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

10)	
11	In the Matter of the Accusation of THE)	File No.: 413-0559
12	CALIFORNIA CORPORATIONS)	
13	COMMISSIONER,)	
14	Complainant,)	
15)	ACCUSATION
16	v.)	
17	PACIFICA DIRECT LLC, doing business as)	
18	PACIFICA MORTGAGE,)	
19	Respondent.)	

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 Pacifica Direct LLC, doing business as Pacifica Mortgage (“Pacifica”) is a
24 residential mortgage lender and servicer licensed by the California Corporations Commissioner
25 (“Commissioner”) pursuant to the California Residential Mortgage Lending Act (California Financial
26 Code, § 50000 et seq.) (“CRMLA”). Pacifica has its principal place of business located at 6345
27 Balboa Blvd., Suite # 270, Encino, CA 91316.
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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. Pacifica 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 Pacifica demanding that the Report and Non-traditional Report be filed no later than May 25, 2008, and assessing Pacifica a penalty of \$1,000.00, pursuant to California Financial Code section 50326. Pacifica 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.

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

Pacifica 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), Pacifica 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, Pacifica was required to submit an Independent Auditor's Report on Internal Controls ("Report on Internal

1 Controls") to the Commissioner on or before April 15, 2008.

2 On or about December 17, 2007, the Complainant notified Pacifica in writing that its Audit
3 Report, trust account reconciliation, and Report on Internal Controls were due on or before April 15,
4 2008. Pacifica failed to submit the Audit Report, trust account reconciliation, Report on Internal
5 Controls by April 15, 2008.

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

10 On or about August 1, 2008, a final letter was sent to Pacifica demanding that the Audit
11 Report, trust account reconciliation, and Report on Internal Controls be filed no later than August 11,
12 2008, and assessing Pacifica a penalty of \$1,000.00 pursuant to California Financial Code section
13 50326. Pacifica was notified in the letter that its failure to file the Audit Report, trust account
14 reconciliation, Report on Internal Controls and/or pay the penalty by August 11, 2008 would result in
15 an action to either suspend or revoke its license.

16 Pacifica has yet to file its Audit Report, trust account reconciliation, Report on Internal
17 Controls, and/or pay the penalty as required by Financial Code sections 50200, subdivision (a),
18 50326, and California Code of Regulations, title 10, section 1950.200.

19 **IV.**

20 California Financial Code section 50327 provides in pertinent part:

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

27 **V.**

28 The Commissioner finds that, by reason of the foregoing, Pacifica Direct LLC, doing business
as Pacifica Mortgage, has violated California Financial Code sections 50307, 50200, subdivision (a),

1 50326, 50401 and California Code of Regulations, title 10, sections 1950.200 and 1950.314.8 and
2 based thereon, grounds exist to revoke the residential mortgage lender and servicer license of Pacifica
3 Direct LLC, doing business as Pacifica Mortgage.

4 WHEREFORE, IT IS PRAYED that the residential mortgage lender and servicer license of
5 Pacifica Direct LLC, doing business as Pacifica Mortgage, be revoked and pursuant to California
6 Financial Code section 50311, Pacifica Direct LLC, doing business as Pacifica Mortgage, be given a
7 transition period of sixty (60) days within which to complete any loans for which it had
8 commitments.

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10 DATED: September 16, 2008
11 Los Angeles, CA

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California Corporations Commissioner

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By _____
Johnny Vuong
Corporations Counsel
Enforcement Division

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