

1 PRESTON DUFAUCHARD
California Corporations Commissioner
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Deputy Commissioner
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8 Attorneys for Complainant

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

11 THE CALIFORNIA CORPORATIONS)
12 COMMISSIONER,)

File No.: 415-0057

13 Complainant,)

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

14 v.)

15 REDWOOD FINANCIAL, INC.)
16)

17 Respondent.)
18)
19)

20 The California Corporations Commissioner finds:

21 1. Respondent REDWOOD FINANCIAL, INC. ("REDWOOD") is a residential
22 mortgage lender and mortgage loan servicer licensed by the Commissioner pursuant to the California
23 Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*) ("CRMLA").
24 REDWOOD has its principal place of business located at 654 Bail Island, Suite 120, Redwood City,
25 CA 94063.

26 2. Pursuant to California Financial Code sections 50307 and 50401 and California Code
27 of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file the
28

1 following annual reports with the Commissioner: (1) Report of Principal Amount of Loans and
2 Aggregate Amount of Loans Serviced ("Activity Report"); (2) Report on Non-traditional, Adjustable
3 Rate and Mortgage Loan Products ("Non-traditional Report"); and (3) Non-traditional, Adjustable
4 Rate and Mortgage Loan Survey ("Survey"). The Activity Report, Non-traditional Report, and
5 Survey must be filed with the Commissioner on or before March 1st of each year for the preceding
6 twelve (12) month period ending December 31.

7 3. On or about January 23, 2008, an Activity Report form, Non-traditional Report form
8 and Survey were sent to all CRMLA licensees, including REDWOOD, with a notice stating that these
9 reports were due on or before March 1, 2008.

10 4. To date, REDWOOD has not submitted the Activity Report, the Non-traditional
11 Report or the Survey to the Commissioner.

12 5. Pursuant to California Financial Code section 50401, all licensees under the CRMLA
13 are required to pay any and all assessments or fees issued by the Commissioner. On or about
14 September 30, 2008, assessment invoice number MB0282 for 2009/2010 was issued to REDWOOD
15 pursuant to section 50401 ("Assessment"). The Assessment payment was due within twenty (20)
16 days of September 30, 2008. To date, REDWOOD has not paid the Assessment.

17 6. Pursuant to California Financial Code section 50201, all licensees under the CRMLA
18 are required to maintain a minimum tangible net worth at all times of \$250,000.00. As of December
19 31, 2008, the audited financial statements reflect a tangible net worth deficiency of at least
20 approximately \$23,237.00. To date, REDWOOD has not remedied this deficiency.

21 7. Failure to maintain a minimum tangible net worth at all times of \$250,000.00, file the
22 Activity Report, Non-traditional Report, Survey, and/or pay assessments are grounds under
23 California Financial Code section 50327 for the revocation of a license issued under the CRMLA.

24 8. On or about June 17, 2009, the Commissioner issued a Notice of Intention to Issue
25 Order Revoking Residential Mortgage Lender/Service License, Accusation and accompanying
26 documents against REDWOOD based upon the above, and REDWOOD was served with those
27 documents on June 25, 2009 via certified mail, return receipt requested, at its licensed location on file
28 with the California Department of Corporations. REDWOOD withdrew REDWOOD's hearing

1 request on or about September 9, 2009.

2 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
3 mortgage lender and mortgage servicer license issued by the Commissioner REDWOOD
4 FINANCIAL, INC., is hereby revoked. This order is effective as of the date hereof. Pursuant to
5 California Financial Code section 50311, REDWOOD FINANCIAL, INC., has sixty (60) days within
6 which to complete any loans for which it had commitments.

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DATED: September 25, 2009 PRESTON DuFAUCHARD
Sacramento, CA California Corporations Commissioner

By _____

Alan S. Weinger
Deputy Commissioner