

1 PRESTON DuFAUCHARD
California Corporations Commissioner
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Acting Deputy Commissioner
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4 Department of Corporations
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8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

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11 In the Matter of the Accusation of THE) File No.: 413-0559
CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)
13)
Complainant,) AMENDED ORDER REVOKING
14) RESIDENTIAL MORTGAGE LENDER AND
vs.) SERVICER LICENSE PURSUANT TO
15) CALIFORNIA FINANCIAL CODE SECTION
50327
16 PACIFICA DIRECT LLC, doing business as)
PACIFICA MORTGAGE,)
17)
Respondent.)

18
19 The California Corporations Commissioner finds that:

20 1. Respondent Pacifica Direct LLC, doing business as Pacifica Mortgage (“Pacifica”) is
21 a residential mortgage lender and servicer licensed by the California Corporations Commissioner
22 (“Commissioner”) pursuant to the California Residential Mortgage Lending Act (California
23 Financial Code, § 50000 et seq.) (“CRMLA”). Pacifica has its principal place of business located at
24 6345 Balboa Blvd., Suite # 270, Encino, CA 91316.

25 2. Pursuant to California Financial Code sections 50307 and 50401 and California Code
26 of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file an
27 annual Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced (“Principal
28 Report”), Report on Non-traditional Adjustable Rate and Mortgage Loan Products (“Non-traditional

1 Report”) and Adjustable Rate and Mortgage Loan Survey (“Survey”) on or before March 1st of each
2 year for the preceding 12-month period ended December 31.

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

7 4. On or about May 15, 2008, a letter was sent to Pacifica demanding that the Report
8 and Non-traditional Report be filed no later than May 25, 2008, and assessing Pacifica a penalty of
9 \$1,000.00, pursuant to California Financial Code section 50326. Pacifica was notified in the letter
10 that failure to file the Report and Non-traditional Report and/or pay the penalty by May 25, 2008
11 would result in an action to either suspend or revoke its license.

12 5. On or about August 13, 2008, Special Administrator DiAun Burns called Pacifica and
13 left a voicemail communicating the need to submit the Report, Non-traditional Report, and Survey
14 and/or pay the assessment as soon as possible or the Department will take action to revoke its
15 license.

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

19 7. Pursuant to California Financial Code section 50200, subdivision (a), Pacifica was
20 required to submit its audited financial statement for its fiscal year ending December 31, 2007
21 ("Audit Report") to the Commissioner on or before April 15, 2008, including a reconciliation of its
22 trust accounts. In addition, pursuant to the California Code of Regulations, title 10, section
23 1950.200, Pacifica was required to submit an Independent Auditor's Report on Internal Controls
24 ("Report on Internal Controls") to the Commissioner on or before April 15, 2008.

25 8. On or about December 17, 2007, the Complainant notified Pacifica in writing that its
26 Audit Report, trust account reconciliation, and Report on Internal Controls were due on or before
27 April 15, 2008. Pacifica failed to submit the Audit Report, trust account reconciliation, Report on
28 Internal Controls by April 15, 2008.

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

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

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

14 12. On September 16, 2008, the Commissioner issued a Notice of Intention to Issue an
15 Order Revoking Residential Mortgage Lender and Servicer License, Accusation and accompanying
16 documents against Pacifica and Pacifica was served by certified mail with those documents. Pacifica
17 signed a return receipt with a delivery date of September 18, 2008. The Department has received no
18 request for a hearing or any other response from Pacifica and the time to request a hearing has
19 expired.

20 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
21 mortgage lender and servicer license of Pacifica Direct LLC, doing business as Pacifica Mortgage is
22 hereby revoked. This order is effective as of the date hereof. Pursuant to California Financial Code
23 section 50311, Pacifica Direct LLC, doing business as Pacifica Mortgage has sixty days within
24 which to complete any loans for which it had commitments.

25 Dated: October 9, 2008

PRESTON DuFAUCHARD
California Corporations Commissioner

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27 By _____
28 ALAN S. WEINGER
Acting Deputy Commissioner, Enforcement Division