

MARY ANN SMITH  
Deputy Commissioner  
DANIEL P. O'DONNELL  
Assistant Chief Counsel  
KIRK WALLACE (State Bar No. 129953)  
Senior Counsel  
Department of Business Oversight  
One Sansome Street, Suite 600  
San Francisco, California 94104

Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	CRMLA LICENSE NO. 413-0552
	)	
ACCEPTANCE CAPITAL MORTGAGE	)	CFL LICENSE NO. 603K845
CORPORATION	)	<b>CONSENT ORDER</b>
	)	
Respondent.	)	
	)	
	)	

This Consent Order (Order) is entered into between the Commissioner of Business Oversight (Commissioner) and Acceptance Capital Mortgage Corporation (ACMC) (collectively, the parties), and is made with respect to the following facts:

RECITALS

- A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of lending and/or servicing residential mortgage loans pursuant to the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et seq.),
- B. ACMC is a residential mortgage lender and loan servicer licensed by the Commissioner under the CRMLA since January 23, 2004 (CRMLA license No. 413-0552). ACMC has also been licensed by the Commissioner since February 24, 2015 as a finance lender and broker under the California Finance Lenders Law (Fin. Code, § 22000 et seq.) license number 603K854.

1 ACMC has its principal place of business located at 113 East Magnesium Road, Unit D, Spokane,  
2 Washington 99208.

3 C. During regulatory examinations of ACMC commenced January 8, 2018 (Examination) the  
4 Commissioner found violations of the Financial Code including 1) the comingling of escrow funds  
5 in trust accounts with other assets in violation of Financial Code section 50202 and California Code  
6 of Regulations, title 10, section 1950.314.1; 2) failure to provided borrowers with a Fair Lending  
7 Notices that identified the Department of Business Oversight (DBO) as the agency borrowers  
8 should contact to file complaints or ask questions in violation of Health and Safety Code section  
9 35830 and California Code of Regulations, title 10, section 7114; 3) failure to file 2017 annual  
10 report with the DBO in a timely manner in violation of Financial Code section 50307 subdivision  
11 (a) and 4) and failure to file 2017 audited financial statements with the DBO in a timely manner in  
12 violation of Financial Code section 50200. These were noted as repeat violations by ACMC.

13 D. In or about May of 2018, the case was referred to the Enforcement Division of the DBO to  
14 bring an administrative action to enforce ACMC's compliance with the Financial Code and seek  
15 remedies for forgoing violations. If proven, the potential remedies for those violations, authorized  
16 under the CRMLA, include the issuance of administrative orders to discontinue violations, to pay  
17 penalties and to suspend ACMC's CRMLA license (collectively, Enforcement Action).

18 F. Upon being informed of the DBO's intent to bring the Enforcement Action, ACMC  
19 responded by indicating that, in order to avoid the time, expense and disruption resulting from the  
20 filing of the Enforcement Action by the DBO, ACMC would cooperate fully with the  
21 Commissioner's request to immediately correct any violations, and consent to the issuance of this  
22 Order by the Commissioner to pay penalties and discontinue violations.

23 G. It is the intention and desire of the parties to resolve this matter without the necessity of a  
24 hearing and/or other litigation.

25 H. The Commissioner finds that this action is appropriate, in the public interest, and consistent  
26 with the purposes fairly intended by the policy and provisions of this law.

27 NOW, THEREFORE, in consideration of the foregoing, and of the terms and conditions set forth  
28 herein, the parties agree as follows:

TERMS AND CONDITIONS

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1. Purpose.

The purpose of this Order is to resolve the Enforcement Action in a manner that avoids the expense of a hearing and possible further court proceedings, is in the public interest, protects consumers, and is consistent with the purposes, policies, and provisions of the CRMLA.

2. Finality of Order.

ACMC hereby agrees to comply with the Commissioner’s Order and, further, stipulates that this Order is hereby deemed a final and enforceable order issued pursuant to the Commissioner’s authority under California Financial Code section 50321, 50501.5 and 50513.

3. Order to Discontinue Violations

ACMC stipulates that in accordance with Financial Code Sections 50321, ACMC immediately discontinue the violations set forth above.

4. Waiver of Hearing Rights.

ACMC acknowledges that the Commissioner is ready, willing, and able to proceed with the filing of an administrative enforcement action on the charges contained in this Order, and ACMC hereby waives the right to a hearing, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the CRMLA. ACMC, further expressly waives any requirement for the filing of an Accusation that may be afforded by Government Code section 11415.60 (b), the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law; and by waiving such rights, ACMC effectively consents to this Order becoming final.

5. Payment of Penalties.

ACMC shall pay \$50,000.00 in penalties for the above violations which shall be due within 30 calendar days of the Effective Date of this Order, as defined in Paragraph 10. The payments of penalties shall be made in the form of a cashier’s check or Automated Clearing House deposit to the “Department of Business Oversight,” and transmitted to the attention of: Accounting - Litigation, at the Department of Business Oversight located at 1515 K Street, Suite 200, Sacramento, California, 95814. Notice of all payments shall be sent to Kirk Wallace, Senior Counsel, Enforcement Division,

1 at the Department of Business Oversight located at One Sansome Street, Suite 600, San Francisco,  
2 California, 94104.

3 6. Effect of Order on License.

4 In consideration of ACMC's agreement consent to this Order to pay penalties required by  
5 Paragraph 5 hereof, and to discontinue violations, the Commissioner hereby agrees that except as  
6 set forth in this Order, no further action based on the past violation cited herein will be taken and  
7 this action does not affect the licensing status of ACMC.

8 7. Binding.

9 This Order is binding on all heirs, assigns, and/or successors in interest.

10 8. Independent Legal Advice.

11 Each of the parties represents, warrants, and agrees that it has received independent advice  
12 from its attorney(s) and/or representatives with respect to the advisability of executing this Order.

13 9. Voluntary Agreement.

14 ACMC enters into this Order voluntarily and without coercion and acknowledges that no promises,  
15 threats or assurances have been made by the Commissioner or any officer, or agent thereof, about  
16 this Order.

17 10. Effective Date.

18 This Order shall not become effective until signed by all parties and delivered by the  
19 Commissioner's counsel by email to ACMC's compliance officer Jennifer Pierce at the email  
20 address [jpierce@acceptancecapital.com](mailto:jpierce@acceptancecapital.com).

21 11. Public Record.

22 Respondent acknowledges that this Order is a public record.

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1 12. Authority to Execute.

2 Each signatory hereto covenants that he/she possesses all necessary capacity and authority to  
3 sign and enter into this Order.

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5 Dated: 11/26/18

JAN LYNN OWEN  
Commissioner of Business Oversight

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By \_\_\_\_\_

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MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

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11 Dated: 11/20/18

ACCEPTANCE CAPITAL MORTGAGE COMPANY

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By \_\_\_\_\_

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ALLEN RINGER, CEO

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**STATE OF CALIFORNIA**  
**BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**  
**DEPARTMENT OF BUSINESS OVERSIGHT**

**ERRATUM**

**RE:** Consent Order Issued on November 26, 2018 to:

Acceptance Capital Mortgage Corporation  
113 East Magnesium Road Unit D  
Spokane, WA 99208

**CORRECTION:** The parties to the Consent Order hereby stipulate that on Page 5, line 11, the name on the signature block should read ACCEPTANCE CAPITAL MORTGAGE CORPORATION.

Dated: 11/29/18

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

Dated: 11/28/18

ACCEPTANCE CAPITAL MORTGAGE CORPORATION

By \_\_\_\_\_  
ALLEN RINGER, Chief Executive Officer