

1 PRESTON DUFAUCHARD  
2 CALIFORNIA CORPORATIONS COMMISSIONER  
3 ALAN S. WEINGER (CA BAR NO. 86717)  
4 SUPERVISING COUNSEL  
5 320 WEST 4<sup>th</sup> Street, Ste. 750  
6 LOS ANGELES, CALIFORNIA 90013-1105

7 Attorneys for Complainant

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BEFORE THE DEPARTMENT OF CORPORATIONS  
OF THE STATE OF CALIFORNIA

In the Matter of the Order of THE ) File No. 413 0847  
COMMISSIONER OF CORPORATIONS )  
OF THE STATE OF CALIFORNIA, )  
Complainant, )  
vs. )  
FREEWILL FINANCIAL, CUSTOMER )  
FIRST FINANCIAL, SMART CHOICE )  
DIRECT LENDING, NATIONAL )  
PREMIER CAPITAL, HOME BUYER )  
FUNDING (FREEWILL FINANCIAL )  
CORPORATION, DBA), )

Respondent.

ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING  
AND/OR SERVICING ACTIVITIES PURSUANT TO  
SECTION 50319, CALIFORNIA FINANCIAL CODE

TO: FREEWILL FINANCIAL, CUSTOMER FIRST FINANCIAL, SMART CHOICE  
DIRECT LENDING, NATIONAL PREMIER CAPITAL, HOME BUYER FUNDING  
(FREEWILL FINANCIAL CORPORATION, DBA)  
18301 VON KARMAN AVENUE, SUITE 900  
IRVINE, CA 92612

THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA  
FINDS THAT:

1           FREEWILL FINANCIAL, CUSTOMER FIRST FINANCIAL, SMART CHOICE  
2 DIRECT LENDING, NATIONAL PREMIER CAPITAL, HOME BUYER FUNDING  
3 (FREEWILL FINANCIAL CORPORATION, DBA) has failed to comply with the bonding  
4 requirements of the California Residential Mortgage Lending Act (California Financial Code  
5 Section 50000 et seq.) in that effective February 16, 2008 Bond No. 14BSBEE4518 issued by  
6 HARTFORD FIRE INSURANCE COMPANY in favor of FREEWILL FINANCIAL  
7 CORPORATION expired and no replacement bond has been obtained.  
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10           Based on the foregoing, Respondent is conducting residential mortgage lending  
11 and/or servicing business in violation of Section 50205 of the Financial Code and is conducting  
12 business in such an unsafe and injurious manner as to render further operations hazardous to the  
13 public or to customers.

14           NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING  
15 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California  
16 Financial Code, FREEWILL FINANCIAL, CUSTOMER FIRST FINANCIAL, SMART CHOICE  
17 DIRECT LENDING, NATIONAL PREMIER CAPITAL, HOME BUYER FUNDING  
18 (FREEWILL FINANCIAL CORPORATION, DBA) immediately discontinue the disbursement, in  
19 whole or in part, of trust funds held by the licensee and establish a separate trust account for all  
20 subsequent trust funds received by the licensee.  
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22           THIS ORDER is to remain in full force and effect until further order of the Commissioner.

23           Section 50319 of the Financial Code provides as follows:

24           (a) If the commissioner, as a result of any examination or from any report  
25 made to him or her, shall find that any person subject to this division is in an  
26 insolvent condition, is conducting business in an unsafe or injurious manner that  
27 renders further operations hazardous to the public or to customers, has failed to  
28 comply with the provision of Section 50317, has permitted its tangible net worth to  
be lower than the minimum required by law, or has failed to comply with the  
bonding requirements of Section 50205, the commissioner may, by an order  
addressed to and served by registered or certified mail, or by personal service on that  
person, and on any other person having in his or her possession or control any trust  
funds or other property deposited in escrow with that person, direct discontinuance

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of the disbursement, in whole or in part, of trust funds held by the licensee and order the establishment of a separate trust account for all subsequent trust funds received by the licensee. No person having in his or her possession any of these funds or documents shall be liable for failure to comply with the order unless he or she has received written notice of the order. Subject to subdivision (b), the order shall remain in effect until set aside by the commissioner, or the person has been adjudged bankrupt.

(b) Within 15 days from the date of an order pursuant to subdivision (a), the person may request a hearing under the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 2 of Division 3 of Title 2 of the Government Code). Upon receiving a request, the matter shall be set for hearing to commence within 30 days after the receipt unless the person subject to this division consents to a later date. If no hearing is requested within 15 days after the mailing or service of the notice and none is ordered by the commissioner, the failure to request a hearing shall constitute a waiver of the right to a hearing. Neither the request for a hearing nor the hearing itself shall stay the order issued by the commissioner under subdivision (a).

DATED: February 19, 2008  
Los Angeles, California

Preston DuFauchard  
California Corporations Commissioner

By \_\_\_\_\_  
DiAun M. Burns  
Special Administrator  
California Residential Mortgage Lending Act