

1 WAYNE STRUMPFER
Acting California Corporations Commissioner
2 ALAN S. WEINGER (CA BAR NO. 86717)
Acting Deputy Commissioner
3 MARLOU de LUNA (CA BAR 162259)
Senior Corporations Counsel
4 320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
5 Telephone: (213) 576-7606

6 Attorneys for Complainant

7

8 BEFORE THE DEPARTMENT OF CORPORATIONS
9 OF THE STATE OF CALIFORNIA

10

11 In the Matter of the Accusation of) Case No.: 413-0490
12 THE CALIFORNIA CORPORATIONS)
COMMISSIONER,) ACCUSATION
13 Complainant,)
14 v.)
15 PRIMARY MORTGAGE GROUP, INC.,)
16 Respondent.)
17)
18)
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 Primary Mortgage Group, Inc. (“PMG”) is a residential mortgage lender licensed
25 by the California Corporations Commissioner (“Commissioner”) pursuant to the California
26 Residential Mortgage Lending Act (California Financial Code § 50000 et seq.) (“CRMLA”). PMG
27 has its principal place of business located at 27201 Puerta Real, #220, Mission Viejo, CA 92691.

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

II

Pursuant to California Financial Code section 50200, PMG was required to submit its audited financial statement for its fiscal year ended September 30, 2004 (“2004 audit report”) to the Commissioner by January 15, 2005.

On or about September 13, 2004, PMG was notified in writing by the Commissioner that its 2004 audit report was due January 15, 2005. PMG failed to submit the 2004 audit report by January 15, 2005.

On or about February 18, 2005, a further letter was sent to PMG demanding the 2004 audit report be filed no later than February 28, 2005, and assessing PMG a penalty of \$1,000 pursuant to California Financial Code section 50326. PMG was notified in the letter that failure to file the 2004 audit report and/or pay the penalty by February 28, 2005, would result in an action to either suspend or revoke its license.

PMG has yet to submit the 2004 audit report or pay the penalty as required by California Financial Code sections 50200 and 50326.

III

Pursuant to California Financial Code sections 50307 and 50401, all licensees under the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced (“loan report”) on or before March 1 of each year for the preceding 12 month period ended December 31.

On or about January 8, 2005, a loan report form was sent to all CRMLA licensees with a notice that the loan report was due on March 1, 2005. PMG failed to submit the loan report by the March 1, 2005 deadline.

On or about March 16, 2005, a follow up letter was sent to PMG demanding the loan report be filed no later than March 26, 2005, and assessing PMG a penalty of \$1,000.00 pursuant to California Financial Code section 50326. PMG was notified in the letter that failure to file the loan report and/or pay the penalty by March 26, 2005 would result in an action to either suspend or revoke its license.

1 On or about May 12, 2005, a further letter was sent to PMG demanding the loan report and
2 the \$1,000 penalty be filed no later than May 22, 2005. PMG was again notified in the letter that
3 failure to file the loan report and/or pay the penalty by May 22, 2005 would result in an action to
4 either suspend or revoke its license.

5 PMG has yet to submit the loan report or pay the penalty as required by California Financial
6 Code sections 50307, 50401 and 50326.

7 IV

8 California Financial Code section 50326 provides as follows:

9 If any licensee fails to do any of the following, the licensee shall forfeit to
10 the people of the state a sum of up to one hundred dollars (\$100) for every
11 day up to the 10th day: (a) to make any report required by law or by the
12 commissioner within 10 days from the day designated for the making of the
13 report, or within any extension of time granted by the commissioner
14 Thereafter, any failure shall constitute grounds for the suspension or revocation
15 of the license held by the residential mortgage lender or residential
16 mortgage loan servicer.

17 California Financial Code section 50327 provides, in pertinent part, the following:

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
22 it had existed at the time of the original application for the license, reasonably
23 would have warranted the commissioner in refusing to issue the license originally.

24 V

25 The Commissioner finds that, by reason of the foregoing, PMG has violated California
26 Financial Code sections 50200, 50307, 50326 and 50401 and based thereon, grounds exist to revoke
27 the residential mortgage lender license of PMG.

28 ///
///
///
///
///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

Dated: August 9, 2005
Los Angeles, California

WAYNE STRUMPFER
Acting California Corporations Commissioner

By: _____
MARLOU de LUNA
Senior Corporations Counsel
Enforcement Division