision (o). (See also, Commissioner's Release No. 58-FS,
6 dated August 1, 2007, defining "disbursement date" for purposes of Cal. Civ. Code, § 2948.5.) The
7 per diem interest overcharges averaged \$129.78 per loan. The range of per diem interest
8 overcharges was between \$19.42 and \$186.08. In all of the subject loan transactions, Millennia
9 Mortgage overcharged borrowers interest for a total of two (2) days.

10 3. In or about February of 2008, Millennia Mortgage completed its self-audit for the
11 2007 regulatory examination, identifying a total of \$3,555.00 in refunds made to borrowers
12 concerning twenty-eight (28) loan files.

13 4. During a prior examination in or about September of 2003, the Commissioner found
14 that Millennia Mortgage had made per diem interest violations in eight (8) 2nd lien mortgage loan
15 transactions. The Respondent performed a self-audit and refunded \$796.67 in overcharges to the
16 borrowers.

17 5. By reason of the foregoing, Millennia Mortgage has violated California Financial
18 Code sections 50204, subdivision (i), 50204, subdivision (k), and 50204, subdivision (o).

19 6. California Financial Code section 50321 provides in pertinent part:

20 If, after investigation, the commissioner has reasonable grounds
21 to believe that any licensee has violated its articles of incorporation or
22 any law or rule binding upon it, the commissioner shall, by written order
23 addressed to the licensee, direct the discontinuance of the violation. The
24 order shall be effective immediately, but shall not become final except
25 in accordance with the provisions of Section 50323.

26 7. California Financial Code section 50323 provides:

27 (a) No order issued pursuant to Section 50321 or 50322 may become
28 final except after notice to the affected licensee of the commissioner's
intention to make the order final and of the reasons for the finding. The
commissioner shall also notify the licensee that upon receiving a
request the matter will be set for hearing to commence within 15 business
days after receipt. The licensee may consent to have the hearing

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commence at a later date. If no hearing is requested within 30 days after the mailing or service of the required notice, and none is ordered by the commissioner, the order may become final without hearing and the licensee shall immediately discontinue the practices named in the order. If a hearing is requested or ordered, it shall be held in accordance with the provisions of the administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and the commissioner shall have all the powers granted under that act. If, upon the hearing, it appears to the commissioner that the licensee is conducting business in an unsafe and injurious manner or is violating its articles of incorporation or any law of this state, or any rule binding upon it, the commissioner shall make the order of discontinuance final and the licensee shall immediately discontinue the practices named in the order.

(b) The licensee has 10 days after an order is made final to commence to restrain enforcement of the order. If enforcement of the order is not enjoined within 10 days by the court in which the action is brought, the licensee shall comply with the order.

WHEREFORE, good cause showing, the Commissioner is issuing an Order to Discontinue Violations Pursuant to Financial Code Section 50321 and notifying Millennia Mortgage Corporation, dba Funders, Countywide Mortgage.Com of his intention to make the order final.

Dated: January 20, 2009
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Blaine A. Noblett
Corporations Counsel

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California Corporations Commissioner
2 MICHAEL L. PINKERTON
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9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
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12 In the Matter of THE CALIFORNIA) Case No.: 413-0344
CORPORATIONS COMMISSIONER,)
13) **ORDER TO DISCONTINUE VIOLATIONS**
Complainant,) **PURSUANT TO CALIFORNIA**
14) **FINANCIAL CODE SECTION 50321**
15 vs.)
16)
MILLENNIA MORTGAGE CORPORATION,)
17 dba FUNDERS, COUNTYWIDE)
MORTGAGE.COM,)
18)
19 Respondent.)

20 TO: MILLENNIA MORTGAGE CORPORATION,
dba FUNDERS, COUNTYWIDE MORTGAGE.COM
21 9891 Irvine Center Drive, Suite 200
22 Laguna Hills, California 92618

23 The California Corporations Commissioner finds that:

24 Millennia Mortgage Corporation, dba Funders, Countywide Mortgage.Com has charged
25 borrowers interest on loans for a period in excess of one day prior to the recording of the mortgage
26 or deed of trust in at least five (5) loans in violation of California Financial Code sections 50204,
27 subdivision (i), 50204, subdivision (k), and 50204, subdivision (o).

