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California Corporations Commissioner
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9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of the Accusation of THE) Case No.: 413-0341
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ORDER REVOKING RESIDENTIAL
14) MORTGAGE LENDER LICENSE
Complainant,)
15)
16 vs.)
17 SOUTHMOR MORTGAGE CORPORATION,)
Respondent.)
18)
19)
20)

21 The California Corporations Commissioner finds:

- 22 1. Respondent Southmor Mortgage Corporation ("Southmor") is a residential mortgage
23 lender licensed by the California Corporations Commissioner ("Commissioner") pursuant to the
24 California Residential Mortgage Lending Act (California Financial Code § 50000 et seq.)
25 ("CRMLA"). Southmor has its principal place of business located at 1255 A Lynnfield Road, Suite
26 236, Memphis, Tennessee 38119.
- 27 2. Pursuant to California Financial Code sections 50307 and 50401, Southmor was
28 required to file an annual Report of Principal Amount of Loans Originated and Aggregate Amount

1 of Loans Serviced (“Report”) on or before March 1 of each year for the preceding 12 month period
2 ended December 31.

3 3. On January 8, 2004, a Report form was sent to Southmor with a notice that the Report
4 was due on March 1, 2004. Southmor failed to submit the Report by the March 1, 2004 deadline.

5 4. On March 15, 2004, a follow up letter was sent to Southmor demanding the Report be
6 filed no later than March 25, 2004, and assessing Southmor a penalty of \$1,000.00 pursuant to
7 California Financial Code section 50326. Southmor was notified in the letter that failure to file the
8 Report and/or pay the penalty by March 25, 2004 would result in an action to either suspend or
9 revoke its license.

10 5. On April 19, 2004, a further letter was sent to Southmor demanding the Report and
11 the \$1,000 penalty be filed no later than April 29, 2004. Southmor was again notified in the letter
12 that failure to file the Report and/or pay the penalty by April 29, 2004 would result in an action to
13 either suspend or revoke its license.

14 6. Southmor has yet to submit the Report or pay the penalty as required by California
15 Financial Code sections 50307, 50401 and 50326.

16 7. Pursuant to California Financial Code section 50205, Southmor was required to
17 maintain a surety bond in the minimum amount of \$50,000.00. The surety bond of Southmor
18 expired on April 21, 2004, and Southmor did not obtain a replacement.

19 8. On April 21, 2004, the Commissioner issued an Order to Discontinue Residential
20 Mortgage Lending and/or Servicing Activities to Southmor pursuant to California Financial Code
21 section 50319 for failure to maintain the required surety bond. This Order was served on Southmor
22 on or about April 21, 2004.

23 9. Southmor has yet to obtain a replacement surety bond in violation of California
24 Financial Code section 50205.

25 10. Failure to file the Report and maintain a surety bond are grounds under California
26 Financial Code section 50327 for the revocation of a license issued under the CRMLA.

27 11. On June 16, 2004, the Commissioner issued a Notice of Intention to Issue Order
28 Revoking Residential Mortgage Lender License, Accusation and accompanying documents against

1 Southmor based upon the above, and Southmor was served with those documents on June 16, 2004
2 via certified, return-receipt mail at its licensed location on file with the California Department of
3 Corporations. The Department has received no request for a hearing from Southmor.

4 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
5 mortgage lender license issued by the Commissioner to Southmor is hereby revoked. This order is
6 effective as of the date hereof. Pursuant to California Financial Code section 50311, Southmor has
7 sixty days within which to complete any loans for which it had commitments.

8 Dated: July 15, 2004
9 Los Angeles, California

WILLIAM P. WOOD
California Corporations Commissioner

10 By _____
11 DiAun M. Burns
12 Special Administrator
13 California Residential Mortgage Lending Act

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