PRESTON DuFAUCHARD
California Corporations Commissioner
ALAN S. WEINGER
Deputy Commissioner
JOHN R. DREWS (69595)
Corporations Counsel
One Sansome Street, Suite 600
San Francisco, CA 94104-4428
Tel: (415) 972-8570
Fax: (415) 972-8550

Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Statement of Issues of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. TITAN HOME LOANS, SECURITYONE HOME LOANS, (CSW FINANCIAL LLC DBA), Respondents.	File No. 413-0878 ACCUSATION

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

I.

Respondents Titan Home Loans, SecurityOne Home Loans (CSW Financial LLC DBA) (hereinafter "CSW Financial") is a residential mortgage lender licensed by the California Corporations Commissioner ("Commissioner") pursuant to the California Residential Mortgage

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Lending Act (California Financial Code section 50000 et seq.) ("CRMLA"). CSW Financial has its principal place of business located at 592 California Ave., Reno, NV 89509.

II.

Pursuant to California Financial Code section 50200, CSW Financial was required to submit its audited financial statement ("audit report") for its fiscal year ending December 31, 2010. CSW Financial has yet to file its 2010 report with the Commissioner despite reminders.

On or about December 9, 2010 the Commissioner notified CSW Financial in writing that its 2010 audit report was due April 15, 2011. CSW Financial failed to submit the 2010 audit report by April 15, 2011.

On or about May 31, 2011 a second letter was sent to CSW Financial demanding the audit report be filed no later than July 10, 2011 and a warning that failure to file the audit report might result in a fine pursuant to Financial Code section 50326. CSW Financial has yet to submit the audit report.

III.

Pursuant to California Financial Code section 50307 and 50401, all licensees under the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate Amount of Loans Service ("Report") on or before March 1 of each year for the preceding 12-month period ending December 31st. For the same period licensees are also required to file a Report on Non-traditional Adjustable Rate and Mortgage Loan Products ("Non-traditional report") and a Non-traditional Adjustable Rate and Mortgage Loan Survey ("Survey").

The 2010 Report, Non-traditional Report and Survey were sent to all licensees on or about January 24, 2011. Instructions for the licensees were also sent on the same date. CSW Financial failed to submit any of the completed reports by the due date of March 1, 2011.

On June 17, 2011 a penalty of $1000 was assessed against CSW Financial pursuant to Financial Code section 50326 for failing to file any of the above-noted three reports. CSW Financial was also notified that failure to respond and/or pay the penalty by June 27, 2011 would result in an action to either suspend or revoke the license. To this date, no reports have been filed with the Commissioner and the penalty has not been paid, in violation of California Financial Code sections

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50307, 50401 and 50326.

IV.

California Financial Code section 50326 provides in pertinent part as follows:

> If any licensee fails to do any of the following, the licensee shall forfeit to the people of the state a sum of up to one hundred dollars ($100) for every day up to the tenth day: (a) to make any report required by law or by the commissioner within 10 days from the day designated for the making of the report, or within any extension of time granted by the commissioner…Thereafter, any failure shall constitute grounds for the suspension or revocation of the license held by the residential mortgage lender or residential mortgage lender servicer.

California 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.

V.

On May 9, 2011 the Commissioner issued an ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE LENDING AND/OR SERVICING ACTIVITIES PURSUANT TO SECTION 50319, CALIFORNIA FINANCIAL CODE. The purpose of the Order was to prohibit CSW Financial from continuing the disbursement in whole or in part of any trust funds held by the licensee and to establish a separate trust account for all subsequent trust funds received by the licensee. The basis of the Order was that effective May 8, 2011 the bond issued to CSW Financial by the Hartford Fire Insurance Co. (No. 83BSBE13107) had expired and no replacement bond had been obtained. The Commissioner determined that CSW Financial was conducting business in such an unsafe and injurious manner as to render further operations hazardous to the public or to customers, in violation of California Financial Code section 50319.

Further, by allowing the bond to terminate without a replacement bond in effect CSW Financial violated California Financial Code section 50205.

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California Financial Code section 50205 provides in pertinent part:

> (b) When an action is commenced on a licensee's bond, the commissioner may require the filing of a new bond. Immediately upon the recovery of an action on the bond, the licensee shall file a new bond. Failure to file a new bond within 10 days of the recovery on a bond, or within 10 days after notification by the commissioner that a new bond is required constitutes sufficient grounds for the suspension or revocation of the license.

VI.

The Commissioner finds that by reason of the foregoing, CSW Financial has violated California Financial Code sections 50200, 50205, 50319, 50326 and 50401 and based thereon grounds exist to revoke the residential mortgage lender license of CSW Financial.

WHEREFORE, IT IS PRAYED that the residential mortgage lender and loan servicer license of TITAN HOME LOANS, SECURITYONE HOME LOANS, (CSW FINANCIAL LLC DBA) be revoked.

Dated: September 13, 2011
San Francisco, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

By _____
JOHN R. DREWS
Corporations Counsel
Enforcement Division

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