

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Acting Deputy Commissioner
3 BRENT LINDGREN (BAR NO. 170360)
Senior Corporations Counsel
4 1515 K Street, Suite 200
Sacramento, California 95814
5 Telephone: (916) 322-8778 Fax: (916) 445-6985

6 Attorneys for Complainant

7

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

10

In the Matter of the Accusation of THE) File No.: 417-0034
11 CALIFORNIA CORPORATIONS)
COMMISSIONER,)

12

ACCUSATION

13

Complainant,

14

v.

15

16

WILSON RESOURCES, INC., DBA WR
LENDING, DBA EAGLE MORTGAGE,

17

18

Respondent.

19

The Complainant is informed and believes, and based upon such information and belief,
20 alleges and charges Respondent as follows:
21

22

I

23

Respondent Wilson Resources, Inc., dba WR Lending, dba Eagle Mortgage ("Wilson
Resources") is a residential mortgage lender licensed by the California Corporations Commissioner
24 ("Commissioner") pursuant to the California Residential Mortgage Lending Act (California Financial
25 Code, § 50000 et seq.) ("CRMLA"). Wilson Resources has its principal places of business located at
26 9748 Wexford Circle, Granite Bay, CA 95746, and 5905 Granite Lake Drive, Granite Bay, CA
27 95746, and 3005 Douglas Boulevard, Roseville, CA 95661.
28

II

Pursuant to California Financial Code sections 50307 and 50401 and California Code of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file an annual (1) Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced ("Activity Report"), (2) Report on Non-traditional, Adjustable Rate and Mortgage Loan Products ("Non-traditional Report"), and (3) Non-traditional, Adjustable Rate and Mortgage Loan Survey ("Survey") on or before March 1st of each year for the preceding 12-month period ended December 31.

On or about February 1, 2008, an Activity Report form, Non-traditional Report form and Survey were sent to all CRMLA licensees with a notice that the Activity Report was due on or before March 1, 2008. Wilson Resources has not yet submitted the Activity Report, the Non-traditional Report or the Survey to the Commissioner.

On or about May 15, 2008, a letter was sent to Wilson Resources demanding that the Activity Report be filed "no later than 10 days from the date of this letter," and assessing Wilson Resources a penalty of \$1,000.00, pursuant to California Financial Code section 50326. Wilson Resources was notified in the letter that failure to file the Activity Report, the Non-traditional Report or pay the penalty would result in an action to either suspend or revoke its license.

Wilson Resources has yet to submit the Activity Report, Non-traditional Report, Survey or pay the penalty as required by California Financial Code sections 50307, 50326, 50401 and California Code of Regulations, title 10, section 1950.314.8.

III

Pursuant to California Financial Code section 50200, Wilson Resources was required to submit its audited financial statement for its fiscal year ended December 31, 2007 ("Audit Report") to the Commissioner on or before April 15, 2008, including a reconciliation of its trust accounts and an Independent Auditor's Report on Internal Controls ("Report on Internal Controls") pursuant to the California Code of Regulations, title 10, section 1950.200. Wilson Resources has yet to file its Audit Report, trust account reconciliation, or Report on Internal Controls with the Commissioner despite having been sent numerous reminder letters.

1 On or about December 17, 2007, the Department notified Wilson Resources in writing that its
2 Audit Report, trust account reconciliation, and Report on Internal Controls were due on or before
3 April 15, 2008. Wilson Resources was advised in the letter that failure to file these reports might
4 “result in fines in accordance with Financial Code section 50326, an immediate examination by the
5 Commissioner in accordance with Financial Code section 50307, and/or revocation of the license.”

6 On or about June 4, 2008, a further letter was sent to Wilson Resources demanding that it file
7 the Audit Report, trust account reconciliation, and Report on Internal Controls “within ten (10) days
8 of the date of this letter.” Wilson Resources failed to submit the Audit Report, trust account
9 reconciliation, and Report on Internal Controls or respond to the letter.

10 On or about August 1, 2008, a final letter was sent to Wilson Resources demanding that the
11 Audit Report, trust account reconciliation, and Report on Internal Controls be filed “no later than 10
12 days from the date of this letter,” and assessing Wilson Resources a penalty of \$1,000.00 pursuant to
13 California Financial Code section 50326. Wilson Resources was notified in the letter that its failure
14 to file the Audit Report, trust account reconciliation, Report on Internal Controls and/or pay the
15 penalty would result in an action to either suspend or revoke its license pursuant to California
16 Financial Code section 50327.

17 Wilson Resources has yet to file its Audit Report, trust account reconciliation, Report on
18 Internal Controls, and pay the penalty as required by Financial Code sections 50200, 50326, and title
19 10, section 1950.200 of the California Code of Regulations.

20 21 IV

22 California Financial Code section 50205(a) states that “[a] licensee shall maintain a surety
23 bond in accordance with this subdivision.” Wilson Resources has failed to maintain its surety bond
24 as required. On October 5, 2007, the Department received a Notice of Cancellation of Wilson
25 Resources’ surety bond from Hartford Fire Insurance Company. The date of cancellation stated on
26 the Notice of Cancellation was November 7, 2007.

27 California Financial Code section 50319 provides in pertinent part:
28

1 (a) If the commissioner, as a result of any examination or from any report
2 made to him or her, shall find that any person subject to this division...
3 has failed to comply with the bonding requirements of Section 50205, the
4 commissioner may, by an order addressed to and served by registered or
5 certified mail, or by personal service on that person..., direct
6 discontinuance of the disbursement, in whole or in part, of trust funds held
7 by the licensee and order the establishment of a separate trust account for
8 all subsequent trust funds received by the licensee.

9
10 On November 7, 2007, an Order was issued pursuant to section 50319. To date, the surety
11 bond has not been reinstated or replaced, and the order remains in effect.

12 **V**

13 California Financial Code section 50327 provides in pertinent part:

14 (a) The commissioner may, after notice and a reasonable opportunity to be
15 heard, suspend or revoke any license if the commissioner finds that: (1) the
16 licensee has violated any provision of this division or any rule or order of the
17 commissioner thereunder; or (2) any fact or condition exists that, if it had
18 existed at the time of the original application for license, reasonably would
19 have warranted the commissioner in refusing to issue the license originally.

20 **VI**

21 The Commissioner finds that, by reason of the foregoing, Wilson Resources, Inc., dba WR
22 Lending, dba Eagle Mortgage, has violated California Financial Code sections 50200, 50307, 50326,
23 50401 and California Code of Regulations, title 10, sections 1950.200 and 1950.314.8, and based
24 thereon, grounds exist to revoke the residential mortgage lender license of Wilson Resources, Inc.,
25 dba WR Lending, dba Eagle Mortgage.

26 WHEREFORE, IT IS PRAYED that the residential mortgage lender license of Wilson
27 Resources, Inc., dba WR Lending, dba Eagle Mortgage, be revoked and pursuant to California
28 Financial Code section 50311, Wilson Resources, Inc., dba WR Lending, dba Eagle Mortgage, be
given a transition period of sixty (60) days within which to complete any loans for which it had
commitments.

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

DATED: October 22, 2008
Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Brent Lindgren
Senior Corporations Counsel