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Deputy Commissioner  
2 Department of Financial Protection and Innovation  
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4 Attorneys for Complainant

5 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
6 OF THE STATE OF CALIFORNIA

<p>7 In the Matter of:</p> <p>8 THE COMMISSIONER OF FINANCIAL 9 PROTECTION AND INNOVATION,</p> <p>10 Complainant,</p> <p>11 v.</p> <p>12 CASTLE MORTGAGE CORPORATION,</p> <p>13 Respondent.</p>	<p>) CRMLA LICENSE NO.: 4131263</p> <p>)</p> <p>)</p> <p>) STATEMENT OF FACTS IN SUPPORT OF ORDER TO DISCONTINUE VIOLATIONS PURSUANT TO FINANCIAL CODE SECTION 50321 AND NOTICE OF INTENT TO MAKE ORDER FINAL</p> <p>)</p> <p>)</p> <p>)</p>
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17 The Complainant, the Commissioner of Financial Protection and Innovation (Commissioner),  
18 is informed and believes and based upon such information and belief, alleges and charges as follows:

19 **I**

20 **Introduction**

21 1. Castle Mortgage Corporation (Respondent) is a residential mortgage «Residential  
22 Mortgage Lender and Residential Mortgage Loan Servicer» licensed by the Commissioner pursuant  
23 to the California Residential Mortgage Lending Act (Fin. Code, § 50000 et seq.) (CRMLA).

24 2. Respondent’s principal place of business is 19800 MacArthur Boulevard, Suite 500,  
25 Irvine, California 92612.

26 **II**

27 **Factual Background**

28 3. Financial Code section 50205 requires that a residential mortgage Residential

1 Mortgage Lender and Residential Mortgage Loan Servicer .  
2 maintain a surety bond.

3 4. On or about April 3, 2024 the Commissioner received notice that Respondent’s  
4 surety bond would be cancelled on April 6, 2024 if the bond was not reinstated, continued, or  
5 replaced before that date.

6 3. On April 5, 2024 the Commissioner served a notice on Respondent, informing the  
7 company that the Commissioner would issue an Order to Discontinue Violations under Financial  
8 Code sections 50321 and 50323 if the surety bond was not reinstated, continued, or replaced by  
9 April 15, 2024.

10 4. Respondent’s bond expired on April 6, 2024.

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

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

16 **III**

17 **Law**

18 7. Financial Code section 50321 provides:

19 If, after investigation, the commissioner has reasonable grounds to believe  
20 that any licensee has violated its articles of incorporation or any law or  
21 rule binding upon it, the commissioner shall, by written order addressed to  
22 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.

23 8. Financial Code section 50323 provides:

24 (a) No order issued pursuant to Section 50321 or 50322 may become final  
25 except after notice to the affected licensee of the commissioner’s intention  
26 to make the order final and of the reasons for the finding. The commissioner  
27 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  
28 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

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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 Castle Mortgage Corporation has failed to maintain a surety bond in violation of Financial Code section 50205.

WHEREFORE, good cause showing, the Commissioner of Financial Protection and Innovation is issuing an Order to Discontinue Violations under Financial Code section 50321 and notifying Castle Mortgage Corporation of her intention to make the order final under Financial Code section 50323.

Dated: August 16, 2024  
Sacramento, CA

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MEIRCEE BOULAHROUD  
Assistant Deputy Commissioner  
California Residential Mortgage Lending Act

1 MARY ANN SMITH  
Deputy Commissioner  
2 Department of Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
3 Los Angeles, California 90013

4 Attorney for Complainant

5 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
6 OF THE STATE OF CALIFORNIA

7 In the Matter of:	)	CRMLA LICENSE NO.: 4131263
	)	
8 THE COMMISSIONER OF FINANCIAL	)	
9 PROTECTION AND INNOVATION,	)	
	)	
10 Complainant,	)	NOTICE OF INTENTION TO ISSUE ORDER
11 v.	)	REVOKING CALIFORNIA RESIDENTIAL
	)	MORTGAGE LENDING AND/OR
12 CASTLE MORTGAGE CORPORATION	)	SERVICING LICENSE
	)	
13 Respondent.	)	
	)	

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15 Pursuant to Financial Code section 50327 of the California Residential Mortgage Lending  
16 Act (Fin. Code, § 50000 et seq.), notice is hereby given of the intention of the Commissioner of  
17 Financial Protection and Innovation to enter an Order revoking Respondent, CASTLE  
18 MORTGAGE CORPORATION’s residential mortgage lender and residential Mortgage Loan  
19 Servicer license.

