

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 WAYNE STRUMPFER
Deputy Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
Supervising Attorney
4 JUDY L. HARTLEY (CA BAR NO. 110628)
Senior Corporations Counsel
5 Department of Corporations
320 West 4th Street, Ste. 750
6 Los Angeles, California 90013-2344
Telephone: (213) 576-7604 Fax: (213) 576-7181

7 Attorneys for Complainant
8

9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12 In the Matter of the Accusation of THE) File No.: 413-0425
CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ACCUSATION
14)
Complainant,)
15)
16 vs.)
17 WESTPAC FINANCIAL SERVICES, INC.)
doing business as CITI HOME LOAN,)
18)
19 Respondent.)
_____)
20

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

23 I

24 Respondent Westpac Financial Services, Inc. doing business as Citi Home Loan ("Citi") is a
25 residential mortgage lender and loan servicer licensed by the California Corporations Commissioner
26 ("Commissioner") pursuant to the California Residential Mortgage Lending Act (California
27 Financial Code § 50000 et seq.) ("CRMLA"). Citi has its principal place of business located at
28 15751 Rockfield Boulevard, Suite 200, Irvine, California 92618.

II

Pursuant to California Financial Code sections 50307 and 50401, all licensees under the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced (“Activity Report”) on or before March 1 of each year for the preceding 12 month period ended December 31.

On or about January 19, 2006, a Report form was sent to all CRMLA licensees with a notice that the Report was due on March 1, 2006. Citi has yet to submit the Activity Report to the Commissioner despite numerous reminders.

On or about June 16, 2006, a further letter was sent to Citi demanding the Activity Report be filed no later than June 26, 2006, and assessing Citi a penalty of \$1,000.00 pursuant to California Financial Code section 50326. Citi was notified in the letter that failure to file the Activity Report and/or pay the penalty by June 26, 2006 would result in an action to either suspend or revoke its license.

On or about June 26, 2006, the United States Post Office returned the June 16, 2006 correspondence with notations of “Return To Sender Not Deliverable As Addressed Unable To Forward”. A review of the files on Citi disclosed that Citi had filed a change of address request on or about December 14, 2005 reporting that it had changed its address to 550 Parkcenter #200, Santa Ana, California 92705. Notwithstanding that the change of address did not meet the requirements for a license location change, both the January 19, 2006 and the June 16, 2006 correspondence were re-sent to Citi at the 550 Parkcenter address on or about August 7, 2006. On or about August 15, 2006, the correspondence was again returned by the United States Post Office with notations of “Return To Sender Unclaimed Unable To Forward”.

Citi has yet to submit the Activity Report and/or pay the penalty as required by California Financial Code sections 50307, 50236 and 50401.

III

Pursuant to California Financial Code section 50200, Citi was required to submit its audited financial statement for its fiscal year ended December 31, 2005 (“Audit Report”) to the Commissioner by April 15, 2006. Citi has yet to file its Audit Report despite numerous reminders.

1 On or about December 6, 2005, Complainant notified Citi in writing that its Audit Report
2 was due April 15, 2006. Citi failed to submit the Audit Report by April 15, 2006.

3 On or about August 10, 2006, a further letter was sent to Citi demanding the Audit Report be
4 filed no later than August 20, 2006, and assessing Citi a penalty of \$1,000.00 pursuant to California
5 Financial Code section 50326. Citi was notified in the letter that failure to file the Audit Report
6 and/or pay the penalty by August 20, 2006 would result in an action to either suspend or revoke its
7 license. On or about August 23, 2006, the United States Post Office returned the August 10, 2006
8 correspondence with notations of “Return To Sender Attempted – Not Known Unable To Forward”.

9 Citi has yet to file the Audit Report and/or pay the penalty as required by California Financial
10 Code sections 50200 and 50326.

11 IV

12 California Financial Code section 50327 provides in pertinent part:

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

19 V

20 The Commissioner finds that, by reason of the foregoing, Citi has violated California
21 Financial Code sections 50200, 50307, 50326 and 50401 and based thereon, grounds exist to revoke
22 the residential mortgage lender and loan servicer license of Citi.

23 WHEREFORE, IT IS PRAYED that the residential mortgage lender and loan servicer license
24 of Citi be revoked and that pursuant to California Financial Code sections 50310 and 50311, Citi be
25 given a transition period of sixty (60) days within which to transfer its existing service accounts and
26 to complete any loans for which it had commitments.

27 Dated: October 10, 2006
28 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Judy L. Hartley
Senior Corporations Counsel