

1 PRESTON DUFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Acting Deputy Commissioner  
3 JOHNNY VUONG (BAR NO. 249570)  
Corporations Counsel  
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6 Attorneys for Complainant

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

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In the Matter of the Accusation of THE ) File No.: 413-0744  
11 CALIFORNIA CORPORATIONS )  
COMMISSIONER, )

12

Complainant, )

13

) **ACCUSATION**

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v. )

15

IZT MORTGAGE, INC., )

16

Respondent. )

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

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**I.**

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Respondent IZT Mortgage, Inc., ("IZT") is a residential mortgage lender and servicer licensed  
23 by the California Corporations Commissioner ("Commissioner") pursuant to the California  
24 Residential Mortgage Lending Act (California Financial Code, § 50000 et seq.) ("CRMLA"). IZT  
25 has its principal place of business located at 74-830 Highway 111, Suite 100, Indian Wells, CA  
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28**II.**

Pursuant to California Financial Code sections 50307 and 50401 and California Code of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced ("Principal Report"), Report on Non-traditional Adjustable Rate and Mortgage Loan Products ("Non-traditional Report") and Adjustable Rate and Mortgage Loan Survey ("Survey") on or before March 1st of each year for the preceding 12-month period ended December 31.

On or about February 1, 2008, the Report, Non-traditional Report, and Survey forms were sent to all CRMLA licensees with a notice that the forms were due on or before March 1, 2008. IZT has not yet submitted the Report, Non-traditional Report, and Survey to the Commissioner despite the fact that the Commissioner has sent it numerous reminders.

On or about May 15, 2008, a letter was sent to IZT demanding that the Report and Non-traditional Report be filed no later than May 25, 2008, and assessing IZT a penalty of \$1,000.00, pursuant to California Financial Code section 50326. IZT was notified in the letter that failure to file the Report and Non-traditional Report and/or pay the penalty by May 25, 2008 would result in an action to either suspend or revoke its license.

On or about August 7, 2008, Special Administrator DiAun Burns called IZT and spoke with the president of IZT Mortgage, Inc., Irina Trajanovich, communicating the need to submit the Report, Non-traditional Report, and Survey and/or pay the assessment as soon as possible.

IZT has yet to submit the Report, Non-traditional Report, and Survey and/or pay the penalty as required by California Financial Code sections 50307, 50326, and 50401 and California Code of Regulations, title 10, section 1950.314.8.

**III.**

Pursuant to California Financial Code section 50200, subdivision (a), IZT was required to submit its audited financial statement for its fiscal year ending December 31, 2007 ("Audit Report") to the Commissioner on or before April 15, 2008, including a reconciliation of its trust accounts. In addition, pursuant to the California Code of Regulations, title 10, section 1950.200, IZT was required to submit an Independent Auditor's Report on Internal Controls ("Report on Internal Controls") to the

1 Commissioner on or before April 15, 2008.

2 On or about December 17, 2007, the Complainant notified IZT in writing that its Audit  
3 Report, trust account reconciliation, and Report on Internal Controls were due on or before April 15,  
4 2008. IZT failed to submit the Audit Report, trust account reconciliation, Report on Internal Controls  
5 by April 15, 2008.

6 On or about June 3, 2008, a further letter was sent to IZT demanding that it file the Audit  
7 Report, trust account reconciliation, and Report on Internal Controls no later than June 12, 2008. IZT  
8 failed to submit the Audit Report, trust account reconciliation, and Report on Internal Controls by  
9 June 12, 2008.

10 On or about August 1, 2008, a final letter was sent to IZT demanding that the Audit Report,  
11 trust account reconciliation, and Report on Internal Controls be filed no later than August 11, 2008,  
12 and assessing IZT a penalty of \$1,000.00 pursuant to California Financial Code section 50326. IZT  
13 was notified in the letter that its failure to file the Audit Report, trust account reconciliation, Report  
14 on Internal Controls and/or pay the penalty by August 11, 2008, would result in an action to either  
15 suspend or revoke its license.

