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California Corporations Commissioner
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8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of THE) File No.: 413-0256
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ORDER REVOKING RESIDENTIAL
14 Complainant,) MORTGAGE LENDER AND RESIDENTIAL
15 vs.) MORTGAGE LOAN SERVICER LICENSE
16 MILA, INC.,)
17)
18 Respondent.)
19 _____)

20 The California Corporations Commissioner finds that:

21 1. Respondent MILA, Inc. (“MILA”) is a residential mortgage lender and residential
22 mortgage loan servicer licensed by the California Corporations Commissioner (“Commissioner”)
23 pursuant to the California Residential Mortgage Lending Act (California Financial Code § 50000 et
24 seq.) (“CRMLA”). MILA has its main office located at 6021 244th Street, SW, Mountlake Terrace,
25 WA 98043.

26 2. Pursuant to Financial Code section 50200, MILA was required to submit its audited
27 financial statement for its fiscal year ending December 31, 2006 (“audit report”) to the
28 Commissioner by April 15, 2007.

1 3. On December 11, 2006, the Commissioner notified MILA in writing that its audit
2 report was due April 15, 2007. MILA failed to submit the audit report by April 15, 2007.

3 4. On June 12, 2007, a further letter was sent to MILA demanding that the audit report
4 be filed no later than June 22, 2007. The letter instructed MILA regarding the requirements of filing
5 its Report on Internal Controls and its Uniform Single Attestation Program for Mortgage Bankers
6 (“USAP”) for the year ending December 31, 2006 with the annual audit report.

7 5. MILA has yet to file its audit report with the Commissioner despite numerous
8 reminders.

9 6. On or around April 24, 2007, the Commissioner learned that MILA had closed.
10 Financial Code section 50123(a) states that a CRMLA license shall remain in effect until it is
11 suspended, surrendered, or revoked.

12 7. The Commissioner had not suspended or revoked MILA’s CRMLA license.
13 Consequently, MILA was required, pursuant to Financial Code section 50123(b), to inform the
14 Commissioner in writing that it desired to no longer be licensed.

15 8. On or about April 24, 2007 and June 15, 2007 the Commissioner’s representative sent
16 letters to MILA that explained the license surrender process and the requirements for surrender.
17 Both letters referenced Financial Code section 50123.

18 9. The letters clearly stated that until the requirements of surrender are met, the
19 documents required for surrender (which were listed and described in this letter) are submitted, and
20 the plan of surrender is accepted by the Commissioner, MILA must comply with all requirements of
21 the CRMLA.

22 10. The required closing audit under Financial Code section 50123 was requested in both
23 letters as part of the required surrender plan documents to be submitted to the Commissioner.

24 11. MILA has yet to file the closing audit report required by Financial Code section
25 50123(b).

26 12. Financial Code section 50200 requires that audited financial statements be submitted
27 within 105 days of the end of the licensee’s fiscal year.

28 13. MILA’s CRMLA license remains in effect and was therefore required to file its

1 audited financial statements for fiscal year 2007 on April 15, 2008.

2 14. To date, MILA has not submitted its audited financial statements for fiscal year 2007.

3 15. Under section 50205 of the Financial Code, each licensee must maintain a surety
4 bond of at least fifty thousand dollars (\$50,000).

5 16. On May 22, 2007, the Commissioner received notice from American Casualty
6 Company of Reading, Pennsylvania that MILA’s surety bond for fifty thousand dollars (\$50,000)
7 would be cancelled.

8 17. An Order to Discontinue Residential Mortgage Lending and/or Servicing Activities
9 was issued on June 21, 2007 for failure to maintain a surety bond, pursuant to Financial Code section
10 50319.

11 18. As of April 14, 2008 MILA’s surety bond had not been replaced.

12 19. An annual assessment must be paid by each licensee every year to reimburse the
13 Commissioner for regulatory examinations, overhead, and other expenses. Financial Code section
14 50401 describes the assessment requirements.

15 20. MILA’s annual assessment in the amount of five thousand dollars (\$5,000) remains
16 unpaid.

17 21. California Financial Code section 50327 provides in pertinent part:

18 (a) The commissioner may, after notice and a reasonable opportunity to
19 be heard, suspend or revoke any license if the commissioner finds that:
20 (1) the licensee has violated any provision of this division or rule or order
21 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.

22 22. MILA has violated Financial Code sections 50200, 50123, 50205 and 50401, and
23 based thereon, grounds exist to revoke the residential mortgage lender and residential mortgage loan
24 servicer license of MILA pursuant to Financial Code section 50327.

25 23. On June 26, 2008, the Commissioner issued a Notice of Intention to Issue Order
26 Revoking Residential Mortgage Lender and Loan Servicer License, Accusation and accompanying
27 documents against MILA based upon the above, and MILA was served with those documents on
28 June 30, 2008 via certified mail at its licensed location on file with the California Department of

1 Corporations. The Department has received no request for a hearing or any other response from
2 MILA.

3 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
4 mortgage lender and residential mortgage loan servicer license issued by the Commissioner to MILA
5 is hereby revoked. This order is effective as of the date hereof. Pursuant to California Financial Code
6 sections 50310 and 50311, MILA has sixty days within which to transfer its existing service
7 accounts and complete any loans for which it had commitments.

8 Dated: August 1, 2008
9 Los Angeles, California PRESTON DuFAUCHARD
10 California Corporations Commissioner

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12 By _____
13 Alan S. Weinger
14 Acting Deputy Commissioner
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