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

11	In the Matter of:	)	CRMLA LICENSE NO.: 413-0479
12	THE COMMISSIONER OF BUSINESS	)	NMLS NO.: 3294
13	OVERSIGHT,	)	
14	Complainant,	)	ACCUSATION IN SUPPORT OF
15	v.	)	REVOCAION OF CALIFORNIA
16	MORTGAGE CAPITAL ASSOCIATES, INC.	)	RESIDENTIAL MORTGAGE LENDER
17	doing business as 100PERCENTLOAN.COM,	)	LICENSE
18	BLUESTONE CAPITAL SERVICES, MCA	)	
19	TRUSTED LENDERS, and USA MORTGAGE	)	
20	CAPITAL,	)	
21	Respondent.	)	

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

24 **I.**  
25 **Jurisdiction and Venue**

26 1. Respondent Mortgage Capital Associates, Inc. doing business as  
27 100PERCENTLOAN.com, Bluestone Capital Services, MCA Trusted Lenders, and USA Mortgage  
28 Capital (collectively Mortgage Capital) is a residential mortgage lender licensed by the

1 Commissioner of Business Oversight of the State of California (Commissioner) pursuant to the  
2 California Residential Mortgage Lending Act (CRMLA) (California Financial Code, § 50000 et  
3 seq.)

4 2. Mortgage Capital has its principal place of business located at 11150 West Olympic  
5 Boulevard, Suite 1160, Los Angeles, California 90064. Mortgage Capital has six branch offices  
6 throughout the United States. Mortgage Capital employs mortgage loan originators in its CRMLA  
7 business.

8 **II.**  
9 **Statement of Facts**

10 3. Pursuant to Financial Code sections 50302 and 50314, subdivision (b), the  
11 Commissioner “shall examine the affairs of each residential mortgage lender and servicer licensee  
12 for compliance” at least once every 48 months.

13 4. On June 7, 2018, the Commissioner notified Mortgage Capital of its scheduled  
14 regulatory examination on or around August 2018. In preparation for the examination, Mortgage  
15 Capital was required to electronically file its pre-exam documents with the Department of Business  
16 Oversight (Department) by June 18, 2018.

17 5. On June 7, 2018, Mortgage Capital sent the Department a confirmation email and a  
18 request for an extension to file its pre-exam documents. On June 8, 2018, the Department sent  
19 Mortgage Capital an email approving the extension to file its loan data information by June 27, 2018  
20 and the remaining pre-exam documents by July 6, 2018. On the same day, Mortgage Capital sent the  
21 Department an email confirming the new due dates to file the loan data information and pre-exam  
22 documents with the Commissioner.

23 6. On July 2, 2018, the Department sent an email to Mortgage Capital notifying it that  
24 the Department had not received the loan data information by the deadline of June 27, 2018. The  
25 Department’s email bounced back from Mortgage Capital’s Compliance Department as  
26 undeliverable.

27 7. Also, on July 2, 2018, the Department sent the same email described in paragraph 6,  
28 to Jay Martin Steren (Stere), the President/CEO of Mortgage Capital. Stere’s email is also the

1 designated email account for Mortgage Capital.

2 8. The Department has never received a response to either of these July 2, 2018 emails  
3 from either Mortgage Capital or Steren.

4 9. On July 3, 2018, Mortgage Capital submitted a surrender/cancellation request through  
5 the Nationwide Mortgage Licensing System and Registry (NMLS).

6 10. On July 10, 2018, the Department sent a follow up email to Steren notifying him that  
7 the Department had not received the loan data information by the deadline of June 27, 2018 and the  
8 pre-exam documents by the deadline of July 6, 2018. The Department has never received a response  
9 to the July 10, 2018 email from either Mortgage Capital or Steren.

10 11. On July 18, 2018, the Department attempted to call Mortgage Capital at its designated  
11 telephone number, but that telephone number was no longer in service. The Department also  
12 attempted to contact Steren through the telephone number listed in NMLS. The Department left a  
13 voice message for Steren requesting the status of the late loan data information and pre-examination  
14 documents. To date, the Department has not received any response or documents from Mortgage  
15 Capital or Steren.

16 12. On August 7, 2018, an examiner from the Department (examiner) personally traveled  
17 to Mortgage Capital’s licensed location of record to determine whether the company was still  
18 operational. The examiner found Mortgage Capital listed on the building’s directory but the door to  
19 the office was locked and there was no response to the examiner’s knocking on the door.

20 13. On August 7, 2018, the examiner also contacted the building manager of the licensed  
21 location of Mortgage Capital. The building manager stated that Mortgage Capital had vacated the  
22 office and that Steren had died.