16 IZT has yet to file its Audit Report, trust account reconciliation, Report on Internal Controls,  
17 and/or pay the penalty as required by Financial Code sections 50200, subdivision (a), 50326, and  
18 California Code of Regulations, title 10, section 1950.200.

19 **IV.**

20 California Financial Code section 50327 provides in pertinent part:

- 21 (a) The commissioner may, after notice and a reasonable opportunity to be  
22 heard, suspend or revoke any license if the commissioner finds that: (1) the  
23 licensee has violated any provision of this division or any rule or order of the  
24 commissioner thereunder; or (2) any fact or condition exists that, if it had  
25 existed at the time of the original application for license, reasonably would  
26 have warranted the commissioner in refusing to issue the license originally.

27 **V.**

28 The Commissioner finds that, by reason of the foregoing, IZT Mortgage, Inc., has violated  
California Financial Code sections, 50200, subdivision (a), 50307, 50326, 50401 and California Code

1 of Regulations, title 10, sections 1950.200 and 1950.314.8 and based thereon, grounds exist to revoke  
2 the residential mortgage lender and servicer license of IZT Mortgage, Inc.

3 WHEREFORE, IT IS PRAYED that the residential mortgage lender and servicer license of  
4 IZT Mortgage, Inc., be revoked and pursuant to California Financial Code section 50311, IZT  
5 Mortgage, Inc., be given a transition period of sixty (60) days within which to complete any loans for  
6 which it had commitments.

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8 DATED: September 19, 2008  
9 Los Angeles, CA

10 California Corporations Commissioner

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13 By \_\_\_\_\_  
14 Johnny Vuong  
15 Corporations Counsel  
16 Enforcement Division  
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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 0744  
COMMISSIONER OF CORPORATIONS OF )  
THE STATE OF CALIFORNIA, )  
Complainant, )  
vs. )  
IZT MORTGAGE, INC., )  
Respondent. )

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

TO: IZT MORTGAGE, INC.  
74-830 HIGHWAY 111, SUITE 100  
INDIAN WELLS, CA 92210

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

IZT MORTGAGE, INC. has failed to comply with the bonding requirements of the  
California Residential Mortgage Lending Act (California Financial Code Section 50000 et seq.) in  
that effective February 21, 2009 Bond No. 57BSBDR8946 issued by HARTFORD FIRE

1 INSURANCE COMPANY in favor of IZT MORTGAGE, INC. expired and no replacement bond  
2 has been obtained.

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4 Based on the foregoing, Respondent is conducting residential mortgage lending  
5 and/or servicing business in violation of Section 50205 of the Financial Code and is conducting  
6 business in such an unsafe and injurious manner as to render further operations hazardous to the  
7 public or to customers.

8 NOW, BASED ON THE FOREGOING, AND GOOD CAUSE APPEARING  
9 THEREFORE, it is hereby ORDERED, under the provisions of Section 50319 of the California  
10 Financial Code, IZT MORTGAGE, INC. immediately discontinue the disbursement, in whole or in  
11 part, of trust funds held by the licensee and establish a separate trust account for all subsequent trust  
12 funds received by the licensee.  
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15 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

16 Section 50319 of the Financial Code provides as follows:

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

27 (b) Within 15 days from the date of an order pursuant to subdivision (a), the  
28 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

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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 27, 2009  
Los Angeles, California

Preston DuFauchard  
California Corporations Commissioner

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

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

7 Attorneys for Complainant

8  
9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA  
11

12 In the Matter of the Accusation of ) File No. 4130744  
13 )  
14 THE CALIFORNIA CORPORATIONS )  
15 COMMISSIONER, )  
16 )  
17 Complainant, )  
18 )  
19 vs. )  
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22 IZT MORTGAGE, INC. , Respondent )  
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29 ORDER SUMMARILY REVOKING  
30 RESIDENTIAL MORTGAGE LENDER AND/OR SERVICER LICENSE

