

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 WAYNE STRUMPFER
Deputy Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
Lead Corporations Counsel
4 JENNIFER A. GRANAT (CA BAR NO. 199868)
Corporations Counsel
5 Department of Corporations
320 West 4th Street, Ste. 750
6 Los Angeles, California 90013-2344
Telephone: (213) 576-7518 Fax: (213) 576-7181

7 Attorneys for Complainant
8

9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11 In the Matter of the Accusation of THE) File No.: 413-0705
12 CALIFORNIA CORPORATIONS)
13 COMMISSIONER,) ORDER REVOKING RESIDENTIAL
) MORTGAGE LENDER LICENSE
14 Complainant,)
)
15 v.)
)
16 FMF CAPITAL LLC dba FMF LENDING and)
17 FMF DIRECT,)
)
18 Respondent.)

19 The California Corporations Commissioner finds:

20
21 1. FMF Capital LLC dba FMF Lending and FMF Direct (“Respondent”) is a residential
22 mortgage lender licensed by the Commissioner of Corporations of the State of California
23 (“Commissioner” or “Complainant”) pursuant to the California Residential Mortgage Lending Act
24 (“CRMLA”), California Financial Code section 50000 *et seq.* Respondent’s main office is located
25 at 25800 Northwestern Highway, Suite 500, Southfield, Michigan 48075.
26
27
28

1 2. Pursuant to California Financial Code sections 50307 and 50401¹, all licensees under
2 the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate
3 Amount of Loans Serviced (“Report”) on or before March 1 of each year for the preceding 12-month
4 period ended December 31. To date, Respondent has failed to submit the Report despite repeated,
5 written demand.

6
7 3. On or about January 19, 2007, a Report form was sent to all CRMLA licensees with a
8 notice that the Report was due on or before March 1, 2007.

9 4. On or about May 7, 2007, the Commissioner sent a letter to Respondent notifying
10 Respondent of its failure to file the Report, assessing a \$1,000 penalty pursuant to section 50326 and
11 demanding that the Report be filed no later than May 17, 2007. The letter notified Respondent that
12 failure to file the Report and/or pay the penalty by such date would result in an action to suspend or
13 revoke its license.

14
15 5. On or about June 27, 2007, another letter was sent to Respondent demanding that it
16 submit its Report and pay the assessed penalty on or before July 7, 2007, and notifying Respondent
17 that the failure to file the Report and/or pay the penalty by such date would result in an action to
18 suspend or revoke its license pursuant to section 50327.

19 6. To date, Respondent has failed to pay the penalty or file the Report as required by
20 sections 50307, 50326 and 50401.

21
22 7. Section 50205 requires all CRMLA licensees to maintain a surety bond in the
23 minimum amount of \$50,000.00. Respondent’s surety bond expired effective May 23, 2007, and no
24 replacement bond has been obtained.

25 8. On or about May 23, 2007, the Commissioner issued an Order to Discontinue
26 Residential Mortgage Lending and/or Servicing Activities Pursuant to Section 50319, California
27

28

¹ All references are to the California Financial Code unless otherwise noted.

1 Financial Code, based on Respondent’s failure to maintain the required surety bond. This Order
2 was served on Respondent on or about May 31, 2007. To date, Respondent has failed to obtain a
3 surety bond in violation of section 50205 and the Order remains in effect.

4
5 9. Section 50123 requires that prior to surrendering a license, a licensee must file a plan
6 for approval by the Commissioner. The plan must contain the licensee’s detailed proposal for
7 orderly closing out of the residential mortgage lending business. In addition, the Commissioner
8 must make a determination that there has been no violation of the CRMLA.

9
10 10. On or about March 7, 2007, Respondent notified the Commissioner by letter that it
11 intended to surrender its residential mortgage lender license. On or about March 19, 2007, the
12 Commissioner sent Respondent a written response outlining the requirements for surrender under
13 section 50123.

14
15 11. On or about May 11, 2007, Respondent sent a second letter to the Commissioner
16 regarding surrender of its license. This second letter failed to meet the requirements for surrender
17 under section 50123. On or about June 14, 2007, the Commissioner notified Respondent by letter
18 that the requirements for surrender had still not been met, and thus its surrender was not accepted.

19
20 12. Failure to file the Report, maintain a surety bond and/or pay assessed penalties
21 constitute grounds under California Financial Code section 50327 for the revocation of a license
22 issued under the CRMLA.

23
24 13. On September 14, 2007, the Commissioner issued a Notice of Intention to Issue
25 Order Revoking Residential Mortgage Lender License, Accusation and accompanying documents
26 against Respondent based on the foregoing. Respondent was served with those documents on
27 September 17, 2007 via certified mail, return-receipt requested, at its address of record on file with
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

the California Department of Corporations. The Department has received no request for a hearing from Respondent.

NOW THEREFORE, GOOD CAUSE APPEARING, it is hereby ordered that the residential mortgage lender license issued by the Commissioner to FMF Capital LLC dba FMF Lending and FMF Direct is hereby revoked. This Order is effective as of the date hereof. Pursuant to California Financial Code section 50311, FMF Capital LLC dba FMF Lending and FMF Direct has sixty (60) days within which to complete any loans for which it had commitments.

Dated: October 17, 2007
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
Alan S. Weinger
Lead Corporations Counsel
Enforcement Division