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7 Attorneys for Complainant

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

10  
11 In the Matter of: ) CRMLA License No.: 413-1002  
 )  
12 THE COMMISSIONER OF BUSINESS ) CFLL License Nos.: 603-K495 & 603-K966  
13 OVERSIGHT, )  
 ) ACCUSATION  
14 Complainant, )  
 )  
15 vs. )  
 )  
16 W. J. BRADLEY MORTGAGE CAPITAL, )  
17 LLC, )  
 )  
18 Respondent. )  
19 )

20 The Complainant is informed and believes, and based upon such information and belief,  
21 alleges and charges Respondent as follows:

22 I

23 **Introduction**

24 1. W. J. Bradley Mortgage Capital, LLC (“WJ Bradley”) is a residential mortgage  
25 lender and servicer licensed by the Commissioner of Business Oversight ("Commissioner" or  
26 "Complainant") pursuant to the California Residential Mortgage Lending Act ("CRMLA") (Fin.  
27 Code §50000 et seq.). WJ Bradley has its principal place of business located at 6465 Greenwood  
28 Plaza Boulevard, Suite 500, Centennial, Colorado 80111. WJ Bradley currently has 28 branch office

1 locations under its CRMLA license located in California and elsewhere. WJ Bradley employs  
2 mortgage loan originators in its CRMLA business.

3 2. WJ Bradley is also licensed by the Commissioner as a finance lender pursuant to the  
4 California Finance Lenders Law ("CFL") (Financial Code Section 22000 et seq.). WJ Bradley has  
5 its principal place of business under the CFL also located at 6465 Greenwood Plaza Boulevard,  
6 Suite 500, Centennial, Colorado 80111. WJ Bradley has one other license under the CFL located  
7 at 100 West Towne Ridge Parkway, Suite 300, Sandy, Utah 84070.

8 **II**

9 **CRMLA Violations**

10 3. On or about April 8, 2013, the Commissioner, by and through staff, commenced a  
11 regulatory examination of the books and records of WJ Bradley under the CRMLA ("2013  
12 regulatory examination"). The 2013 regulatory examination disclosed that in 7 of the 32 funded  
13 loans reviewed, or approximately 22%, WJ Bradley was charging the borrower per diem interest in  
14 excess of one day prior to the disbursement of loan proceeds in violation of Financial Code section  
15 50204, subdivision (o). The per diem interest overcharges averaged \$72.87 per loan. The range of  
16 per diem interest overcharges was between \$40.97 and \$162.49. The range of days that interest was  
17 overcharged was between 2 and 3.

18 4. On or about June 3, 2014, the Commissioner, based upon the findings of the 2013  
19 regulatory examination, directed WJ Bradley, pursuant to Financial Code section 50307, subdivision  
20 (b), to conduct a self-audit regarding per diem interest charges for all loans originated from October  
21 20, 2010 through June 3, 2014; make appropriate refunds; and submit a report as to the findings of  
22 the self-audit ("self-audit report"). The self-audit report was to include at a minimum the loan  
23 number; borrower's name; loan amount; interest rate; date funds were disbursed by the settlement  
24 agent; the date per diem interest commenced; per diem interest overcharged; and the date refunded.

25 5. On or about August 29, 2014, WJ Bradley submitted its self-audit report to the  
26 Commissioner in PDF format. Upon request, WJ Bradley re-submitted the self-audit report to the  
27 Commissioner in Excel format. The self-audit report filed with the Commissioner disclosed 3,320  
28 per diem interest overcharges.



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**IV**

**Suspension and Penalty Statutes**

- 9. Financial Code section 50327 provides in pertinent part:
  - (a) The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license, if the commissioner finds that:
    - (1) the licensee has violated any provision of this division or rule or order of the commissioner thereunder; or (2) any fact or condition exists that, if it had existed at the time of the original application for license, reasonably would have warranted the commissioner in refusing to issue the license originally.
  
- 10. Financial Code section 50513 provides in pertinent part:
  - (a) The commissioner may do one or more of the following:
    - (4) Impose fines on a mortgage loan originator or any residential mortgage lender or servicer licensee employing a mortgage loan originator pursuant to subdivisions (b), (c), and (d).
    - (b) The commissioner may impose a civil penalty on a mortgage loan originator or any residential mortgage lender or servicer licensee employing a mortgage loan originator, if the commissioner finds, on the record after notice and opportunity for hearing, that the mortgage loan originator or any residential mortgage lender or servicer licensee employing a mortgage loan originator has violated or failed to comply with any requirement of this division or any regulation prescribed by the commissioner under this division or order issued under authority of this division.
    - (c) The maximum amount of penalty for each act or omission described in subdivision (b) shall be twenty-five thousand dollars (\$25,000).
    - (d) Each violation or failure to comply with any directive or order of the commissioner is a separate and distinct violation or failure.

**IV**

**Conclusion**

11. The Commissioner finds that, by reason of the foregoing, WJ Bradley has violated Financial Code sections 50204, subdivision (o), and 50307, subdivision (b), and a fact or condition now exists, that if it had existed at the time of original licensure under the CFLL, reasonably would have warranted the Commissioner in refusing to issue the CFLL license, and based thereon, grounds

1 exist to (i) suspend the residential mortgage lender and loan servicer licenses and the finance lender  
2 licenses of WJ Bradley, and (ii) assess penalties against WJ Bradley pursuant to Financial Code  
3 section 50513, subdivision (b).

4 **V**

5 **Prayer**

6 WHEREFORE, IT IS PRAYED that:

- 7 1. Pursuant to Financial Code section 50327, the residential mortgage lender and  
8 servicer licenses of WJ Bradley be suspended for a period of up to 12 months;
- 9 2. Pursuant to Financial Code section 22714, the finance lender licenses of WJ Bradley  
10 be suspended for a period of up to 12 months;
- 11 3. Pursuant to the Financial Code section 50513, subdivision (b), penalties be levied  
12 against WJ Bradley for at least 3,324 violations of Financial Code sections 50504, subdivision (o),  
13 overcharging per diem interest, according to proof, but in an amount of at least \$1,000.00 per  
14 violation; and
- 15 4. Pursuant to the Financial Code section 50513, subdivision (b), a penalty be levied  
16 against WJ Bradley for failure to submit a special report, in violation of Financial Code section  
17 50307, subdivision (b), according to proof, but in an amount of at least \$25,000.00.

18 Dated: February 4, 2016  
19 Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

20 By \_\_\_\_\_  
21 Judy L. Hartley  
22 Senior Counsel  
23 Enforcement Division  
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