

1 MARY ANN SMITH  
Deputy Commissioner  
2 SEAN ROONEY  
Assistant Chief Counsel  
3 TIMOTHY L. Le BAS (State Bar No. 135565)  
Senior Counsel  
4 Department of Business Oversight  
5 1515 K Street, Suite 200  
6 Sacramento, California 95814  
7 Telephone: (916) 322-2050  
Facsimile: (916) 445-6985  
8 Attorneys for Complainant

9  
10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
11 OF THE STATE OF CALIFORNIA

12 In the Matter of: )  
13 THE COMMISSIONER OF BUSINESS ) CRMLA NO.: 41DBO-46390  
OVERSIGHT, ) ACCUSATION TO REVOKE LICENSE  
14 ) PURSUANT TO FINANCIAL CODE  
Complainant, ) SECTION 50327  
15 )  
16 v. )  
17 SINDEO, INC., )  
18 Respondent. )  
19 )  
20 )

21 Jan Lynn Owen, the Commissioner of Business Oversight (Commissioner), alleges and charges  
22 as follows:

23 I.  
24 INTRODUCTION

25 1. Sindeo, Inc. is a residential mortgage lender licensed by the Commissioner (CRMLA License  
26 No. 41DBO-46390), pursuant to the California Residential Mortgage Lending Act (CRMLA) as set  
27 ///  
28 ///

1 forth in Financial Code section 50000 et seq.<sup>1</sup>

2 2. Sindeo, Inc. has its principal place of business at 69 Green Street, San Francisco, California  
3 94111.

4 3. The Commissioner is authorized to administer and enforce the provisions of the CRMLA.

5 4. The Commissioner now brings this action to order Sindeo, Inc. to revoke its license pursuant to  
6 section 50379.

7 **II.**

8 **VIOLATIONS OF CRMLA**

9 5. As of March 2, 2018, the Department detected five violations of law by Sindeo, Inc., as  
10 specified below.

11 **A. Failing to File Annual Report**

12 6. Section 50401, subdivision (a) provides that each CRMLA licensee must pay an annual  
13 assessment, and that “[i]n order for the commissioner to calculate the assessment...each licensee shall  
14 file an annual report for the calendar year just ended containing the information required by the  
15 commissioner on or before March 1 of the year in which the assessment is to be calculated.”

16 7. Section 50307, subdivision (a) further provides that “[e]ach residential mortgage lender or  
17 servicer licensee shall file a report with the commissioner annually, on or before the first day of  
18 March, giving the relevant information that the commissioner reasonably requires to make the  
19 calculation required by subdivision (a) of Section 50401.”

20 8. On or about January 11, 2018, the Commissioner posted a notice on the Department of  
21 Business Oversight’s (DBO) website instructing licensees on how to submit their 2017 CRMLA  
22 annual report.

23 9. To date, Sindeo, Inc. failed to submit its annual report. Thus, Sindeo, Inc. violated section  
24 50401.

25 ///

26 ///

27 \_\_\_\_\_

28 <sup>1</sup> All further section references are to the California Financial Code.

1           **B. Failing to Pay \$1,000.00 Fine**

2   10.     Section 50326 provides that a licensee “shall forfeit to the people of the state a sum of up to  
3 one hundred dollars (\$100) for every day up to the 10th day” when a licensee fails “to make any report  
4 required by law or by the commissioner within 10 days from the day designated for the making of the  
5 report.”

6   11.     Sindeo, Inc. failed to submit its annual report that was due on or before March 1, 2018.

7   12.     The Commissioner need not provide notice of the due date of the annual report required under  
8 sections 50401, subdivision (a) and 50307, subdivision (a).

9   13.     Nonetheless, on March 10, 2018, the Commissioner informed Sindeo, Inc. through the  
10 Nationwide Mortgage Licensing System that its annual report was due on March 1, 2018.

11   14.     To date, Sindeo, Inc. failed to pay the \$1,000.00 fine provided by law. Therefore, Sindeo, Inc.  
12 violated section 50326.

13           **C. Failing to Maintain Minimum Net Worth**

14   15.     Section 50201, subdivision (a), states in relevant part, that “a licensee issued a license for  
15 purposes of making or servicing residential mortgage loans...shall continuously maintain a minimum  
16 tangible net worth at all times of two hundred fifty thousand dollars (\$250,000) ...”

17   16.     A review of the 2016 audited financial statements of Sindeo, Inc. disclosed this company  
18 maintained a tangible net worth of only \$45,506.00.

19   17.     Accordingly, Sindeo, Inc. failed to meet the tangible net worth requirement as of December 31,  
20 2016, in violation of section 50201.

21           **D. Failing to Submit Audited Financial Statements and Failing to Pay \$1,000 Fine**

22   18.     Section 50200, subdivision (a), states in relevant part, that at the end of the licensee’s fiscal  
23 year “... each licensed residential mortgage lender or servicer shall cause its books and accounts to be  
24 audited by an independent certified public accountant...” Section 50200, subdivision (d), further  
25 states, “the audit report shall be failed with the commissioner within 105 days of the end of the  
26 licensee’s fiscal year.”

27   19.     The fiscal year of Sindeo, Inc. ended on December 31, 2017. Yet, Sindeo, Inc. failed to file the  
28 audit report in violation of section 50200.

1 20. In addition, Sindeo, Inc. failed to pay the \$1,000.00 fine in violation of section 50326, since no  
2 audit report has been filed.

3 **E. Violating Order**

4 21. On June 22, 2018, an order to discontinue violations was served on Sindeo, Inc. pursuant to  
5 section 50321. Sindeo, Inc. failed to request a hearing within 30 days under section 50323 and,  
6 therefore, that order became final on July 21, 2018. Sindeo, Inc. violated the order by not taking the  
7 actions required by that order, in addition to the violations of law underlying the order.

8 **III.**

9 **ORDER TO REVOKE LICENSE**

10 Financial Code section 50327 provides that the Commissioner may, after notice and a  
11 reasonable opportunity to be heard, revoke any license if the Commissioner finds that the licensee has  
12 violated any provision of the CRMLA and any order of the Commissioner under the CRMLA.

13 WHEREFORE, good cause showing, and pursuant to section 50327, the Commissioner prays  
14 for an order revoking the residential mortgage lending license of Sindeo, Inc.

15 Dated: August 17, 2018  
16 Sacramento, CA

JAN LYNN OWEN  
Commissioner of Business Oversight

17  
18 By \_\_\_\_\_  
19 TIMOTHY L. Le BAS  
20 Senior Counsel  
21 Enforcement Division  
22  
23  
24  
25  
26  
27  
28