

1 MARY ANN SMITH  
2 DEPUTY COMMISSIONER  
3 320 WEST 4<sup>th</sup> Street, Ste. 750  
4 LOS ANGELES, CALIFORNIA 90013-1105

5 Attorneys for Complainant

6  
7 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
8 OF THE STATE OF CALIFORNIA  
9

10 In the Matter of the Accusation of THE ) File No. 413 1195  
11 COMMISSIONER OF BUSINESS )  
12 OVERSIGHT OF THE STATE OF )  
13 CALIFORNIA, )  
14 )  
15 Complainant, )  
16 )  
17 vs. )  
18 )  
19 1ST REVERSE MORTGAGE, )  
20 Respondent. )  
21 )  
22 )  
23 )  
24 )

25 ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING  
26 AND/OR SERVICING ACTIVITIES PURSUANT TO  
27 SECTION 50319, CALIFORNIA FINANCIAL CODE  
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29 TO: 1ST REVERSE MORTGAGE  
30 6500 RIVER PLACE BLVD., BUILDING 1, STE. 425  
31 AUSTIN, TX 78730

32 THE COMMISSIONER OF BUSINESS OVERSIGHT OF THE STATE OF  
33 CALIFORNIA FINDS THAT:

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35 1ST REVERSE MORTGAGE has failed to comply with the bonding requirements of the  
36 California Residential Mortgage Lending Act (California Financial Code Section 50000 et seq.) in  
37 that effective February 9, 2014 Bond No. 83BSBGA0582 issued by HARTFORD  
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1 FIREINSURANCE COMPANY in favor of 1ST REVERSE MORTGAGE expired and no  
2 replacement bond has been obtained.

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4 Based on the foregoing, Respondent is conducting residential mortgage lending and/or  
5 servicing business in violation of Section 50205 of the Financial Code and is conducting business in  
6 such an unsafe and injurious manner as to render further operations hazardous to the public or to  
7 customers.

8 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING  
9 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California  
10 Financial Code, 1ST REVERSE MORTGAGE immediately discontinue the disbursement, in whole  
11 or in part, of trust funds held by the licensee and establish a separate trust account for all subsequent  
12 trust funds received by the licensee.  
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15 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

16 Section 50319 of the Financial Code provides as follows:

17 (a) If the commissioner, as a result of any examination or from any report  
18 made to him or her, shall find that any person subject to this division is in an  
19 insolvent condition, is conducting business in an unsafe or injurious manner that  
20 renders further operations hazardous to the public or to customers, has failed to  
21 comply with the provision of Section 50317, has permitted its tangible net worth  
22 to be lower than the minimum required by law, or has failed to comply with the  
23 bonding requirements of Section 50205, the commissioner may, by an order  
24 addressed to and served by registered or certified mail, or by personal service on  
25 that person, and on any other person having in his or her possession or control any  
26 trust funds or other property deposited in escrow with that person, direct  
27 discontinuance of the disbursement, in whole or in part, of trust funds held by the  
28 licensee and order the establishment of a separate trust account for all subsequent  
trust funds received by the licensee. No person having in his or her possession any  
of these funds or documents shall be liable for failure to comply with the order  
unless he or she has received written notice of the order. Subject to subdivision  
(b), the order shall remain in effect until set aside by the commissioner, or the  
person is the subject of an order for relief in bankruptcy.

(b) Within 15 days from the date of an order pursuant to subdivision (a),  
the person may request a hearing under the Administrative Procedure Act  
(Chapter 5 (commencing with Section 11500) of Part 2 of Division 3 of Title 2 of

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the Government Code). Upon receiving a request, the matter shall be set for hearing to commence within 30 days after the receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or service of the notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

DATED: March 4, 2014  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
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California Residential Mortgage Lending Act  
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