

1 MARY ANN SMITH
Deputy Commissioner
2 SEAN M. ROONEY
Assistant Chief Counsel
3 DANIELLE A. STOUMBOS (State Bar No. 264784)
Senior Counsel
4 Department of Business Oversight
320 West 4th Street, Suite 750
5 Los Angeles, California 90013-2344
Telephone: (213) 576-7591
6 Facsimile: (213) 576-7181

7 Attorneys for Complainant

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

11 In the Matter of:) CRMLA LICENSE NO.: 413-1166
12)
13 THE COMMISSIONER OF BUSINESS) NMLS NO.: 340534
14 OVERSIGHT,)
15 Complainant,) ORDER SUMMARILY REVOKING
16 v.) CALIFORNIA RESIDENTIAL LENDER
17 CENTENNIAL LENDING GROUP, LLC,) AND/OR SERVICER LICENSE UNDER
18 Respondent.) FINANCIAL CODE SECTIONS 50200 AND
50401

19 TO: CENTENNIAL LENDING GROUP, LLC
20 1126 Horsham Road
21 Maple Glen, Pennsylvania 19002

22 The Commissioner of Business Oversight (Commissioner) of the Department of Business
23 Oversight (Department) finds that:

24 1. Centennial Lending Group, LLC (Centennial) is licensed as a residential mortgage
25 lender under the California Residential Mortgage Lending Act (CRMLA) (Fin. Code, § 50000 et
26 seq.).

27 2. Centennial's principal place of business is 1126 Horsham Road, Maple Glen,
28 Pennsylvania 19002.

1 **A. Centennial failed to comply with Financial Code section 50123**

2 3. Centennial filed a request to surrender its CRMLA license with the Department on
3 December 20, 2018.

4 4. Centennial was required to comply with Financial Code section 50123 before the
5 Commissioner could accept a surrender.

6 5. On or around January 30, 2019 and May 9, 2019, the Commissioner’s staff notified
7 Centennial that its license would remain active until the company complied with the surrender
8 requirements in Financial Code section 50123.

9 6. To date, Centennial has not complied with section 50123. As such, Centennial’s
10 CRMLA license remains active and the company is subject to the CRMLA.

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12 **B. Centennial failed to submit audited financial statements to the Commissioner**

13 7. Under Financial Code section 50200, Centennial was required to file an annual audit
14 report, certified by a public accountant, by April 15, 2019.

15 8. On March 31, 2019, Centennial submitted unaudited financials to the Commissioner.

16 9. On April 1, 2019, the Commissioner’s staff notified Centennial that the financial
17 statements submitted were insufficient.

18 10. On September 5, 2019, the Commissioner’s staff notified Centennial that its license
19 would be summarily revoked if it failed to submit audited financials by September 27, 2019.

20 11. To date, Centennial has not filed audited financial statements for 2018.

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22 **C. Centennial failed to maintain a surety bond**

23 12. Financial Code section 50205 requires licensees to maintain a surety bond. On or
24 around January 22, 2019, the Department received notice that Centennial’s surety bond would be
25 cancelled on May 24, 2019.

26 13. On January 23, 2019, the Department notified Centennial that a reinstatement or
27 replacement bond should be filed before the cancellation date. The Commissioner warned that an
28 Order to Discontinue any new lending/servicing activities would be issued if a reinstatement or

1 replacement bond was not received before the cancellation date.

2 14. Centennial allowed its surety bond to lapse.

3 15. On September 5, 2019, the Commissioner served an Order to Discontinue Residential
4 Mortgage Lending and/or Servicing Activities Pursuant to Financial Code section 50319 on
5 Centennial. Centennial did not request a hearing, and the Order is now final.

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7 **D. Centennial failed to pay its annual assessment**

8 16. Under Financial Code section 50401, Centennial was required to pay an annual
9 assessment.

10 17. On or around September 12, 2019, the Commissioner notified Centennial that the
11 assessment was due by October 7, 2019. The Commissioner warned that Centennial would be
12 subject to summary suspension or revocation if the assessment was not received by November 6,
13 2019.

14 18. Centennial failed to pay the annual assessment.

15 19. Based on the foregoing, Centennial is conducting residential mortgage lending and/or
16 servicing business in violation of Financial Code sections 50200 and 50401.

17 20. Financial Code section 50200 provides in relevant part:

18 (a) At the end of the licensee's fiscal year, but in no case more than 12 months
19 after the last audit conducted pursuant to this section, each licensed residential
20 mortgage lender or servicer shall cause its books and accounts to be audited by an
21 independent certified public accountant. Beginning with all audits of business
22 conducted after December 31, 1995, the audit shall be sufficiently comprehensive
23 in scope to permit the expression of an opinion on the financial statements
24 prepared in accordance with generally accepted accounting principles and shall be
25 performed in accordance with generally accepted auditing standards. The audit
26 shall include a reconciliation of the licensee's trust accounts as of the audit date.

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(d) The audit report shall be filed with the commissioner within 105 days of the end of the licensee's fiscal year. The report filed with the commissioner shall be certified by the certified public accountant conducting the audit. . .

(e) . . . The commissioner may summarily revoke the license of a licensee who fails to file a certified financial statement prepared by an independent certified public accountant as required by this division or at the request of the commissioner. If, after a revocation order is made, the request for hearing is filed in writing within 30 days from the date of service of the order and a hearing is not held within 90 days of the filing, the order is deemed rescinded as of its effective date. During a period when its license is revoked, a licensee shall not conduct business pursuant to this division except as may be permitted by further order of the commissioner. However, the revocation, suspension, or surrender of a license shall not affect the powers of the commissioner as provided in this division.

15. Financial Code section 50401 provides in relevant part:

(a) In addition to other fees and reimbursements required to be paid under this division, each residential mortgage lender or servicer licensee shall pay to the commissioner an amount equal to the lesser of: (1) its pro rata share of all costs and expenses (including overhead and the maintenance of a prudent reserve not to exceed 90 days' costs and expenses) that the commissioner reasonably expects to incur in the current fiscal year in the administration of this division and not otherwise recovered by the commissioner under this division or from the State Corporations Fund, plus a deficit or less a surplus actually incurred during the prior fiscal year; or (2) five thousand dollars (\$5,000). . . .

* * * *

(c) On or before the 30th day of September in each year, the commissioner shall notify each licensee by mail of the amount assessed and levied against it and that amount shall be paid within 20 days. . . .

(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. However, the revocation, suspension, or surrender of a license shall not affect the powers of the commissioner as provided in this division.

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NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED, under the provisions of Financial Code sections 50200, subdivision (e) and 50401, subdivision (d), that CENTENNIAL LENDING GROUP, LLC's license is revoked.

Dated: December 13, 2019
Los Angeles, CA

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division