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10
11 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
12 OF THE STATE OF CALIFORNIA

13 In the Matter of:) CRMLA LICENSE NO.: 413-0488
14)
15 THE COMMISSIONER OF BUSINESS) ORDER REVOKING RESIDENTIAL
16 OVERSIGHT,) MORTGAGE LENDER AND LOAN
17 Complainant,) SERVICER LICENSE
18 v.)
19)
20 GFS CAPITAL HOLDINGS,)
21 Respondent.)
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1 The Commissioner of Business Oversight (“Commissioner”) finds:

2 1. Respondent GFS Capital Holdings (“GFS Capital” or “Respondent”) is a residential
3 mortgage lender and loan servicer licensed by the Commissioner under the California Residential
4 Mortgage Lending Act (“CRMLA”) (Fin. Code, § 50000 et seq.) since August 28, 2003.¹ Its
5 principal place of business is located at 6499 Havenwood Circle, Huntington Beach, California
6 92648.

7 2. On December 2, 2013, the Commissioner’s staff commenced a regulatory examination
8 of Respondent’s books and records (“2013 examination”) pertaining to business conducted under its
9 CRMLA license. The examination revealed several violations of the CRMLA, including its failure to
10 maintain its books and records in a manner that would enable the Commissioner to determine
11 whether the licensee was in compliance with the CRMLA and the rules and regulations promulgated
12 therein, specifically GFS failed to provide evidence of loan fund disbursement date for at least four
13 borrowers.

14 3. On June 10, 2015, GFS filed a request to surrender its CRMLA license through the
15 Nationwide Mortgage Licensing System (“NMLS”). That same day, the Department requested,
16 through NMLS, all items required in the Surrender Checklist which is located on the NMLS
17 Resource Center. Thereafter, GFS notified the Commissioner that it is no longer conducting
18 business. But to date, the company has not submitted the required information to complete the
19 surrender process, including filing its closing audit. Consequently, the Commissioner cannot accept
20 surrender of GFS Capital’s license.

21 5. In addition to the noted violations discovered during the 2013 examination, GFS also
22 violated the CRMLA by failing to file its audited financial statements for its fiscal year ended
23 December 31, 2014 as required by Financial Code section 50200 and title 10 of the California Code of
24 Regulations (“CCR”) section 1950.200. GFS had to file the audited financial statements by April 15,
25 2015. A written reminder was sent to GFS on December 16, 2014, to either file the audited financial
26 statements with the Department or upload the audited financial statements onto NMLS. GFS was

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28 ¹ The Commissioner initially issued the CRMLA license to Greenlight Financial Services. On September 11, 2013, the
Commissioner issued an order approving the licensee’s name change to GFS Capital Holdings.

1 again reminded of the requirement to file its 2015 audited financial statements by email on April 26,
2 2016, May 6, 2016 and again on June 27, 2016. GFS Capital has yet to file its audited financial
3 statements for its fiscal year ended December 31, 2014.

4 6. GFS Capital has also failed to file its audited financial statements for its fiscal year
5 ended December 31, 2015 as required by Financial Code section 50200 and CCR section 1950.200.
6 The Commissioner has provided notice to GFS that the audited financial statements for 2015 were
7 due on April 15, 2016. A written notice to GFS by email was sent on April 16, 2016, on May 6, 2016
8 and again on June 27, 2016. GFS Capital has yet to file its audited financial statements for its fiscal
9 year ended December 31, 2015.

10 7. Failure to file audited financial statements is a ground under Financial Code 50327 to
11 revoke GFS Capital’s license issued under the CRMLA. In addition, GFS Capital’s failure to provide
12 the Commissioner with evidence of loan fund disbursement date for at least four borrowers is also
13 ground to revoke its license under Financial Code section 50314 and CCR section 1950.314.2.

14 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
15 mortgage lender and servicer license issued by the Commissioner to GFS Capital Holdings is hereby
16 revoked. This order is effective as of the date hereof.

17 Dated: 8/26/16

JAN LYNN OWEN
Commissioner of Business Oversight

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20 By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division