State of California – Department of Corporations

STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

TO: COAST TO COAST MORTGAGE FINANCIAL, INC.
5777 W. Century Blvd., Ste. 1225
Los Angeles, California 90045

DESIST AND REFRAIN ORDER
(For violations of the California Finance Lenders Law)

The California Corporations Commissioner finds that:

1. The Department of Corporations, through the California Corporations Commissioner ("Commissioner"), is vested with the authority to license and regulate finance lenders and brokers in the State of California pursuant to the California Finance Lenders Law (California Financial Code §§ 22000 et. seq., hereinafter "CFLL").

2. Coast to Coast Mortgage Financial, Inc. ("Coast to Coast") has been licensed by the Commissioner since on or about October 12, 2005 to engage in the business of a broker; file number 603-C075. Coast to Coast is located at 5777 W. Century Boulevard, Suite 1225, Los Angeles, California 90045.

3. On or about November 5, 2009, Coast to Coast engaged in false and misleading advertising in violation of Financial Code section 22161 and California Code of Regulations, Title 10, Section 1436(e) by placing an advertisement for non-traditional loans in the Los Angeles Times, which advertisement (i) failed to state that the monthly payment amounts for the six loan amounts listed in the advertisement represented only the interest portion of the payment for the first ten years, (ii) failed to state what the monthly payment would be for the remaining twenty years of the loan, (iii) failed to state what the monthly principal and interest payment would be if the interest only option was not chosen, and (iv) represented that the "loan has been submitted, reviewed and non-disapproved by the Department of Corporations.".

4. Coast to Coast also violated California Code of Regulations, title 10, section 1550, subsection (b) by failing to submit the above-described advertisement to the Commissioner for

examination and written non-disapproval prior to its use.

5. On or about July 31, 2009, Coast to Coast submitted to the Department for examination and prior written non-disapproval as required by California Code of Regulations, title 10, section 1550, subsection (b), the advertisement described in paragraph 3 above without the statement that the "loan has been submitted, reviewed and non-disapproved by the Department of Corporations." On or about October 23, 2009, Coast to Coast was notified in writing by the Department that the subject advertisement was disapproved and the reasons therefore.

6. Thereafter, on or about November 5, 2009, Coast to Coast ran the disapproved advertisement in the Los Angeles Times with the additional language that the "loan has been submitted, reviewed and non-disapproved by the Department of Corporations", which representation was not only false, but in direct violation of Financial Code section 22161(b), which prohibits any statement or representation that refers to the supervision of the business of the licensee by the State or any Department or official of the State.

7. NOW, BASED UPON THE FOREGOING, IT IS HEREBY ORDERED, under the provisions of California Financial Code section 22712 that Coast to Coast Mortgage Financial, Inc. and any and all officers, directors, employees, independent contractors, or agents operating on behalf of Coast to Coast Mortgage Financial, Inc. and their successors or assigns immediately desist and refrain from (i) engaging in any false, deceptive and/or misleading advertising, including the advertising described herein, and (ii) using any advertisement prior to its submission to the Commissioner for examination and receipt of written non-disapproval. This Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Finance Lenders Law.

THIS ORDER shall remain in full force and effect until further order of the Commissioner.

Dated: December 15, 2009
Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By_____
Alan S. Weinger
Deputy Commissioner

State of California – Department of Corporations