20 The attached Accusation, which is incorporated herein by this reference, states the reasons  
21 for the intended Order.

22 Unless a request for hearing, as evidenced by the mailing or delivery of the Notice of  
23 Defense, is received within 15 days after the Accusation was personally served upon you or mailed  
24 to you, such Order may be entered at any time thereafter without a hearing.

25  
26 Dated: August 16, 2024,  
Sacramento, CA

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation

27  
28 By \_\_\_\_\_  
MEIRCEE BOULAHROUD  
Assistant Deputy Commissioner  
California Residential Mortgage Lending Act

1 MARY ANN SMITH  
Deputy Commissioner  
2 Department of Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
3 Los Angeles, California 90013

4 Attorneys for the Complainant

5 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
6 OF THE STATE OF CALIFORNIA  
7

<p>8 In the Matter of:</p> <p>9</p> <p>10 THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION,</p> <p>11 Complainant,</p> <p>12</p> <p>13 v.</p> <p>14 CASTLE MORTGAGE CORPORATION,</p> <p>15 Respondent.</p>	<p>) CRMLA LICENSE NO.: 4131263</p> <p>)</p> <p>)</p> <p>) ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING AND/OR SERVICING ACTIVITIES PURSUANT TO FINANCIAL CODE SECTION 50319</p> <p>)</p> <p>)</p> <p>)</p>
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18 TO: CASTLE MORTGAGE CORPORATION  
19800 MacArthur Boulevard, Suite 500, Irvine, California 92612

19 The Commissioner of Financial Protection and Innovation finds that CASTLE  
20 MORTGAGE CORPORATION (Respondent) violated provisions of the California Residential  
21 Mortgage Lending Act (Fin. Code, § 50000 et seq.) (CRMLA) and hereby issues the following  
22 Order to Discontinue Residential Mortgage Lending And/Or Servicing Activities Pursuant to  
23 Financial Code section 50319:

- 24 1. The Commissioner is authorized to administer and enforce the provisions of the
- 25 CRMLA and rules and regulations promulgated thereunder.
- 26 2. Respondent is a licensed residential mortgage Lender and residential mortgage loan
- 27 servicer with a principal place of business at 19800 MacArthur Boulevard, Suite 500, Irvine,
- 28 California 92612 .

1           3.       Financial Code section 50205 requires a licensed residential mortgage Lender and  
2 residential mortgage loan servicer to maintain a surety bond.

3           4.       On or about April 5, 2024, the Commissioner received notice that Respondent’s  
4 surety bond would be cancelled on April 6, 2024 if the bond was not reinstated, continued, or  
5 replaced before that date.

6           5.       On April 5, 2024, the Commissioner served a notice on Respondent, informing the  
7 company that the Commissioner would issue an Order to Discontinue Residential Mortgage Lending  
8 And/Or Servicing Activities Pursuant to Financial Code section 50319 if the surety bond was not  
9 reinstated, continued, or replaced by April 15, 2024.

10          6.       Respondent’s bond expired on April 6, 2024.

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

13          8.       Respondent failed to comply with the bonding requirements of Financial Code  
14 section 50205 and is conducting residential mortgage lending and/or servicing business in such an  
15 unsafe or injurious manner as to render further operations hazardous to the public or to customers.

16          9.       Section 50319 of the Financial Code provides in pertinent part:

17           (a) If the commissioner, as a result of any examination or from any report  
18 made to him or her, shall find that any person subject to this division is in an  
19 insolvent condition, is conducting business in an unsafe or injurious manner  
20 that renders further operations hazardous to the public or to customers, has  
21 failed to comply with the provision of Section 50317, has permitted its  
22 tangible net worth to be lower than the minimum required by law, or has  
23 failed to comply with the bonding requirements of Section 50205, the  
24 commissioner may, by an order addressed to and served by registered or  
25 certified mail, or by personal service on that person, and on any other person  
26 having in his or her possession or control any trust funds or other property  
27 deposited in escrow with that person, direct discontinuance of the  
28 disbursement, in whole or in part, of trust funds held by the licensee and  
order the establishment of a separate trust account for all subsequent trust  
funds received by the licensee. No person having in his or her possession  
any of these funds or documents shall be liable for failure to comply with  
the order unless he or she has received written notice of the order. Subject to  
subdivision (b), the order shall remain in effect until set aside by the  
commissioner, or the person is the subject of an order for relief in  
bankruptcy.

