

1 PRESTON DUFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 MARISA I. URTEAGA-WATKINS (SBN236398)  
4 Corporations Counsel  
1515 K Street, Suite 200  
5 Sacramento, California 95814  
6 Telephone: (916) 445-9626  
Fax: (916) 445-6985

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8 Attorneys for Complainant

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

11  
12 THE CALIFORNIA CORPORATIONS ) File No.: 415-0057  
COMMISSIONER, )  
13 )  
Complainant, ) **ACCUSATION**  
14 )  
15 v. )  
16 REDWOOD FINANCIAL, INC. )  
17 Respondent. )  
18 )

19 The Complainant, California Corporations Commissioner ("Commissioner"), is informed and  
20 believes, and based upon such information and belief, alleges and charges Respondent as follows:

21 **I.**

22 Respondent REDWOOD FINANCIAL, INC. ("REDWOOD") is a residential mortgage  
23 lender and mortgage loan servicer licensed by the Commissioner pursuant to the California  
24 Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*) ("CRMLA").  
25 REDWOOD has its principal place of business located at 654 Bail Island, Suite 120, Redwood City,  
26 CA 94063.  
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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 the following annual reports with the Commissioner: (1) Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced ("Activity Report"); (2) Report on Non-traditional, Adjustable Rate and Mortgage Loan Products ("Non-traditional Report"); and (3) Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey"). The Activity Report, Non-traditional Report, and Survey must be filed with the Commissioner on or before March 1st of each year for the preceding twelve (12) month period ending December 31.

On or about January 23, 2008, an Activity Report form, Non-traditional Report form and Survey were sent to all CRMLA licensees, including REDWOOD, with a notice stating that these reports were due on or before March 1, 2008. To date, REDWOOD has not submitted the Activity Report, the Non-traditional Report or the Survey to the Commissioner.

**III.**

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

**IV.**

Pursuant to California Financial Code section 50201, all licensees under the CRMLA are required to maintain a minimum tangible net worth at all times of two hundred fifty thousand dollars (\$250,000). As of December 31, 2008, the audited financial statements reflect a tangible net worth deficiency of at least approximately twenty three thousand two hundred thirty seven dollars (\$23,237.00). To date, REDWOOD has not remedied this deficiency.

**V.**

The Commissioner finds that, by reason of the foregoing, REDWOOD has violated California Financial Code sections 50201, 50307, 50401 and California Code of Regulations, title 10, section

1 1950.314.8, and based thereon, grounds exist to revoke REDWOOD's license as a residential  
2 mortgage lender and mortgage loan servicer.

3 WHEREFORE, IT IS PRAYED that the residential mortgage lender and mortgage loan  
4 servicer license of REDWOOD FINANCIAL, INC. be revoked and, pursuant to Financial Code  
5 section 50311, REDWOOD FINANCIAL, INC. be given a transition period of sixty (60) days within  
6 which to complete any loans for which it had prior commitments.

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DATED: June 17, 2009 PRESTON DuFAUCHARD  
Sacramento, CA California Corporations Commissioner

By \_\_\_\_\_  
Marisa I. Urteaga-Watkins  
Corporations Counsel