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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.: 411DBO-46390
14 OVERSIGHT,) STATEMENT IN SUPPORT OF ORDER TO
15 Complainant,) DISCONTINUE VIOLATIONS PURSUANT
16 v.) TO FINANCIAL CODE SECTION 50321
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. 411DBO-46390), pursuant to the California Residential Mortgage Lending Act (CRMLA) as set
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1 forth in Financial Code section 50000 et seq.¹

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 brings this action to order Sindeo, Inc. to discontinue violations of law
6 pursuant to Financial Code section 50321.

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

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

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28 ¹ All further section references are to the California Financial Code.

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

2 10. Financial Code section 50326 provides that a licensee “shall forfeit to the people of the state a
3 sum of up to one hundred dollars (\$100) for every day up to the 10th day” when a licensee fails “to
4 make any report required by law or by the commissioner within 10 days from the day designated for
5 the making of the 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 Financial Code 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. Financial Code section 50201, subdivision (a), states in relevant part, that “a licensee issued a
15 license for purposes of making or servicing residential mortgage loans...shall continuously maintain a
16 minimum 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. Financial Code section 50200, subdivision (a), states in relevant part, that at the end of the
23 licensee’s fiscal year “... each licensed residential mortgage lender or servicer shall cause its books
24 and accounts to be audited by an independent certified public accountant...” Section 50200,
25 subdivision (d), further states, “the audit report shall be failed with the commissioner within 105 days
26 of the end of the 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 **III.**

4 **ORDER TO DISCONTINUE VIOLATIONS**

5 Financial Code section 50321 provides that if, after investigation, the Commissioner has
6 reasonable grounds to believe that any licensee has violated any law binding upon it, the
7 Commissioner shall, by written order addressed to the licensee, direct the discontinuance of the
8 violation.

9 WHEREFORE, good cause showing, and pursuant to section 50321, the Commissioner prays
10 for an order directing Sindeo, Inc. to discontinue violating Financial Code sections 50401, 50326,
11 50201, and 50200.

12 Dated: June 20, 2018
13 Sacramento, CA

JAN LYNN OWEN
Commissioner of Business Oversight

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15 By _____
16 TIMOTHY L. Le BAS
17 Senior Counsel
18 Enforcement Division
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