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

11 In the Matter of:)	CFL LICENSE NO.: 603D903
)	CRMLA LICENSE NO.: 4131268
12 THE COMMISSIONER OF BUSINESS)	STATEMENT OF FACTS IN SUPPORT OF
13 OVERSIGHT,)	ORDER TO DISCONTINUE VIOLATIONS
)	PURSUANT TO FINANCIAL CODE
14 Complainant,)	SECTION 50321 AND NOTICE OF INTENT
)	TO MAKE ORDER FINAL
15 v.)	
)	
16 PARAMOUNT RESIDENTIAL MORTGAGE)	
17 GROUP, INC.,)	
)	
18 Respondent.)	
19)	

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22 The Complainant, the Commissioner of Business Oversight (Commissioner) of the
23 Department of Business Oversight (Department), is informed and believes, and based upon such
24 information and belief, alleges and charges Paramount Residential Mortgage Group, Inc. (PRMG)
25 as follows:

26 1. PRMG is a residential mortgage lender and servicer licensed by the Commissioner
27 pursuant to the California Residential Mortgage Lending Act, commencing at Fin. Code § 50000 *et*
28 *seq.* (CRMLA).

1 2. PRMG is also a finance lender and broker licensed by the Commissioner pursuant to
2 the California Financing Law, commencing at Fin. Code § 22000 *et seq.* (CFL).

3 3. PRMG’s principal place of business is located at 1265 Corona Pointe Court, Suite
4 301, Corona, California 92879.

5 4. On or around April 16, 2018, the Commissioner commenced a regulatory
6 examination of the books and records of PRMG pursuant to Section 50302 of the CRMLA and
7 Section 22701 of the CFL (2018 Regulatory Exam).

8 5. The 2018 Regulatory Exam disclosed that in at least four out of 22 loan files
9 reviewed, PRMG stated recording fees at closing that exceeded the actual recording fees paid to
10 various counties recorders as shown on recorded documents and invoices, in violation of Financial
11 Code section 50204, subdivision (i).

12 6. The 2018 Regulatory Exam also disclosed that in at least 13 out of 17 loan files
13 reviewed, PRMG provided applicants a Fair Lending Notice that referred them to agencies other
14 than the Department if they had questions about their rights or wished to file a complaint, rather
15 than directing them solely to the Department, in violation of Financial Code section 50204,
16 subdivision (i), California Code of Regulations, title 21, section 7114, and Health and Safety Code
17 section 35830.

18 7. By reason of the foregoing, PRMG violated the following provisions of the
19 CRMLA:

- 20 a. Financial Code section 50204, subdivision (i);
- 21 b. California Code of Regulations, title 21, section 7114; and
- 22 c. Health and Safety Code section 35830.

23 8. Financial Code section 50321 provides:
24 If, after investigation, the commissioner has reasonable grounds to believe
25 that any licensee has violated its articles of incorporation or any law or
26 rule binding upon it, the commissioner shall, by written order addressed to
27 the licensee, direct the discontinuance of the violation. The order shall be
28 effective immediately, but shall not become final except in accordance
 with the provisions of Section 50323.

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9. 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 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.

WHEREFORE, good cause showing, the Commissioner is issuing an Order to Discontinue Violations Pursuant to Financial Code Section 50321 and notifying Paramount Residential Mortgage Group, Inc. of her intent to make the order final.

Dated: May 1, 2019
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
SOPHIA C. KIM
Senior Counsel
Enforcement Division