

1 PRESTON DUFAUCHARD
California Corporations Commissioner
2 ALAN S. WEINGER
Deputy Commissioner
3 MARISA I. URTEAGA-WATKINS (SBN236398)
Corporations Counsel
4 1515 K Street, Suite 200
5 Sacramento, California 95814
6 Telephone: (916) 445-9626
7 Fax: (916) 445-6985
Attorneys for Complainant

8
9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA

11
12 THE CALIFORNIA CORPORATIONS) File No.: 413-0140
COMMISSIONER,)
13)
Complainant,) **ORDER REVOKING RESIDENTIAL**
14) **MORTGAGE LENDER AND MORTGAGE**
v.) **SERVICER LICENSE**
15)
16 NOVASTAR MORTGAGE, INC.)
Respondent.)

18
19 The California Corporations Commissioner finds:

- 20 1. Respondent NOVASTAR MORTGAGE, INC. ("Novastar") is a residential mortgage
21 lender and mortgage loan servicer licensed by the Commissioner pursuant to the California
22 Residential Mortgage Lending Act (California Financial Code, § 50000 *et seq.*) ("CRMLA").
23 Novastar has its principal place of business located at 8140 Ward Parkway, Kansas City, MO 64114.
24 2. Pursuant to California Financial Code section 50200, all licensees under the CRMLA
25 are required to file audited financial statements ("Audited Report") with the Commissioner. Novastar
26 was required to submit its Audited Report for its fiscal year ending December 31, 2007 to the
27 Commissioner.

1 3. On or about December 17, 2007 and June 4, 2008, notices were issued to Novastar
2 reminding Novastar that its Audited Report was due to be filed with the Commissioner on or before
3 April 15, 2008. Novastar did not submit the Audited Report to the Commissioner, despite these
4 reminder notices.

5 4. On or about August 1, 2008, the Commissioner assessed a penalty of \$1000.00 for
6 failure to submit the Audited Report pursuant to California Financial Code section 50326.

7 5. To date, Novastar has not submitted the Audited Report to the Commissioner and paid
8 the assessed penalty.

9 6. Failure to file the Audited Report and/or pay assessed penalties are grounds under
10 California Financial Code section 50327 for the revocation of a license issued under the CRMLA.

11 7. On May 6, 2009, the Commissioner issued a Notice of Intention to Issue Order
12 Revoking Residential Mortgage Lender License, Accusation and accompanying documents against
13 Novastar based upon the above, and Novastar was served with those documents via certified mail,
14 return receipt requested, at its licensed location on file with the California Department of
15 Corporations. The Department has not received a request for hearing from Novastar and the time to
16 request a hearing has expired.

17 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
18 mortgage lender and mortgage servicer license issued by the Commissioner to Novastar Mortgage,
19 Inc., is hereby revoked. This order is effective as of the date hereof. Pursuant to California Financial
20 Code section 50311, Novastar Mortgage, Inc., has sixty (60) days within which to complete any loans
21 for which it had commitments.

22 DATED: June 15, 2009
23 Sacramento, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

24
25
26 By _____
27 Alan S. Weinger
28 Deputy Commissioner