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10 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
11 OF THE STATE OF CALIFORNIA

<p>12 In the Matter of:</p> <p>13 THE COMMISSIONER OF BUSINESS</p> <p>14 OVERSIGHT,</p> <p>15 Complainant,</p> <p>16</p> <p>17 v.</p> <p>18 GOOI MORTGAGE, INC., an Iowa</p> <p>19 Corporation,</p> <p>20 Respondent.</p>	<p>CRMLA NO.: 41DBO-70668</p> <p>STATEMENT OF ISSUES IN SUPPORT OF</p> <p>ORDER DENYING CALIFORNIA</p> <p>RESIDENTIAL MORTGAGE LENDER</p> <p>LICENSE</p>
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22 The Complainant, the Commissioner of Business Oversight (Commissioner), alleges and
23 charges Respondent Gooi Mortgage, Inc. as follows:

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25 **I.**

26 **Introduction**

27 1. Gooi Mortgage, Inc. (Gooi Mortgage) is an Iowa corporation formed on December 19,
28 2014, with a registered place of business at 1901 Bell Avenue, Suite #4, Des Moines, Iowa.

1 1950.122.4(a)(4).

2 8. In addition, the 2016 and 2017 audited financial statements’ an independent certified
3 public accountant auditor’s report (IAR) found that Gooi Mortgage incurred two consecutive years of
4 net losses and negative cash flows from operations, which raised substantial doubt about the
5 company’s ability to continue as a going concern. The 2015 audited financial statement’s notes also
6 included a disclosure that stated that Gooi Mortgage’s net loss in 2015 raised substantial doubt
7 regarding the company’s ability to continue as a going concern.

8 **III.**

9 **Applicable Law**

10 9. Financial Code section 50122, subdivision (b)(1), provides that a license application
11 for a California residential mortgage lender or servicer shall include “[a] statement of financial
12 solvency, noting the net worth requirements and supported by an audited financial statement prepared
13 by an independent certified public accountant, and access to the supporting credit information as
14 required by this division.” As described above, Gooi Mortgage’s audited financial statements for
15 2015, 2016 and 2017 lacked a statement of financial solvency in violation of Financial Code section
16 50122(b)(1).

17 10. California Code of Regulations, title 10, section 1950.122.4, subdivision (a)(4),
18 provides that a license applicant for a California residential mortgage lender or servicer shall submit
19 through NMLS as an exhibit to Form MU1 audited financial statements with an unqualified opinion
20 prepared by an independent certified public accountant in accordance with generally accepted
21 accounting principles and acceptable to the Commissioner. The audited financial statements shall be
22 prepared as of the applicant's most recent fiscal year end, or a more recent date, and must document a
23 minimum tangible net worth of \$250,000. (10 C.C.R. 1950.122.4(a)(4)).

24 11. As described above, Gooi Mortgage failed to meet the \$250,000.00 tangible net worth
25 requirement for the fiscal years 2015, 2016 and 2017 in violation of Financial Code section
26 50122(b)(1) and Code of Regulations section 1950.122.4(a)(4).

27 12. Financial Code section 50327 states that the Commissioner may, after notice and a
28 reasonable opportunity to be heard, deny any license if the Commissioner finds that the license has

1 violated any provision of the CRMLA or any rule or order of the Commissioner.

2 **IV.**

3 **Conclusion**

4 The Commissioner finds, by reason of the foregoing, that there are grounds under Financial
5 Code section 50327, subdivision (a)(1), to deny the issuance of a California residential mortgage
6 lender license to Respondent Gooi Mortgage, Inc., in that Gooi Mortgage, Inc. has violated Financial
7 Code section 50122(b)(1) and Code of Regulations section 1950.122.4(a)(4).

8 WHEREFORE, the Commissioner prays that the application filed on April 24, 2017, by Gooi
9 Mortgage, Inc. for a California residential mortgage lender license be denied.

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11 Dated: March 14, 2019
San Diego, California

JAN LYNN OWEN
Commissioner of Business Oversight

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13 By _____
14 Robert R. Lux
15 Senior Counsel
16 Enforcement Division
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