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NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED under the provisions of California Financial Code section 50321, that Millennia Mortgage Corporation, dba Funders, Countywide Mortgage.Com immediately discontinue the violations set forth above.

Dated: January 20, 2009
Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
ALAN S. WEINGER
Lead Corporations Counsel

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

8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of the Order of THE) File No. 413 0344
13 COMMISSIONER OF CORPORATIONS OF)
14 THE STATE OF CALIFORNIA,)
15)
16 Complainant,)
17)
18 vs.)
19)
20 FUNDERS, COUNTYWIDE MORTGAGE)
21 (MILLENNIA MORTGAGE CORPORATION,)
22 DBA),)
23)
24 Respondent.)

25
26 ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING
27 AND/OR SERVICING ACTIVITIES PURSUANT TO
28 SECTION 50319, CALIFORNIA FINANCIAL CODE

29 TO: FUNDERS, COUNTYWIDE MORTGAGE
30 (MILLENNIA MORTGAGE CORPORATION, DBA)
31 27721 LA PAZ ROAD
32 LAGUNA NIGUEL, CA 92677

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

35 FUNDERS, COUNTYWIDE MORTGAGE (MILLENNIA MORTGAGE
36 CORPORATION, DBA) has failed to comply with the bonding requirements of the California
37 Residential Mortgage Lending Act (California Financial Code Section 50000 et seq.) in that
38 effective December 10, 2010 Bond No. 14BSBET7402 issued by HARTFORD FIRE

1 INSURANCE COMPANY in favor of MILLENNIA MORTGAGE CORPORATION expired and
2 no replacement bond has been obtained.

3
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, FUNDERS, COUNTYWIDE MORTGAGE (MILLENNIA MORTGAGE
11 CORPORATION, DBA) immediately discontinue the disbursement, in whole or in part, of trust
12 funds held by the licensee and establish a separate trust account for all subsequent trust funds
13 received by the licensee.
14

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

17 Section 50319 of the Financial Code provides as follows:

18 (a) If the commissioner, as a result of any examination or from any report
19 made to him or her, shall find that any person subject to this division is in an
20 insolvent condition, is conducting business in an unsafe or injurious manner that
21 renders further operations hazardous to the public or to customers, has failed to
22 comply with the provision of Section 50317, has permitted its tangible net worth to
23 be lower than the minimum required by law, or has failed to comply with the
24 bonding requirements of Section 50205, the commissioner may, by an order
25 addressed to and served by registered or certified mail, or by personal service on that
26 person, and on any other person having in his or her possession or control any trust
27 funds or other property deposited in escrow with that person, direct discontinuance
28 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.

(b) Within 15 days from the date of an order pursuant to subdivision (a), the
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

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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 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: December 13, 2010
Los Angeles, California

Preston DuFauchard
California Corporations Commissioner

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

1 PRESTON DUFAUCHARD
2 CALIFORNIA CORPORATIONS COMMISSIONER
3 ALAN S. WEINGER (CA BAR NO. 86717)
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BEFORE THE DEPARTMENT OF CORPORATIONS
OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of) File No. 4130344
)
10 THE CALIFORNIA CORPORATIONS)
11 COMMISSIONER,)
12)
13 Complainant,)
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15 vs.)
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28)
FUNDERS, COUNTYWIDE MORTGAGE)
(MILLENNIA MORTGAGE CORPORATION,)
DBA), Respondent

ORDER SUMMARILY REVOKING
RESIDENTIAL MORTGAGE LENDER AND/OR SERVICER LICENSE

THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

GOOD CAUSE APPEARING, the license issued FUNDERS, COUNTYWIDE MORTGAGE (MILLENNIA MORTGAGE CORPORATION, DBA) is hereby revoked for failure to comply with Section 50401 of the California Residential Mortgage Lending Act which requires the payment of an assessment to the Commissioner.

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Dated: November 15, 2010
Effective: December 15, 2010
Los Angeles, California

PRESTON DUFAUCHARD
CALIFORNIA CORPORATIONS COMMISSIONER

By _____
DIAUN M. BURNS
Special Administrator
California Residential Mortgage Lending Act