23 14. On November 7, 2018, the Department posted on Mortgage Capital’s NMLS account  
24 a custom license item titled “Exam Notice and Forfeiture Fee.” The Department notified Mortgage  
25 Capital that it failed to respond to the Department’s examination notice by the deadline of July 6,  
26 2018 and that Mortgage Capital incurred a forfeiture fee of \$100.00 per day, up to \$1,000.00.

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1 15. On November 7, 2018, the Department also posted an “Outstanding Agency Invoice  
2 Fee” on Mortgage Capital’s NMLS account a forfeiture fee of \$1,000.00 pursuant to Financial Code  
3 section 50326.

4 16. To date, Mortgage Capital has not provided the Department with the required  
5 information, documents, or reports. Mortgage Capital is in violation of Financial Code sections  
6 50302 and 50314, subdivision (b).

7 17. To date, Mortgage Capital has not complied with the reporting requirement and has  
8 not paid the Department its Exam Notice and Forfeiture Fee of \$1,000.00. Mortgage Capital is in  
9 violation of Financial Code section 50326.

10 **III.**  
11 **Applicable Law**

12 18. Financial Code section 50302, subdivisions (a)-(b) states:

13 (a) As often as the commissioner deems necessary and appropriate, but  
14 at least once every 48 months, the commissioner shall examine the  
15 affairs of each residential mortgage lender and servicer licensee for  
16 compliance with this division. The commissioner shall appoint suitable  
17 persons to perform the examination. The commissioner and his or her  
18 appointees may examine the books, records, and documents of the  
19 licensee, and may examiner the licensee’s officers, directors,  
20 employees, or agents of the state or federal government, other states,  
21 agencies, the Federal National Mortgage Association, or the Federal  
22 Home Loan Mortgage Corporation. The commissioner may accept an  
23 examination conducted by one of these entities in place of an  
24 examination by the commissioner under this law, unless the  
25 commissioner determines that the examination does not provide  
26 information necessary to enable the commissioner to fulfill his or her  
27 responsibilities under this division.

28 (b) The commissioner shall provide a written statement of the findings  
of the examination, issue a copy of that statement to each licensee’s  
principals, officers, or directors, and take appropriate steps to ensure  
correction of any violations of this division.

19 19. Financial Code section 50311 provides in pertinent part:

Nothing in this law shall preclude a person whose license has been  
suspended or revoked, summarily or otherwise, from making a  
residential mortgage loan pursuant to a commitment issued by that  
person prior to the suspension or revocation. A prospective borrower

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who has received a commitment issued by a person whose license has been suspended or revoked may, prior to the closing of the loan, terminate the commitment and receive a refund of all money paid to that person.

20. Financial Code section 50314, subdivision (b) states:

(b) The business documents and records of every residential mortgage lender or residential mortgage loan servicer, whether required to be licensed under this division or not, are subject to inspection and examination by the commissioner at any time without prior notice. The provisions of this subdivision shall not apply to persons specified in subdivision (g) of Section 50003.

Any person subject to this division, shall, upon request and within the time specified in the request, allow inspection and copying of any documents and records by the commissioner or his or her authorized representative.

21. Financial Code section 50326 provides:

If any licensee fails to do any of the following, the licensee shall forfeit to the people of the state of a sum of up to one hundred dollars (\$100) for every day up to the 10th day: (a) to make any report required by law or by the commissioner within 10 days from the day designated for the making of the report, or within any extension of time granted by the commissioner, or (b) fails to include therein any matter required by law or by the commissioner. Thereafter, any failure shall constitute grounds for the suspension or revocation of the license held by the residential mortgage lender or residential mortgage loan servicer.

22. Financial Code section 50327, subdivision (a) states:

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

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**IV.**  
**Conclusion**

23. The Commissioner finds that, by reason of the foregoing, Mortgage Capital has violated Financial Code sections 50302, 50314, subdivision (b), and 50326. Based thereon, grounds exist to revoke the residential mortgage lender license of Mortgage Capital pursuant to Financial Code section 50327, subdivision (a).

**V.**  
**Prayer**

WHEREFORE, IT IS PRAYED that the residential mortgage lender license of Mortgage Capital Associates, Inc. doing business as 100PERCENTLOAN.com, Bluestone Capital Services, MCA Trusted Lenders, and USA Mortgage Capital be revoked and, pursuant to Financial Code section 50311, Mortgage Capital Associates, Inc. doing business as 100PERCENTLOAN.com, Bluestone Capital Services, MCA Trusted Lenders, and USA Mortgage Capital be given a transition period of sixty (60) days within which to complete any loan which it had prior commitments.

Dated: January 8, 2019  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
Vanessa T. Lu  
Counsel  
Enforcement Division