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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)	ORDER REVOKING RESIDENTIAL MORTGAGE LENDER LICENSE PURSUANT TO FINANCIAL CODE SECTION 50327
12 OVERSIGHT,)	
13 Complainant,)	
14 v.)	
15 PRIME SOURCE MORTGAGE, INC.,)	
16 Respondent.)	

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18 The Commissioner of Business Oversight (Commissioner), finds that:

19 1. Prime Source Mortgage, Inc. (Prime Source) is a residential mortgage lender licensed
20 by the Commissioner since June 25, 2013, pursuant to the California Residential Mortgage Lending
21 Act (CRMLA) (California Financial Code Section 50000 et seq.).

22 2. Prime Source has its principal place of business located at 40750 Symphony Park
23 Lane, Murrieta, California 92562. Prime Source employs mortgage loan originators in its CRMLA
24 business.

25 3. Prime Source has five licensed locations at the following locations:

- 26 ■ Branch NMLS #1461021, 16486 Bernardo Center Drive, # 368, San
- 27 Diego, California 92128.

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- 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

5. On or about June 11, 2017, the Commissioner commenced a regulatory examination of the books and records of Prime Source (regulatory examination). As part of the regulatory examination, on June 8, 2018, Prime Source submitted a self-audit report to the Commissioner relating to the per diem interests it charged customers.

6. Prime Sources' self- audit report revealed discrepancies and on July 20, 2018, the Commissioner sent a demand letter (Demand Letter), to Prime Source directing it to repeat the self-audit and provide a corrected audit report within ten days from the date of the Demand Letter. Prime Source's corrected self-audit report was due to the Commissioner no later than July 30, 2018.

7. Prime Source failed to submit a corrected self-audit report to the Commissioner by July 30, 2018, in violation of Financial Code section 50326.

1 8. On August 8, 2018, Prime Source submitted a request to surrender its CRMLA
2 license through the Nationwide Mortgage Licensing System & Registry (NMLS).

3 9. On October 26, 2017, the Commissioner issued an Order of Forfeiture (Order)
4 pursuant to Financial Code section 50326, directing Prime Source to forfeit and pay a penalty of
5 \$1,000.00 to the Commissioner no later than ten days from the date of the Order for failing to comply
6 with the Demand Letter.

7 10. On or about November 5, 2018, the Commissioner's process servers attempted to
8 serve the Order on Prime Source by personal delivery, at Prime Source's last known address at
9 40750 Symphony Park Lane, Suite 102, Murrieta, California 92562 (Murrieta address). The
10 Commissioner's process servers learned from witnesses at Prime Source's neighboring office
11 location that Prime Source no longer conducts business at that address.

12 11. Pursuant to Financial Code section 50200 (d), CFL licensees are required to file
13 audited financial statements with the Commissioner within 105 days of the end of the licensee's
14 fiscal year. Prime Source's fiscal year end is June 30, as such, its audited financial statement for
15 fiscal year ending June 30, 2018 was due October 13, 2018.

16 12. On September 29, 2018, the NMLS posted an automated license item notifying Prime
17 Source that its financial statement had not been filed with the Commissioner. Despite the
18 notification, Prime Source failed file its 2018 audited financial statement in violation of Financial
19 Code section 50200 (d).

20 13. On or about September 26, 2018, the Commissioner notified Prime Source by letter
21 dated September 26, 2018 that its assessment for the fiscal year 2018/2019 in the amount of
22 \$5,000.00 was due on October 18, 2018. On September 28, 2018, a corresponding NMLS invoice
23 for said assessment was posted to Prime Source's NMLS account. As of the date of this pleading,
24 the assessment has remained unpaid.

25 14. On or about October 19, 2018, the Commissioner sent a letter by certified U.S. mail
26 to Prime Source's Murrieta address informing it that the Commissioner has not received its annual
27 assessment due on October 18, 2018. The Commissioner's October 19, 2018 letter informed Prime
28 Source that a penalty of 1% of the overdue amount will accrue for each month or partial month the

1 payment is received after November 17, 2018. The October 19, 2018 letter further notified Prime
2 Source that its CRMLA license or servicer license will be subject to revocation if the its assessment
3 and penalty were not paid by November 17, 2018.

4 15. The Commissioner did not receive a response to her October 19, 2018 letter. The
5 United States Postal Service’s tracking history record disclosed that the October 19, 2018 letter was
6 "delivered to an individual” at an address in Fort Lauderdale, Florida in the 33315 zip code. The
7 Commissioner has not received any change of address from Prime Source Mortgage.

8 16. On January 9, 2019, the Commissioner issued a Notice of Intention to Issue Order
9 Revoking CRMLA License No. 413-1231, Accusation; and accompanying documents against Prime
10 Source based upon the above violations.

11 17. Prime Source was served with the Accusation and accompanying documents by
12 certified U.S. mail on January 11, 2019.

13 18. The Department has not received a request for hearing from Prime Source and the
14 time to request for hearing has expired.

15 NOW GOOD CAUSE APPEARING THEREFORE. it is hereby ordered that the CRMLA
16 license number 413-1231 issued to Prime Source Mortgage, Inc. is hereby revoked.

17 This order is effective as of the date hereof.

18 Dated: February 22, 2019 JAN LYNN OWEN
19 Commissioner of Business Oversight

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21 By _____
22 MARY ANN SMITH
23 Deputy Commissioner
24 Enforcement Division
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