

1 MARY ANN SMITH
Deputy Commissioner
2 DEPARTMENT OF BUSINESS OVERSIGHT
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3 Los Angeles, California 90013
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Attorneys for the People of the State of California
5

6 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
7 OF THE STATE OF CALIFORNIA
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9 In the Matter of THE COMMISSIONER OF)
10 BUSINESS OVERSIGHT,)

FILE NO.: 413-1191

11 Complainant,)

12 vs.)

13 Security America Mortgage, Inc.,)

14 Respondent.)

ORDER TO DISCONTINUE
RESIDENTIAL MORTGAGE LENDING
AND/OR SERVICING ACTIVITIES
PURSUANT TO CALIFORNIA
FINANCIAL CODE SECTION 50319

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18 TO: Security America Mortgage, Inc.
19 7514 Shadyvilla Ln., Suite A
20 Houston, TX 77055

21 Security America Mortgage, Inc. has failed to comply with the bonding requirements under
22 California Financial Code section 50205 of the California Residential Mortgage Lending Act
23 (California Financial Code Section 50000 et seq.) in that effective November 20, 2014, bond number
24 1827237 issued by Great American Alliance Insurance Company in favor of Security America
25 Mortgage, Inc. expired and no replacement bond has been obtained.

26 Based on the foregoing, Respondent is conducting residential mortgage lending and/or
27 servicing business in violation of Section 50205 of the Financial Code and is conducting business in
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1 such an unsafe and injurious manner as to render further operations hazardous to the public or to
2 customers.

3 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING
4 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California
5 Financial Code, Security America Mortgage, Inc. immediately discontinue the disbursement, in
6 whole or in part, of trust funds held by the licensee and establish a separate trust account for all
7 subsequent trust funds received by the licensee.

8 THIS ORDER is to remain in full force and effect until further order of the Commissioner of
9 Business Oversight.

10 Section 50319 of the Financial Code provides:

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

(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).

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Dated: December 1, 2014
Effective: December 1, 2014
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
DIAUN M. BURNS
Special Administrator
California Residential Mortgage Lending Act
(213) 576-7620
FAX: (213) 576-7574