

1 PRESTON DUFAUCHARD  
2 CALIFORNIA CORPORATIONS COMMISSIONER  
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6 LOS ANGELES, CALIFORNIA 90013-1105

7 Attorneys for Complainant

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BEFORE THE DEPARTMENT OF CORPORATIONS  
OF THE STATE OF CALIFORNIA

In the Matter of the Order of THE ) File No. 413 0170  
COMMISSIONER OF CORPORATIONS OF )  
THE STATE OF CALIFORNIA, )  
Complainant, )  
vs. )  
SCME MORTGAGE BANKERS, INC., )  
Respondent. )

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ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING  
AND/OR SERVICING ACTIVITIES PURSUANT TO  
SECTION 50319, CALIFORNIA FINANCIAL CODE

TO: SCME MORTGAGE BANKERS, INC.  
6265 GREENWICH DRIVE, SUITE 200  
SAN DIEGO, CA 92122

THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA  
FINDS THAT:

SCME MORTGAGE BANKERS, INC. has failed to comply with the bonding requirements of the California Residential Mortgage Lending Act (California Financial Code Section 50000 et seq.) in that effective August 28, 2008 Bond No. LPM8696460 issued by FIDELITY AND DEPOSIT COMPANY OF MARYLAND in favor of SCME MORTGAGE BANKERS, INC. expired and no replacement bond has been obtained.

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2           Based on the foregoing, Respondent is conducting residential mortgage lending  
3 and/or servicing business in violation of Section 50205 of the Financial Code and is conducting  
4 business in such an unsafe and injurious manner as to render further operations hazardous to the  
5 public or to customers.

6           NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING  
7 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California  
8 Financial Code, SCME MORTGAGE BANKERS, INC. immediately discontinue the  
9 disbursement, in whole or in part, of trust funds held by the licensee and establish a separate trust  
10 account for all subsequent trust funds received by the licensee.  
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13           THIS ORDER is to remain in full force and effect until further order of the Commissioner.

14           Section 50319 of the Financial Code provides as follows:

15           (a) If the commissioner, as a result of any examination or from any report  
16 made to him or her, shall find that any person subject to this division is in an  
17 insolvent condition, is conducting business in an unsafe or injurious manner that  
18 renders further operations hazardous to the public or to customers, has failed to  
19 comply with the provision of Section 50317, has permitted its tangible net worth to  
20 be lower than the minimum required by law, or has failed to comply with the  
21 bonding requirements of Section 50205, the commissioner may, by an order  
22 addressed to and served by registered or certified mail, or by personal service on that  
23 person, and on any other person having in his or her possession or control any trust  
24 funds or other property deposited in escrow with that person, direct discontinuance  
of the disbursement, in whole or in part, of trust funds held by the licensee and order  
the establishment of a separate trust account for all subsequent trust funds received  
by the licensee. No person having in his or her possession any of these funds or  
documents shall be liable for failure to comply with the order unless he or she has  
received written notice of the order. Subject to subdivision (b), the order shall  
remain in effect until set aside by the commissioner, or the person has been adjudged  
bankrupt.

25           (b) Within 15 days from the date of an order pursuant to subdivision (a), the  
26 person may request a hearing under the Administrative Procedure Act (Chapter 5  
27 commencing with Section 11500) of Part 2 of Division 3 of Title 2 of the  
28 Government Code). Upon receiving a request, the matter shall be set for hearing to  
commence within 30 days after the receipt unless the person subject to this division  
consents to a later date. If no hearing is requested within 15 days after the mailing or  
service of the notice and none is ordered by the commissioner, the failure to request  
a hearing shall constitute a waiver of the right to a hearing. Neither the request for a  
hearing nor the hearing itself shall stay the order issued by the commissioner under  
subdivision (a).

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DATED: August 29, 2008  
Los Angeles, California

Preston DuFauchard  
California Corporations Commissioner

By \_\_\_\_\_  
DiAun M. Burns  
Special Administrator  
California Residential Mortgage Lending Act