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(b) Within 15 days from the date of an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 2 of Division 3 of Title 2 of the Government Code). Upon receiving a request, the matter shall be set for hearing to commence within 30 days after the receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or service of the notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING

THEREFORE, it is hereby ORDERED, under the provisions of Financial Code section 50319, Castle Mortgage Corporation immediately discontinue the disbursement, in whole or in part, of trust funds held by the licensee and establish a separate trust account for all subsequent trust funds received by the licensee.

THIS ORDER is to remain in full force and effect until further order of the Commissioner of Financial Protection and Innovation.

Dated: August 16, 2024,  
Sacramento, California

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



By \_\_\_\_\_  
MEIRCEE BOULAHROUD  
Assistant Deputy Commissioner  
California Residential Mortgage Lending Act

1 MARY ANN SMITH  
Deputy Commissioner  
2 Department of Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
3 Los Angeles, California 90013

4 Attorneys for Complainant  
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7 OF THE STATE OF CALIFORNIA  
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9 In the Matter of:	)	CRMLA LICENSE NO.: 4131263
10 THE COMMISSIONER OF FINANCIAL	)	
11 PROTECTION AND INNOVATION,	)	
12 Complainant,	)	ORDER TO DISCONTINUE VIOLATIONS
13 v.	)	PURSUANT TO FINANCIAL CODE
14 CASTLE MORTGAGE CORPORATION	)	SECTION 50321
15 Respondent.	)	
16	)	
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20 TO: CASTLE MORTGAGE CORPORATION  
19800 MacArthur Boulevard, Suite 500, Irvine, California 92612  
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22  
23 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:  
24 Castle Mortgage Corporation's (Respondent), surety bond expired on April 6, 2024. Respondent  
25 failed to maintain its surety bond in violation of Financial Code section 50205.  
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NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING, it is hereby ORDERED under the provisions of the Financial Code sections 50321 and 50323 that Castle Mortgage Corporation’s discontinue the violations set forth above.

Dated: August 16, 2024  
Sacramento, CA

CLOTHILDE V. HEWLETT  
Commissioner of Financial Protection and Innovation



By \_\_\_\_\_  
MEIRCEE BOULAHROUD  
Assistant Deputy Commissioner  
California Residential Mortgage Lending Act

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6 OF THE STATE OF CALIFORNIA  
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8 In the Matter of:	)	CRMLA LICENSE NO.: 4131263
	)	
9 THE COMMISSIONER OF FINANCIAL	)	
10 PROTECTION AND INNOVATION,	)	
	)	
11 Complainant,	)	ACCUSATION
	)	
12 v.	)	
	)	
13 CASTLE MORTGAGE CORPORATION,	)	
	)	
14 Respondent.	)	
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19 The Complainant, the Commissioner of Financial Protection and Innovation  
20 (Commissioner) is informed and believes, and based upon such information and belief, alleges and  
21 charges Respondent CASTLE MORTGAGE CORPORATION (Respondent) as follows:

22 **I.**

23 **Introduction**

24 1. The Commissioner is authorized to administer and enforce the provisions of the  
25 California Residential Mortgage Lending Act (Fin. Code, § 50000 et seq.) (CRMLA) and the rules  
26 and regulations promulgated thereunder.

27 2. Respondent is a residential mortgage Lender and Residential Mortgage Loan  
28 Servicer licensed by the Commissioner pursuant to the CRMLA. Respondent’s principal place of  
business is 19800 MacArthur Boulevard, Suite 500, Irvine, California 92612.



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(c) The commissioner may by rule require a higher bond amount for a licensee employing one or more mortgage loan originators, based on the dollar amount of residential mortgage loans originated by that licensee and any mortgage loan originators employed by that licensee. Every mortgage loan originator employed by the licensee shall be covered by the surety bond.

9. Financial Code section 50327 provides:

(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.

(b) The power of investigation and examination by the commissioner is not terminated by the denial, nonrenewal, surrender, suspension, or revocation of any license issued by him or her.

**III.**

**Conclusion**

The Commissioner finds that, by reason of the foregoing, Respondent has violated Financial Code section 50205, and based thereon, grounds exist to revoke Respondent’s residential mortgage Lender and Residential Mortgage Loan Servicer license.

WHEREFORE, IT IS PRAYED that Castle Mortgage Corporation’s residential mortgage lender and Residential Mortgage Loan Servicer license be revoked.

Dated: August 16, 2024,  
Sacramento, CA

Clothilde V. Hewlett  
Commissioner of Financial Protection and Innovation

By \_\_\_\_\_  
MEIRCEE BOULAHROUD  
Assistant Deputy Commissioner  
California Residential Mortgage Lending Act