

**ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

In the Matter of the Mortgage Banker License  
of:

No. 08F-BD0048-SBD

**NEW WORLD MORTGAGE, INC. AND  
FRANCIS T. LEONARD, PRESIDENT  
AND CEO**

**CONSENT ORDER**

41655 Date Street, Suite 200  
Murietta, CA 92562

Respondents.

On December 20, 2007, the Arizona Department of Financial Institutions ("Department") issued an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent To Entry of Order, alleging that Respondents had violated Arizona law. Wishing to resolve this matter in lieu of an Administrative Hearing, Respondents consent to the following Findings of Fact and Conclusions of Law, and consent to the entry of the following Order.

**FINDINGS OF FACT**

1. Respondent New World Mortgage, Inc. ("New World Mortgage") is a California corporation authorized to transact business in Arizona as a mortgage banker, license number BK-0907348, within the meaning of A.R.S. §§ 6-941 *et seq.* The nature of New World Mortgage's business is that of making, negotiating, or offering to make or negotiate a mortgage banking loan or a mortgage loan secured by Arizona real property, within the meaning of A.R.S. § 6-941(5).
2. Respondent Francis T. Leonard ("Mr. Leonard") is the President and CEO of New World Mortgage, and is authorized to transact business in Arizona as a mortgage banker within the meaning of A.R.S. § 6-941(5), as outlined within A.R.S. § 6-943(F).
3. The following three (3) consumer complaints examined by the Department revealed that New World Mortgage and Mr. Leonard:
  - a. Failed to provide appropriate records, documents, information, and reports to the Superintendent; specifically:
    - i. Complaint ###4011962—Aaron Thomas. On May 7, 2007, the Department

1 received a consumer complaint from Aaron Thomas ("Mr. Thomas"),  
2 regarding failed attempts to obtain payment of an invoice from New World  
3 Mortgage for an appraisal work performed. On May 10, 2007, the  
4 Department sent a letter and the complaint to New World Mortgage,  
5 addressed to the attention of Randy L. Howell, 222 W. Pinnacle Peak Road,  
6 Suite 140, Phoenix, Arizona 85027, requesting a response to Mr. Thomas'  
7 complaint within ten (10) days. To date, New World Mortgage has not  
8 responded to the Department's request for information;

9 ii. Complaint ##4012046—Andrea Smith. On May 23, 2007, the Department  
10 received a consumer complaint from Andrea Smith ("Ms. Smith"), regarding  
11 failed attempts to obtain payment of an invoice from New World Mortgage  
12 for an appraisal work performed. On May 29, 2007, the Department sent a  
13 letter and the complaint to New World Mortgage, addressed to the attention of  
14 Randy L. Howell, 222 W. Pinnacle Peak Road, Suite 140, Phoenix, Arizona  
15 85027, requesting a response to Ms. Smith's complaint within ten (10) days.  
16 On July 5, 2007, the Department sent a follow-up letter with copies of the  
17 previous letter and the complaint, via facsimile, to New World Mortgage, to  
18 the attention of Tyler Waylett, Compliance, 41655 Date Street, Suite 200,  
19 Murietta, California 92562, fax number 951-252-8522, requesting a response  
20 to Ms. Smith's complaint. To date, New World Mortgage has not responded  
21 to the Department's requests for information;

22 iii. Complaint #4012349—Justin Schubel. On July 23, 2007, the Department  
23 received a consumer complaint referred from the Department from the  
24 California Department of Corporations, which they received from Justin  
25 Schubel ("Mr. Schubel"), regarding failed attempts to obtain payment of two  
26 invoices from New World Mortgage for appraisal work performed. On

1 July 31, 2007, the Department sent a letter and the complaint to New World  
2 Mortgage, addressed to the attention of Richard Thompson, Phoenix, Arizona  
3 85000, requesting a response to Mr. Schubel's complaint within ten (10) days.  
4 On July 31, 2007, the Department also sent a letter to Mr. Schubel, informing  
5 him that his complaint had been processed. On August 4, 2007, the  
6 Department received an e-mail message from Mr. Schubel, submitting  
7 additional information regarding his complaint against New World Mortgage.  
8 On August 21, 2007, the Department sent a follow-up letter with copies of the  
9 previous letter and the complaint, via facsimile, to New World Mortgage, to  
10 the attention of Francis T. Leonard, President/CEO, 27455 Tierra Alta Way,  
11 2nd floor, Temecula, CA 92590, fax number 951-252-8520, requesting a  
12 response to Mr. Schubel's complaint. To date, New World Mortgage has not  
13 responded to the Department's requests for information; and

14 b. Respondents have failed to maintain a principal place of business in Arizona.

15 4. These Findings of Fact shall also serve as Conclusions of Law.

