

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 WAYNE STRUMPFER
Deputy Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
Lead Corporations Counsel
4 JENNIFER A. GRANAT (CA BAR NO. 199868)
Corporations Counsel
5 Department of Corporations
320 West 4th Street, Ste. 750
6 Los Angeles, California 90013-2344
Telephone: (213) 576-7518 Fax: (213) 576-7181

7 Attorneys for Complainant
8

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

11 In the Matter of the Accusation of THE) File No.: 413-0428
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ORDER REVOKING RESIDENTIAL
14 Complainant,) MORTGAGE LENDER AND RESIDENTIAL
15 v.) MORTGAGE LOAN SERVICER LICENSE
16 SEBRING CAPITAL PARTNERS, LIMITED)
17 PARTNERSHIP,)
18 Respondent.)

19 The California Corporations Commissioner finds:
20

21 1. Sebring Capital Partners, Limited Partnership (“Respondent”) is a residential
22 mortgage lender and residential mortgage loan servicer licensed by the Commissioner of
23 Corporations of the State of California (“Commissioner” or “Complainant”) pursuant to the
24 California Residential Mortgage Lending Act (“CRMLA”), California Financial Code section
25 50000 *et seq.* Respondent’s main office is located at 4000 International Parkway, Suite 3000,
26 Carrollton, Texas 75007.
27
28

1 2. Pursuant to California Financial Code sections 50307 and 50401¹, all licensees under
2 the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate
3 Amount of Loans Serviced (“Report”) on or before March 1 of each year for the preceding 12-
4 month period ended December 31. To date, Respondent has failed to submit the Report despite
5 repeated, written demand.
6

7 3. On or about January 19, 2007, a Report form was sent to all CRMLA licensees with
8 a notice that the Report was due on or before March 1, 2007.

9 4. On or about May 7, 2007, the Commissioner sent a letter to Respondent notifying
10 Respondent of its failure to file the Report, assessing a \$1,000 penalty pursuant to section 50326
11 and demanding that the Report be filed no later than May 17, 2007. The letter notified Respondent
12 that the failure to file the Report and/or pay the penalty by such date would result in an action to
13 suspend or revoke its license.
14

15 5. On or about June 27, 2007, another letter was sent to Respondent demanding that it
16 submit its Report and pay the assessed penalty on or before July 7, 2007, and notifying Respondent
17 that the failure to file the Report and/or pay the penalty by such date would result in an action to
18 suspend or revoke its license pursuant to section 50327.
19

20 6. To date, Respondent has failed to pay the penalty or file the Report as required by
21 sections 50307, 50326 and 50401.
22

23 7. Pursuant to section 50200, Respondent was required to submit its audited financial
24 statements for fiscal year ended December 31, 2006 (“Audit Report”) to the Commissioner on or
25 before April 15, 2007, including a reconciliation of trust accounts, and an Independent Auditor’s
26 Report on Internal Controls (“Report on Internal Controls”) pursuant to California Code of
27

28

¹ All references are to the California Financial Code unless otherwise noted.

1 Regulations, Title 10, section 1950.200. To date, Respondent has failed to file its Audit Report,
2 trust account reconciliation, or Report on Internal Controls despite repeated, written demand.

3 8. On or about December 11, 2006, Complainant notified Respondent by letter that its
4 Audit Report, trust account reconciliation, and Report on Internal Controls were due on or before
5 April 15, 2007. Respondent failed to submit the Audit Report, trust account reconciliation or
6 Report on Internal Controls by such date.
7

8 9. On or about June 12, 2007, a second letter was sent to Respondent demanding that
9 Respondent file its Audit Report, trust account reconciliation, and Report on Internal Controls on or
10 before June 22, 2007 and notifying Respondent that the failure to do so would result in
11 administrative action under section 50326, including penalties. Respondent failed to submit the
12 Audit Report, trust account reconciliation, and Report on Internal Controls by such date.
13

14 10. On or about August 2, 2007, a third letter was sent to Respondent demanding that its
15 Audit Report, trust account reconciliation, and Report on Internal Controls be filed on or before
16 August 12, 2007, and assessing a \$1,000 penalty pursuant to section 50326. Respondent was also
17 notified that the failure to file the Audit Report, trust account reconciliation and Report on Internal
18 Controls and/or pay the penalty by such date would result in an action to suspend or revoke its
19 license.
20

21 11. To date, Respondent has failed to file its Audit Report, trust account reconciliation,
22 and Report on Internal Controls or pay the assessed penalty as required by sections 50200 and
23 50326 and section 1950.200, Title 10, California Code of Regulations.
24

25 12. Section 50205 requires all CRMLA licensees to maintain a surety bond in the
26 minimum amount of \$50,000.00. Respondent's surety bond expired effective January 18, 2007,
27 and no replacement bond has been obtained.
28

1 13. On or about January 25, 2007, the Commissioner issued an Order to Discontinue
2 Residential Mortgage Lending and/or Servicing Activities Pursuant to Section 50319, California
3 Financial Code, based on Respondent’s failure to maintain the required surety bond. This Order
4 was served on Respondent on or about January 29, 2007. To date, Respondent has failed to obtain
5 a surety bond in violation of section 50205 and the Order remains in effect.
6

7 14. Section 50123 requires that prior to surrendering a license, a licensee must file a plan
8 for approval by the Commissioner. The plan must contain the licensee’s detailed proposal for
9 orderly closing out of the residential mortgage lending business. In addition, the Commissioner
10 must make a determination that there has been no violation of the CRMLA.
11

12 15. On or about February 26, 2007, Respondent notified the Commissioner by letter that
13 it intended to surrender its residential mortgage lender license. On or about March 19, 2007, the
14 Commissioner sent Respondent a written response outlining the requirements for surrender under
15 section 50123 and notifying Respondent that its surrender would not be accepted until such
16 requirements were met. To date, Respondent has failed to meet the requirements of section 50123.
17

18 16. Failure to file the Report, file audited financial statements, maintain a surety bond
19 and/or pay assessed penalties constitute grounds under California Financial Code section 50327 for
20 the revocation of a license issued under the CRMLA.
21

22 17. On September 14, 2007, the Commissioner issued a Notice of Intention to Issue
23 Order Revoking Residential Mortgage Lender License, Accusation and accompanying documents
24 against Respondent based on the foregoing. Respondent was served with those documents on
25 September 18, 2007 via certified mail, return-receipt requested, at its address of record on file with
26 the California Department of Corporations. The Department has received no request for a hearing
27 from Respondent.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NOW THEREFORE, GOOD CAUSE APPEARING, it is hereby ordered that the residential mortgage lender and residential mortgage loan servicer license issued by the Commissioner to Sebring Capital Partners, Limited Partnership is hereby revoked. This Order is effective as of the date hereof. Pursuant to California Financial Code sections 50310 and 50311, Sebring Capital Partners, Limited Partnership has sixty (60) days within which to transfer its existing service accounts and complete any loans for which it had commitments.

Dated: October 17, 2007
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Lead Corporations Counsel
Enforcement Division