

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
3 JOHNNY VUONG (BAR NO. 249570)
Corporations Counsel
4 320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
5 Telephone: (213) 576-7585 Fax: (213) 576-7181

6 Attorneys for Complainant

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

10 In the Matter of the Accusation of THE) File No.: 415-0044
11 CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)
13 Complainant,)
14 v.) **ACCUSATION**
15 MENDAROS FAMILY CORPORATION,)
16 doing business as TRANS PACIFIC)
17 MORTGAGE COMPANY,)
18 Respondent.)

19
20 The Complainant is informed and believes, and based upon such information and belief,
21 alleges and charges Respondent as follows:

22 **I.**

23 Respondent Mendaros Family Corporation, doing business as Trans Pacific Mortgage
24 Company ("Mendaros") is a residential mortgage lender licensed by the California Corporations
25 Commissioner ("Commissioner") pursuant to the California Residential Mortgage Lending Act
26 (California Financial Code, § 50000 et seq.) ("CRMLA"). Mendaros has its principal place of
27 business located at 6140 Stoneridge Mall Road, Suite 380, Pleasanton, CA 94588.
28

II.

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

On or about February 1, 2008, the Report, Non-traditional Report, and Survey forms were sent to all CRMLA licensees with a notice that the forms were due on or before March 1, 2008. Mendaros has not yet submitted the Report, Non-traditional Report, and Survey to the Commissioner despite the fact that the Commissioner has sent it numerous reminders.

On or about May 15, 2008, a letter was sent to Mendaros demanding that the Report and Non-traditional Report be filed no later than May 25, 2008, and assessing Mendaros a penalty of \$1,000.00, pursuant to California Financial Code section 50326. Mendaros was notified in the letter that failure to file the Report and Non-traditional Report and/or pay the penalty by May 25, 2008 would result in an action to either suspend or revoke its license.

Mendaros has yet to submit the Report, Non-traditional Report, and Survey and/or pay the penalty as required by California Financial Code sections 50307, 50326, and 50401 and California Code of Regulations, title 10, section 1950.314.8.

III.

Pursuant to California Financial Code section 50200, subdivision (a), Mendaros was required to submit its audited financial statement for its fiscal year ending December 31, 2007 ("Audit Report") to the Commissioner on or before April 15, 2008, including a reconciliation of its trust accounts. In addition, pursuant to the California Code of Regulations, title 10, section 1950.200, Mendaros was required to submit an Independent Auditor's Report on Internal Controls ("Report on Internal Controls") to the Commissioner on or before April 15, 2008.

On or about December 17, 2007, the Complainant notified Mendaros in writing that its Audit Report, trust account reconciliation, and Report on Internal Controls were due on or before April 15,

1 2008. Mendaros failed to submit the Audit Report, trust account reconciliation, Report on Internal
2 Controls by April 15, 2008.

3 On or about June 4, 2008, a further letter was sent to Mendaros demanding that it file the
4 Audit Report, trust account reconciliation, and Report on Internal Controls no later than June 13,
5 2008. Mendaros failed to submit the Audit Report, trust account reconciliation, and Report on
6 Internal Controls by June 13, 2008.

7 On or about August 1, 2008, a final letter was sent to Mendaros demanding that the Audit
8 Report, trust account reconciliation, and Report on Internal Controls be filed no later than August 11,
9 2008, and assessing Mendaros a penalty of \$1,000.00 pursuant to California Financial Code section
10 50326. Mendaros was notified in the letter that its failure to file the Audit Report, trust account
11 reconciliation, Report on Internal Controls and/or pay the penalty by August 11, 2008 would result in
12 an action to either suspend or revoke its license.

13 Mendaros has yet to file its Audit Report, trust account reconciliation, Report on Internal
14 Controls, and/or pay the penalty as required by Financial Code sections 50200, subdivision (a),
15 50326, and California Code of Regulations, title 10, section 1950.200.

16 IV.

17 California Financial Code section 50327 provides in pertinent part:

18 (a) The commissioner may, after notice and a reasonable opportunity to be
19 heard, suspend or revoke any license if the commissioner finds that: (1) the
20 licensee has violated any provision of this division or any rule or order of the
21 commissioner thereunder; or (2) any fact or condition exists that, if it had
22 existed at the time of the original application for license, reasonably would
23 have warranted the commissioner in refusing to issue the license originally.

24 V.

25 The Commissioner finds that, by reason of the foregoing, Mendaros Family Corporation,
26 doing business as Trans Pacific Mortgage Company has violated California Financial Code sections
27 50307, 50200, subdivision (a), 50326, 50401 and California Code of Regulations, title 10, sections
28 1950.200 and 1950.314.8 and based thereon, grounds exist to revoke the residential mortgage lender
license of Mendaros Family Corporation, doing business as Trans Pacific Mortgage Company.

1 WHEREFORE, IT IS PRAYED that the residential mortgage lender license of Mendaros
2 Family Corporation, doing business as Trans Pacific Mortgage Company, be revoked and pursuant to
3 California Financial Code section 50311, Mendaros Family Corporation, doing business as Trans
4 Pacific Mortgage Company be given a transition period of sixty (60) days within which to complete
5 any loans for which it had commitments.
6

7 DATED: September 16, 2008
8 Los Angeles, CA

California Corporations Commissioner

9
10 By _____
11 Johnny Vuong
12 Corporations Counsel
13 Enforcement Division
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28