

1 MARY ANN SMITH
Deputy Commissioner
2 Department of Business Oversight
320 West 4th Street, Suite 750
3 Los Angeles, California 90013

4 Attorneys for Complainant

5 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
6 OF THE STATE OF CALIFORNIA
7

8 In the Matter of:)	CRMLA LICENSE NO.: 4131030
9)	
10 THE COMMISSIONER OF BUSINESS)	
OVERSIGHT,)	
11)	
12 Complainant,)	STATEMENT OF FACTS IN SUPPORT OF
)	ORDER TO DISCONTINUE VIOLATIONS
13 v.)	PURSUANT TO FINANCIAL CODE
)	SECTION 50321 AND NOTICE OF INTENT
14 360 Mortgage Group, LLC,)	TO MAKE ORDER FINAL
)	
15 Respondent.)	
16)	
17)	

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19 The Complainant, the Commissioner of the Department of Business Oversight
20 (Commissioner), is informed and believes and based upon such information and belief, alleges and
21 charges as follows:

22 **I**

23 **Introduction**

24 1. 360 Mortgage Group, LLC (Respondent) is a residential mortgage lender and servicer
25 licensed by the Commissioner pursuant to the California Residential Mortgage Lending Act (Fin.
26 Code, § 50000 et seq.) (CRMLA).

27 2. Respondent’s principal place of business is 11305 Four Points Drive, Bldg 1, Ste.
28 200, Austin, TX 78726.

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II

Factual Background

3. Financial Code section 50205 requires that a residential mortgage lender and servicer maintain a surety bond.

4. On or about January 15, 2020 the Commissioner received notice that Respondent’s surety bond would be cancelled on February 10, 2020 if the bond was not reinstated, continued, or replaced before that date.

3. On January 22, 2020 the Commissioner served a notice on Respondent, informing the company that the Commissioner would issue an Order to Discontinue Violations under Financial Code sections 50321 and 50323 if the surety bond was not reinstated, continued, or replaced by February 1, 2020.

4. Respondent’s bond expired on February 10, 2020.

5. Respondent has yet to replace or reinstate its surety bond in violation of Financial Code section 50205.

6. Respondent failed to comply with the bonding requirements of Financial Code section 50205 and is conducting business in such an unsafe or injurious manner as to render further operations hazardous to the public or to customers.

III

Law

7. Financial Code section 50321 provides:

If, after investigation, the commissioner has reasonable grounds to believe that any licensee has violated its articles of incorporation or any law or rule binding upon it, the commissioner shall, by written order addressed to the licensee, direct the discontinuance of the violation. The order shall be effective immediately, but shall not become final except in accordance with the provisions of Section 50323.

8. Financial Code section 50323 provides:

(a) No order issued pursuant to Section 50321 or 50322 may become final except after notice to the affected licensee of the commissioner’s intention to make the order final and of the reasons for the finding. The commissioner

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shall also notify the licensee that upon receiving a request the matter will be set for hearing to commence within 15 business days after receipt. The licensee may consent to have the hearing commence at a later date. If no hearing is requested within 30 days after the mailing or service of the required notice, and none is ordered by the commissioner, the order may become final without hearing and the licensee shall immediately discontinue the practices named in the order. If a hearing is requested or ordered, it shall be held in accordance with the provisions of the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and the commissioner shall have all of the powers granted under that act. If, upon the hearing, it appears to the commissioner that the licensee is conducting business in an unsafe and injurious manner or is violating its articles of incorporation or any law of this state, or any rule binding upon it, the commissioner shall make the order of discontinuance final and the licensee shall immediately discontinue the practices named in the order.

(b) The licensee has 10 days after an order is made final to commence an action to restrain enforcement of the order. If the enforcement of the order is not enjoined within 10 days by the court in which the action is brought, the licensee shall comply with the order.

IV

Conclusion

Based upon the foregoing, the Commissioner finds that 360 Mortgage Group, LLC has failed to maintain a surety bond in violation of Financial Code section 50205.

WHEREFORE, good cause showing, the Commissioner of Business Oversight is issuing an Order to Discontinue Violations under Financial Code section 50321 and notifying 360 Mortgage Group, LLC of his intention to make the order final under Financial Code section 50323.

Dated: February 3, 2020
Sacramento, CA

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
MEIRCEE BOULAHROUD
Special Administrator
California Residential Mortgage Lending Act