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California Corporations Commissioner
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9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of the Accusation of THE) Case No.: 413-0625
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ACCUSATION
14)
Complainant,)
15)
16 vs.)
17 PREMIER MORTGAGE SERVICES, INC.,)
18 Respondent.)
19)
20)

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

23 I

24 Respondent Premier Mortgage Services, Inc. is a residential mortgage lender licensed by the
25 California Corporations Commissioner (“Commissioner”) pursuant to the California Residential
26 Mortgage Lending Act (California Financial Code § 50000 et seq.) (“CRMLA”). Premier has its
27 principal place of business located at 8330 East Hartford Drive, Suite 101, Scottsdale, Arizona
28

1 85255. Premier Mortgage Services, Inc. (“Premier”) is the name that Premier Financial Services,
2 Inc., an Arizona corporation, must do business under in California.

3 II

4 Pursuant to Financial Code sections 50307 and 50401 and/or California Code of Regulations,
5 title 10, section 1950.314.8, all licensees under the CRMLA are required to file (i) an annual Report
6 of Principal Amount of Loans and Aggregate Amount of Loans Serviced (“loan report”), (ii) Report
7 on Non-traditional, Adjustable Rate and Mortgage Loan Products (“non-traditional report”), and (iii)
8 Non-traditional, Adjustable Rate and Mortgage Loan Survey (“survey”)(collectively “reports”), on
9 or before March 1 of each year for the preceding 12 month period ended December 31.

10 On or about February 1, 2008, all CRMLA licensees were sent the loan report, non-
11 traditional report and survey forms with a notice that the reports were due on March 1, 2008.
12 Premier failed to submit any of the reports by the March 1, 2008 deadline.

13 On or about May 15, 2008, a follow up letter was sent to Premier demanding the reports be
14 filed no later than May 25, 2008, and assessing Premier a penalty of \$1,000.00 pursuant to Financial
15 Code section 50326. Premier was notified in the letter that failure to file the reports and/or pay the
16 penalty by May 25, 2008 would result in an action to either suspend or revoke its license.

17 On or about August 4, 2008, Premier sent a letter stating that it had discontinued doing
18 business prior to 2008 and did “not intend to renew its license”.

19 On or about September 4, 2008, a further letter was sent to Premier outlining the license
20 surrender procedures to include filing the reports and payment of the penalty.

21 To date, Premier has failed to file any of the reports or submit payment of the \$1,000 penalty
22 as required by Financial Code sections 50307, 50326 and 50401 and California Code of Regulations,
23 title 10, section 1950.314.8.

24 III

25 Pursuant to Financial Code section 50205, all CRMLA licensees are required to maintain a
26 surety bond in the minimum amount of \$50,000.00. The surety bond of Premier expired on or about
27 July 2, 2008, and Premier has not obtained a replacement.

28

1 On or about July 3, 2008, the Commissioner issued an Order to Discontinue Residential
2 Mortgage Lending Activities to Premier pursuant to Financial Code section 50319 for failure to
3 maintain the required surety bond.

4 Premier has yet to obtain a replacement surety bond in violation of Financial Code section
5 50205.

6 IV

7 On or about September 30, 2008, an assessment of \$1,000.00 was sent to Premier in
8 accordance with Financial Code section 50401. The assessment was due October 20, 2008. Premier
9 has yet to pay the assessment in violation of Financial Code section 50401.

10 V

11 California Financial Code section 50327 provides in pertinent part:

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

18 The Commissioner finds that, by reason of the foregoing, Premier has violated California
19 Financial Code sections 50205, 50307, 50326 and 50401 and California Code of Regulations, title
20 10, section 1950.314.8 and based thereon, grounds exist to revoke the residential mortgage lender
21 license of Premier.

22 WHEREFORE, IT IS PRAYED that the residential mortgage lender license of Premier be
23 revoked and that pursuant to California Financial Code section 50311, Premier be given a transition
24 period of sixty (60) days within which to complete any loans for which it had commitments.

25 Dated: January 29, 2009
26 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

27 By _____
28 Judy L. Hartley
Senior Corporations Counsel