31 THE CALIFORNIA CORPORATIONS COMMISSIONER FINDS THAT:

32 GOOD CAUSE APPEARING, the license issued IZT MORTGAGE, INC. is hereby revoked  
33 for failure to comply with Section 50401 of the California Residential Mortgage Lending Act which  
34 requires the payment of an assessment to the Commissioner.  
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Dated: November 9, 2009  
Effective: December 8, 2009  
Los Angeles, California

PRESTON DUFAUCHARD  
CALIFORNIA CORPORATIONS COMMISSIONER

By \_\_\_\_\_  
DIAUN M. BURNS  
Special Administrator  
California Residential Mortgage Lending Act

1 PRESTON DUFAUCHARD  
California Corporations Commissioner  
2 MICHAEL L. PINKERTON  
Deputy Commissioner  
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9 BEFORE THE DEPARTMENT OF CORPORATIONS  
10 OF THE STATE OF CALIFORNIA

11

12 In the Matter of the Accusation of THE  
13 CALIFORNIA CORPORATIONS  
COMMISSIONER,

) File No.: 413-0744

14

Complainant,

15

v.

) **ORDER DISMISSING NOTICE OF  
INTENTION TO ISSUE ORDER  
REVOKING RESIDENTIAL MORTGAGE  
LENDER AND SERVICER LICENSE**

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17 IZT MORTGAGE, INC.,

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Respondent.

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The California Corporations Commissioner (“Commissioner”) finds that:

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As of March 10, 2009, the Commissioner had received from IZT Mortgage, Inc. (“IZT”) the audited financial statements for the calendar year ending in December 31, 2007, Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced (“Principal Report”), Report on Non-traditional Adjustable Rate and Mortgage Loan Products (“Non-traditional Report”) and Adjustable Rate and Mortgage Loan Survey (“Survey”) for the calendar year ending in December 31, 2007, and

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1 payment of penalties in the amount of \$2,000.00.

2           THEREFORE, Good Cause Appearing, the Notice of Intention to Issue Order Revoking  
3 Residential Mortgage Lender and Servicer License and Accusation issued by the Commissioner  
4 against IZT on September 19, 2008 is hereby dismissed.

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6 DATED: March 10, 2009  
7 Los Angeles, CA

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California Corporations Commissioner  
PRESTON DUFAUCHARD

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By \_\_\_\_\_  
Alan S. Weinger  
Lead Corporations Counsel  
Enforcement Division

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1 PRESTON DUFAUCHARD  
2 CALIFORNIA CORPORATIONS COMMISSIONER  
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4 SUPERVISING COUNSEL  
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12 In the Matter of the Order of THE ) File No. 413 0744  
13 COMMISSIONER OF CORPORATIONS OF )  
14 THE STATE OF CALIFORNIA, )  
15 )  
16 Complainant, )  
17 )  
18 vs. )  
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20 IZT MORTGAGE, INC., )  
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22 Respondent. )  
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ORDER SETTING ASIDE ORDER TO DISCONTINUE RESIDENTIAL MORTGAGE  
LENDING AND/OR SERVICING ACTIVITIES PURSUANT TO  
SECTION 50319, CALIFORNIA FINANCIAL CODE

TO: IZT MORTGAGE, INC.  
74-830 HIGHWAY 111, SUITE 100  
INDIAN WELLS, CA 92210

NOW, THEREFORE, the Commissioner having found that IZT MORTGAGE, INC. has  
complied with the bonding requirements of the California Residential Mortgage Lending Act  
(California Financial Code Section 50000 et seq.) of the Financial Code as of January 5, 2009  
the Order to Discontinue Residential Mortgage Lending and/or Servicing Activities Pursuant to  
Section 50319, California Financial Code is hereby set aside as of February 27, 2009.

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Dated: Los Angeles, California  
July 15, 2009  
Effective February 27, 2009

Preston DuFauchard  
California Corporations Commissioner

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