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ACMC was licensed with the DRE as a company mortgage loan originator, Nationwide Mortgage Licensing System and Registry ("NMLS"), ID No. 2225. ACMC's MLO endorsement expired on December 31, 2016.

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At all relevant times herein, BREWER was and is licensed by the DRE as a real estate broker, License No. 01172557.

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BREWER was licensed with the DRE as a company mortgage loan originator, NMLS ID No. 327032. BREWER's MLO endorsement expired on December 31, 2016.

6

At all relevant times herein, BREWER was the designated broker officer of ACMC. As designated broker officer, BREWER was responsible, pursuant to Section 10159.2 of the Code, for the supervision of the activities of officers, agents, real estate licensees and employees of ACMC, for which a real estate license was required, to ensure compliance of the corporation with the Real Estate Law and Regulations.

FIRST CAUSE OF ACTION

(As to ACMC)

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Each and every allegation contained above in Paragraphs 1 through 6, inclusive, is incorporated by this reference as if fully set forth herein.

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On or about April 5, 2019, the Department of Business Oversight ("DBO") filed an Accusation in Support of Order to Revoke Lender Licenses, File No. 410-0552, against ACMC's mortgage lender license and financial lender license.

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On or about May 9, 2019, after giving ACMC fair notice of the pending charges and being afforded the opportunity for a hearing and other due process protections, the DBO issued an Order Suspending Lender Licenses, wherein ACMC's mortgage lender license and finance lender license were revoked. The revocation was based upon the following findings: (a) ACMC failed to comply with the terms of a Consent Order, issued by the DBO Commissioner on November 26, 2018, with regard to the payment of penalties ordered therein; (b) ACMC commingled escrow funds in trust accounts with other assets; (c) ACMC failed to provide borrowers with a Fair Lending Notice identifying the DBO as the contact agency to file complaints or ask questions; (d) ACMC failed to file a timely 2017 annual report with the DBO; and (e) ACMC failed to file a timely audit financial statement with the DBO.

The revocation of ACMC's mortgage lender license and finance lender license was for acts that, if done by a real estate licensee, would be grounds for the suspension or revocation of a real estate license pursuant to Sections 10177(f) (license revoked by another agency for acts that, if done by a real estate licensee, would be grounds for the suspension or revocation of a real estate license) and 10177(g) (negligence and/or incompetence in performing act for which a license is required) of the Code.

SECOND CAUSE OF ACTION

(As to BREWER)

Each and every allegation contained above in Paragraphs 1 through 10, inclusive, is incorporated by this reference as if fully set forth herein.

As the designated broker officer of ACMC, BREWER was required to exercise reasonable supervision and control over the licensed activities of ACMC. BREWER failed to exercise reasonable supervision over the acts and/or omissions of ACMC in such a manner as to

1 allow the acts and/or omissions described above in Paragraphs 7 through 10 to occur, in  
2 violation of Section 10159.2 of the Code.

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4 The above acts and/or omissions of BREWER violate Section 2725 (broker  
5 supervision) of the Regulations and Section 10159.2 (responsibility of the designated officer to  
6 supervise) of the Code, and constitute grounds for disciplinary action under Sections 10177(d)  
7 (willful disregard or violation of the Real Estate Law), 10177(g) (negligence), and 10177(h)  
8 (broker supervision) of the Code

9 MATTERS IN AGGRAVATION

10 (Prior Discipline as to APMC)

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12 Each and every allegation set forth above in Paragraphs 1 through 13, inclusive, is  
13 incorporated by this reference as if fully set forth herein.

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15 On or about February 15, 2007, the Department of Corporations ("DOC") issued  
16 an Order to Discontinue Residential Mortgage Lending and/or Servicing Activities, File No. 413-  
17 0552, after it was determined that APMC failed to comply with the bonding requirement of the  
18 California Residential Mortgage Lending Act.

19 16

20 On or about August 2, 2007, the DOC issued an Order to Discontinue Violations,  
21 File No. 413-0552. Pursuant to California Code of Regulations, title 10, Section 1950.314.2.  
22 ("Regulations"), a residential mortgage lender licensed by the DOC must maintain current all  
23 general ledgers of the business and must reconcile the general ledger with the bank statements of  
24 the general account at least once a month. APMC failed to provide the DOC with current  
25 financial statements and bank reconciliations for nearly six months after an on-site regulatory  
26 examination of APMC's business records, which lead the DOC to conclude that APMC only

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1 prepared its general ledger, unaudited financial statements, and bank reconciliations on an annual  
2 basis.

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4 On or about November 5, 2008, the DOC issued an Order Summarily Revoking  
5 Residential Mortgage Lender and/or Servicer License, File No. 413-0552, which effectively  
6 revoked ACMC's mortgage lender license for its failure to pay assessment costs to the DOC.

7 18

8 On or about July 15, 2009, the DOC issued an Order to Discontinue Mortgage  
9 Lending and/or Servicing Activities, File No. 413-0552, after it was determined that ACMC  
10 failed to comply with the bonding requirement of the California Residential Mortgage Lending  
11 Act.

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13 On or about December 10, 2015, the DBO issued an Order of Forfeiture, File No.  
14 413-0552, ordering ACMC to pay a penalty of \$1,000 for ACMC's failure to provide a timely  
15 and complete report to the DBO pursuant to the requirements set forth in Financial Code Section  
16 50326.

17 20

18 On or about November 26, 2018, in lieu of an Accusation, ACMC entered into a  
19 Consent Order with the DBO, File No. 413-0552. The Consent Order was the result of a  
20 regulatory examination of ACMC's business records, which revealed that ACMC violated  
21 several provisions of the Financial Code and the Regulations, including the following  
22 violations: (a) ACMC commingled escrow funds in trust accounts with other assets; (b) ACMC  
23 failed to provide borrowers with a Fair Lending Notice identifying the DBO as the contact  
24 agency to file complaints or ask questions; (c) ACMC failed to file a timely 2017 annual report  
25 with the DBO; and (d) ACMC failed to file a timely audit financial statement with the DBO.  
26 The violations described above were repeat violations.

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1 COST RECOVERY

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3 Section 10106 of the Code provides, in pertinent part, that in any order issued in  
4 resolution of a disciplinary proceeding before the DRE, the Commissioner may request the  
5 Administrative Law Judge to direct a licensee found to have committed a violation of this part to  
6 pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

7 WHEREFORE, Complainant prays that a hearing be conducted on the  
8 allegations of this Accusation and that upon proof thereof, a decision be rendered revoking all  
9 licenses and license rights of Respondent under the Real Estate Law (Part 1 of Division 4 of the  
10 Business and Professions Code), for the cost of investigation and enforcement as permitted by  
11 law, and for such other and further relief as may be proper under other provisions of law.

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15 CHIKA SUNQUIST  
Supervising Special Investigator

16 Dated at Sacramento, California,

17 this 17<sup>th</sup> day of September, 2019.

18  
19 DISCOVERY DEMAND

20 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the DRE  
21 hereby makes demand for discovery pursuant to the guidelines set forth in the *Administrative*  
22 *Procedure Act*. Failure to provide Discovery to the DRE may result in the exclusion of witnesses  
23 and documents at the hearing or other sanctions that the Office of Administrative Hearings  
24 deems appropriate.