#### 16 CONCLUSIONS OF LAW

17 1. Pursuant to A.R.S. §§ 6-941, *et seq.*, the Superintendent has the authority and duty to  
18 regulate all persons engaged in the mortgage banker business and with the enforcement of statutes,  
19 rules, and regulations relating to mortgage bankers.

20 2. By the conduct set forth above, New World Mortgage and Mr. Leonard violated the  
21 following:

- 22 a. A.R.S. § 6-123(3) by failing to respond to the Superintendent and failing to provide  
23 records as requested in connection with three (3) separate investigations; and  
24 b. A.R.S. § 6-943(F) by failing to maintain a place of business in Arizona.  
25  
26

1 3. The violations, set forth above, constitute grounds for: (1) the issuance of an order  
2 pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the violative conduct and  
3 to take the appropriate affirmative actions, within a reasonable period of time prescribed by the  
4 Superintendent, to correct the conditions resulting from the unlawful acts, practices, and  
5 transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the  
6 suspension or revocation of Respondents' license pursuant to A.R.S. § 6-945; and (4) an order or any  
7 other remedy necessary or proper for the enforcement of statutes and rules regulating mortgage  
8 bankers pursuant to A.R.S. §§ 6-123 and 6-131.

9 **ORDER**

10 1. New World Mortgage and Mr. Leonard shall immediately stop the violations set forth in  
11 the Findings of Fact and Conclusions of Law.

12 2. New World Mortgage and Mr. Leonard shall provide written responses and appropriate  
13 records, documents, information and reports to the Superintendent.

14 3. New World Mortgage and Mr. Leonard shall resolve the complaints the subject of this  
15 Consent Order.

16 4. New World Mortgage and Mr. Leonard shall immediately pay to the Department a civil  
17 money penalty in the amount of **two thousand dollars (\$2,000.00)**. New World Mortgage and Mr.  
18 Leonard are jointly and severally liable for payment of the civil money penalty.

19 5. The provisions of this Order shall be binding upon Respondents, their employes, agents,  
20 and other persons participating in the conduct of the affairs of Respondents.

21 6. This Order shall become effective upon service, and shall remain effective and  
22 enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated,  
23 or set aside.

SO ORDERED this 20 day of February, 2008.

Felecia A. Rotellini  
Superintendent of Financial Institutions

By Robert D. Charlton  
Robert D. Charlton  
Assistant Superintendent of Financial Institutions

**CONSENT TO ENTRY OF ORDER**

1. Respondents acknowledge that they have been served with a copy of the foregoing Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the same, are aware of their right to an administrative hearing in this matter, and have waived the same.

2. Respondents admit the jurisdiction of the Superintendent and consent to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.

3. Respondents state that no promise of any kind or nature has been made to induce them to consent to the entry of this Order, and that they have done so voluntarily.

4. Respondents agree to cease from engaging in the violative conduct set forth above in the Findings of Fact and Conclusions of Law.

5. Respondents acknowledge that the acceptance of this Agreement by the Superintendent is solely to settle this matter and does not preclude this Department, any other agency or officer of this state or subdivision thereof from instituting other proceedings as may be appropriate now or in the future.

6. Francis T. Leonard, on behalf of New World Mortgage, Inc. and himself, represents that he is the President and CEO, and that, as such, has been authorized by New World Mortgage, Inc. to consent to the entry of this Order on its behalf.

7. Respondents waive all rights to seek judicial review or otherwise to challenge or contest the validity of this Cease and Desist Order.

1 DATED this 15<sup>th</sup> day of February, 2008.

2 By   
3 Francis T. Leonard, President and CEO  
4 New World Mortgage, Inc.

5 ORIGINAL of the foregoing filed this 20  
6 day of February, 2008, in the office of:

7 Felecia A. Rotellini  
8 Superintendent of Financial Institutions  
9 Arizona Department of Financial Institutions  
ATTN: Susan L. Longo  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

10 COPY mailed same date to:

11 Craig A. Raby, Assistant Attorney General  
12 Office of the Attorney General  
1275 West Washington  
Phocnix, AZ 85007


13 Richard Fergus, Division Manager  
14 Richard Traveler, Senior Examiner  
15 Arizona Department of Financial Institutions  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

16 AND COPY MAILED SAME DATE by  
17 Certified Mail, Return Receipt Requested, to:

18 Francis T. Leonard, President and CEO  
19 New World Mortgage, Inc.  
41655 Date Street, Suite 200  
Murieta, CA 92562  
20 Respondents

21 Tyler Waylett  
22 New World Mortgage, Inc.  
41655 Date Street, Suite 200  
Murieta, CA 92562

23 Laurence Miscall, Jr., Esq.  
24 Law Offices of Laurence Miscall, Jr.  
3634 Genista Place  
25 Fallbrook, CA 92028  
General Counsl for New World Mortgage

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147261; PHX-AGN-2007-0288