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California Corporations Commissioner
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BEFORE THE DEPARTMENT OF CORPORATIONS

10

OF THE STATE OF CALIFORNIA

11

THE CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)

File No.: 413-0869

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Complainant,)

**ORDER REVOKING RESIDENTIAL
MORTGAGE LENDER AND MORTGAGE
LOAN SERVICER LICENSE**

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v.)

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16 OPTION ONE MORTGAGE CORPORATION,)

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Respondent.)

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The Complainant, California Corporations Commissioner ("Commissioner"), finds:

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22 1. Respondent Option One Mortgage Corporation ("Option One") is a residential
23 mortgage lender and mortgage loan servicer licensed by the California Department of Corporations
24 pursuant to the California Residential Mortgage Lending Act ("CRMLA") (California Financial Code
25 sections 50000 *et seq.*). Option One has its principal place of business located at 6501 Irvine Center
26 Drive, Irvine, CA 92618.

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28 2. Pursuant to California Financial Code section 50200, Option One is required to submit
a comprehensive audited financial report ("Audit Report") audited by an independent certified public

1 accountant for the end of its fiscal year.

2 3. On April 10, 2008, the Commissioner notified Option One in writing that it was
3 required to submit an Audit report for its fiscal year ending on April 30, 2008 no later than August
4 15, 2008. Option One was further notified that its failure to file its Audit Report may result in
5 assessment of fines, an immediate examination by the Commissioner, and/or revocation of Option
6 One's license. Option One failed to file its Audit Report in violation of California Financial Code
7 section 50200.

8 4. On June 9, 2008, Option One notified the Commissioner of its desire to surrender its
9 license. Option One indicated that it had sold all its assets including its mortgage servicing rights to
10 American Home Mortgage Servicing, Inc. On June 18, 2008, the Commissioner provided Option
11 One with detailed instructions for the surrender of its license. Option One did not respond.

12 5. On August 14, 2008, Option One's surety bond expired and no replacement bond was
13 ever obtained. Based on the foregoing, on August 14, 2008, the Commissioner issued an order
14 against Option One to discontinue its residential mortgage lending and/or servicing activities
15 pursuant to California Financial Code section 50319. Option One did not renew or replace its bond.

16 6. On August 15, 2008, the Commissioner again notified Option One in writing that it
17 had failed to file its Audit Report and it was required to file its Audit Report within ten (10) days of
18 the date of the letter. Option One failed to file its Audit Report.

19 7. Pursuant to California Financial Code section 50326, on June 10, 2009, the
20 Commissioner notified Option One in writing that was required to pay an administrative penalty in
21 the amount of \$1,000.00 for failure to file its Audit Report. Option One was again notified that its
22 failure to file its Audit Report would result in revocation of its license. Option One did not file its
23 Audit Report and did not pay the administrative penalty.

24 8. Pursuant to California Financial Code sections 50307, 50401 and California Code of
25 Regulations, title 10, section 1950.314.8, Option One is required to file an annual Report of Principal
26 Amount of Loans and Aggregate Amount of Loans Serviced ("Activity Report") on or before March
27 1st of each year for the preceding 12-month period ended December 31.

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1 9. On January 23, 2009, an Activity Report form was sent to all CRMLA licensees,
2 including Option One, with a notice that their Activity Report was due on or before March 1, 2009.
3 Option One failed to submit its Activity Report to the Commissioner in violation of California
4 Financial Code sections 50307, 50401 and California Code of Regulations, title 10, section
5 1950.314.8.

6 10. On May 22, 2009, the Commissioner again notified Option One in writing that Option
7 One was required to file its Activity Report within ten (10) days of the date of the letter. Option One
8 was further directed to pay an administrative penalty in the amount of \$1,000.00, pursuant to
9 California Financial Code section 50326.

10 11. Option One never filed its Audit Report and Activity Report, and did not pay the
11 administrative penalties. Option One further did not respond to the surrender instructions.

12 12. On September 3, 2009, the Commissioner filed and served the Accusation in Support
13 of Revocation of Option One’s License, the Notice of Intention to Issue Order Revoking Option
14 One’s License, and the accompanying documents (collectively, “Accusation”). The Accusation was
15 served by certified mail. Option One received the Accusation on September 4, 2009. Option One did
16 not request a hearing and the time to request a hearing has expired.

17 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
18 mortgage lender and mortgage loan servicer license issued by the Commissioner to Option One
19 Mortgage Corporation is hereby revoked. This order is effective as of the date hereof. Pursuant to
20 California Financial Code section 50311, Option One Mortgage Corporations has sixty days within
21 which to complete any loans for which it had commitments.

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23 DATED: September 23, 2009
24 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

25 By _____
26 ALAN S. WEINGER
27 Deputy Commissioner
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