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7 Attorneys for Complainant

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

10 In the Matter of:)	CRMLA LICENSE NO.: 413-1231
11 THE COMMISSIONER OF BUSINESS)	ACCUSATION
12 OVERSIGHT,)	
13 Complainant,)	
14 v.)	
15 PRIME SOURCE MORTGAGE, INC.,)	
16 Respondent.)	
17)	

18
19 The Complainant is informed and believes and based upon such information and belief
20 alleges and charges the Respondent as follows:

21 **I.**

22 **Introduction**

- 23 1. Prime Source Mortgage, Inc. (Prime Source) is a residential mortgage lender licensed
24 by the Commissioner since June 25, 2013, pursuant to the California Residential Mortgage Lending
25 Act (CRMLA) (California Financial Code Section 50000 et seq.).
- 26 2. Prime Source has its principal place of business located at 40750 Symphony Park
27 Lane, Murrieta, California 92562. Prime Source employs mortgage loan originators in its CRMLA
28 business.

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3. Prime Source has five licensed locations at the following locations:
 - Branch NMLS #1461021, 16486 Bernardo Center Drive, # 368, San Diego, California 92128.
 - Branch NMLS #1701891, 8865 Research Drive, Suite 200, Irvine, California 92618.
 - Branch NMLS #1703969, 16885 West Bernardo Drive, Suite 272, San Diego, California 92127.
 - Branch NMLS #1729496, 155 N. Riverview Drive, Suite 111, Anaheim Hills, California 92808.
 - Branch NMLS #1738125, 10440 North Central Expressway, Suite 800, Dallas, Texas 75231.

4. Prime Source has the following approved DBAs in California:
 - Home 1-2-3
 - Home 123
 - Home 123 Mortgage
 - Mountain Trust Mortgage
 - NorthStateReverse.com
 - Only 1 Benji
 - Rise Mortgage
 - ShastalHomeLoans.com

II.

2017 Regulatory Examination

5. On or about June 11, 2017, the Commissioner commenced a regulatory examination of the books and records of Prime Source (regulatory examination).

6. On or about June 8, 2018, and as part of the regulatory examination, Prime Source submitted a self-audit report to the Commissioner relating to the per diem interests it charged customers.

1 for said assessment was posted to Prime Source's NMLS account. As of the date of this pleading,
2 the assessment has remained unpaid.

3 14. On or about October 19, 2018, the Commissioner sent a letter by certified mail to
4 Prime Source's Murrieta address informing it that the Commissioner has not received its annual
5 assessment due on October 18, 2018. The Commissioner's October 19, 2018 letter informed Prime
6 Source that a penalty of 1% of the overdue amount will accrue for each month or partial month the
7 payment is received after November 17, 2018. The October 19, 2018 letter further notified Prime
8 Source that its CRMLA license or servicer license will be subject to revocation if the its assessment
9 and penalty were not paid by November 17, 2018.

10 15. The Commissioner did not receive a response to her October 19, 2018 letter or a
11 "green card," or return-receipt for the certified mail. Rather, the United States Postal Service's
12 tracking history record disclosed that the October 19, 2018 letter was "delivered to an individual" at
13 an address at Fort Lauderdale, FL 33315. The Commissioner has not received any change of address
14 from Prime Source Mortgage. To date, Prime Source has not paid the \$5,000.00 assessment levied
15 against it by the Commissioner in violation of 50401 (a).

16 **V.**

17 **Failure to Comply with the Commissioner's Order of Forfeiture**

18 16. As a result of Prime Source's failure to submit a corrected self-audit report as
19 demanded by the Commissioner, on October 26, 2017, the Commissioner issued an Order of
20 Forfeiture (Order) pursuant to Financial Code section 50326, directing Prime Source to forfeit and
21 pay a penalty of \$1,000.00 to the Commissioner no later than ten days from the date of the Order.

22 17. On or about November 5, 2018, the Commissioner's process servers attempted to
23 serve the Order on Prime Source by personal delivery, at Prime Source's last known address at
24 40750 Symphony Park Lane, Suite 102, Murrieta, California 92562 (Murrieta address). The
25 Commissioner's process servers learned from witnesses at Prime Source's neighboring office
26 location that Prime Source no longer conducts business at that address.

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VI.

Revocation Statute

18. Financial Code section 50401 (d) provides in pertinent part:

....
(d) If a licensee fails to pay the assessment on or before the 30th day following the day upon which payment is due, the commissioner may by order summarily suspend or revoke the license issued to the licensee. An order issued under this section is not stayed by the filing of a request for a hearing. If, after an order is made, the request for hearing is filed in writing within 15 days from the date of service of the order and a hearing is not held within 60 days of the filing, the order is deemed rescinded as of its effective date. During a period when its license is revoked or suspended, a licensee shall not conduct business pursuant to this division except as may be permitted by further order of the commissioner....

19. Financial Code section 50327 (a) provides in pertinent part:

- (a) The commissioner may, after notice and a 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.

VII.

Conclusion

20. The Commissioner finds that, by reason of the foregoing, Prime Source has:

- A. Failed to file its audited financial statements or the fiscal year ending June 30, 2018, in violation of Financial Code sections 50200 (d).
- B. Failed to pay the annual assessment for the fiscal year 2018/2019, in violation of Financial Code section 50401 (a).
- C. Failed to comply with the Commissioner’s Demand Letter directing it

1 to forfeit and pay a penalty of \$1,000.00 in violation of Financial Code 50326.

2 Based thereon, grounds exist to revoke the residential mortgage lender license of Respondent
3 Prime Source Mortgage, Inc.

4 **VIII.**

5 **Prayer**

6 WHEREFORE, IT IS PRAYED that:

7 Pursuant to Financial Code sections 50401 (d) and 50327 (a), the residential mortgage lender
8 license of Respondent Prime Source Mortgage, Inc. be revoked.

9 Dated: January 9, 2019
10 Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

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12
13 By _____
14 UCHE L. ENENWALI
15 Senior Counsel
16 Enforcement Division
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