

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
3 AFSANEH EGHBALDARI (CA BAR NO. 250107)
Corporations Counsel
4 California Department of Corporations
1350 Front Street, Room 2034
5 San Diego, California 92101
Telephone: (619) 645-3166
6 Fax: (619) 525-4045

7 Attorneys for Complainant

8

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

11

In the Matter of the Accusation of THE
12 CALIFORNIA CORPORATIONS
COMMISSIONER,

) File No.: 413-0602

13

Complainant,

) **ACCUSATION FOR REVOCATION OF
CALIFORNIA RESIDENTIAL
MORTGAGE LENDING AND SERVICING
LICENSE**

14

15

v.

16

MAC ONE INVESTMENTS, INC., DOING
17 BUSINESS AS NEWKEY HOME LENDING;
PINNACLE HOME LOAN,

18

Respondent.

19

20

21 The Complainant, California Corporations Commissioner ("Commissioner"), is informed and
22 believes, and based upon such information and belief, alleges and charges Respondent Mac One
23 Investments, Inc., Doing Business As Newkey Home Lending; Pinnacle Home Loan ("Respondent")
24 as follows:

25

I.

26

Respondent is a residential mortgage lender and servicer licensed by the California
27 Department of Corporations pursuant to the California Residential Mortgage Lending Act
28 ("CRMLA") (California Financial Code sections 50000 *et seq.*). Respondent has its principal place

1 of business located at 495 E. Rincon Street, Suite 207, Corona, CA, 92879.

2 **II.**

3 On or about December 17, 2007, the Commissioner notified Respondent in writing that,
4 pursuant to Financial Code section 50200, it was required to submit an annual audit report ("Audit
5 Report") for its fiscal year ending on December 31, 2007 no later than April 15, 2008. Respondent
6 failed to file its Audit Report. On or about June 4, 2008, the Commissioner notified Respondent in
7 writing that it had failed to file its Audit Report and it was required to file the Audit Report within ten
8 (10) days of the date of the letter. Again, Respondent failed to file its Audit Report. On or about
9 August 1, 2008, Respondent was notified, in writing, that Respondent must remit a penalty amount of
10 \$1,000.00 for its failure to file its Audit Report.

11 **III.**

12 All licensees under the CRMLA are required to file an annual Report of Principal Amount of
13 Loans and Aggregate Amount of Loans Serviced ("Activity Report") on or before March 1st of each
14 year for the preceding 12-month period ended December 31. On or about February 1, 2008, an
15 Activity Report form was sent to all CRMLA licensees with a notice that its Activity Report was due
16 on or before March 1, 2008. Respondent failed to file its Activity Report. On or about May 15,
17 2008, the Commissioner notified Respondent in writing that it had failed to file its Activity Report
18 and Respondent must remit a penalty amount of \$1,000.00 for its failure to file its Activity Report.

19 **IV.**

20 On or about October 1, 2008, Respondent filed its Audit Report and submitted information
21 regarding restructuring of its management. After reviewing the Audit Report, reviewing the
22 information regarding restructuring of Respondent's management and examining Respondent's file,
23 the Commissioner discovered that Respondent failed to remit three penalties assessed on August 10,
24 2006, May 15, 2008 and August 1, 2008 totaling \$3,000.00. Respondent also failed to pay its fiscal
25 year 2008-2009 annual assessment fee. Respondent further failed to file its Activity Report and the
26 2007 Residential Mortgage Loan Report. Furthermore, Respondent changed its name and officers
27 without notifying the Commissioner. Pursuant to Financial Code section 50124(a)(6), Respondent
28

1 was required to file with the Commissioner post-licensing amendments prior to any material change
2 in the information contained in the licensing application. Pursuant to Financial Code section 50206,
3 Respondent was required to submit a written application prior to a change of control of its business.
4 Respondent, in violation of Financial Code sections 50124(a)(6) and 50206, failed to file the post-
5 licensing amendments and failed to submit a written application to reflect these changes.

6 V.

7 In light of these findings, on or about October 2, 2008, the Commissioner notified Respondent
8 in writing that it was required to file post-licensing documents to reflect the changes, remit the three
9 delinquent penalties, pay its fiscal year 2008-2009 annual assessment, file its Activity Report and file
10 the 2007 Residential Mortgage Loan Report. In response to the Commissioner's October 2, 2008
11 demand, Respondent submitted incomplete and deficient reports and post-licensing documents. On
12 or about October 31, 2008, the Commissioner notified Respondent that the reports and post-licensing
13 documents were incomplete and deficient, and that it had failed to pay the penalties and the annual
14 assessment. On or about November 7, 2008, Respondent paid the penalties and again submitted
15 incomplete and deficient reports and post-licensing documents. On or about December 15, 2008, the
16 Commissioner again notified Respondent that the reports and post-licensing documents were
17 incomplete and deficient, and that Respondent failed to pay the assessment. Subsequently,
18 Respondent paid its fiscal year 2008-2009 annual assessment and filed the reports. On or about
19 February 27, 2009 and March 12, 2009, the Commissioner again informed Respondent of the
20 required post-licensing documents that should have been filed to reflect the changes. Respondent was
21 notified that failure to completely submit all the required post-licensing amendments would result in
22 an action to suspend or revoke its license. Notwithstanding the Commissioner numerous attempts to
23 assist Respondent, Respondent failed to completely and adequately file amendments reflecting the
24 material changes.

25 VI.

26 Financial Code section 50327 provides in pertinent part:

- 27 (a) The commissioner may, after notice and a reasonable opportunity to be
28 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.

Financial Code section 50311 states:

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 or receive a refund of all money paid to that person.

VII.

The Commissioner finds that, by reason of the foregoing, Mac One Investments, Inc., Doing Business As Newkey Home Lending; Pinnacle Home Loan has violated California Financial Code sections 50124(a)(6) and 50206 and based thereon grounds exist to revoke the residential mortgage lender and servicer license of Mac One Investments, Inc., Doing Business As Newkey Home Lending; Pinnacle Home Loan.

WHEREFORE, IT IS PRAYED that the residential mortgage lender and servicer license of Mac One Investments, Inc., Doing Business As Newkey Home Lending; Pinnacle Home Loan be revoked and, pursuant to Financial Code section 50311, Mac One Investments, Inc., Doing Business As Newkey Home Lending; Pinnacle Home Loan be given a transition period of sixty (60) days within which to complete any loans for which it had prior commitments.

DATED: April 9, 2009
San Diego, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
AFSANEH EGHBALDARI
Corporations Counsel