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2 **STATE OF CALIFORNIA**
3 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
4 **DEPARTMENT OF BUSINESS OVERSIGHT**

5 TO: Craig Ronald Dimond
6 Private Funding Partners, LLC
7 8502 E. Chapman Ave.
8 Orange, California 92869

9 **DESIST AND REFRAIN ORDER**
10 **(For violations of section 25401 of the Corporations Code)**

11 The Commissioner of Business Oversight finds that:

12 1. At all relevant times herein, Private Funding Partners, LLC, a California corporation,
13 which was formed on March 14, 2005, was located at 8502 E. Chapman Ave., Orange, California
14 92869.

15 2. At all relevant times herein, Craig Ronald Dimond (“Dimond”) was the managing
16 partner and managing director of Private Funding Partners, LLC.

17 3. Beginning in or about May 2006 and continuing through at least May 2008, Dimond
18 and Private Funding Partners, LLC offered and sold securities in the form of promissory notes in
19 Private Funding Partners, LLC to more than seven investors totaling at least \$1,000,000.00.

20 4. Dimond, through Private Funding Partners, LLC, provided to investors short-term
21 promissory notes that ostensibly were secured by deeds of trust. Those promissory notes stated that
22 investors would receive a fixed rate of return between nine percent (9%) and nineteen percent (19%)
23 per annum. Dimond represented to investors that their funds would go towards secured investments,
24 including, but not limited to, bridge loans that would generate high rates of return. Furthermore,
25 investors were told that their investments would be secured by deeds of trust. In actuality, the trust
26 deeds were fraudulent because they were forged and, therefore, did not secure the investments that
27 Dimond said would be safeguarded by the trust deeds.

28 5. Dimond, through Private Funding Partners, LLC, would convince investors to roll-
over their promissory notes upon maturity into new promissory notes. When investors chose not to

1 roll-over their promissory notes and asked Dimond to pay back the principal and interest amounts due
2 to them upon maturity of those notes, Dimond would send insufficiently funded checks to the
3 investors.

4 6. In connection with the offer and sale of these securities, Dimond and Private Funding
5 Partners, LLC made material misrepresentations of facts and also omitted to state material facts
6 necessary in order to make the statements made, in the light of the circumstances under which they
7 were made, not misleading. These misrepresentations and omissions included, but are not limited to,
8 the following:

9 a. Investors were told that Dimond's alleged business ventures were earning as much as
10 30% in returns.

11 b. Investors were told that Private Funding Partners, LLC was loaning money to various
12 business entities, including, but not limited to, Joneca Corporation;

13 c. Investors were told that their investments would be secured by real estate deeds of
14 trust, when in actuality they were not because the trust deeds were forged;

15 d. Investors were told that the investment would earn a fixed rate of return between 9%
16 and 19% per annum;

17 e. Investors were not told that they were investing in a Ponzi scheme and that any
18 purported returns received on their investment money came from other investors' money and not
19 from any investment returns derived from Dimond's alleged business ventures; and

20 f. Investors were not told that Dimond was using investor money for his own
21 personal use.

22 Based upon the foregoing findings, the Commissioner of Business Oversight is of the opinion
23 that the securities offered and sold by Dimond and Private Funding Partners, LLC were offered and
24 sold in this state by means of written or oral communications that included untrue statements of
25 material fact or omitted to state material facts necessary in order to make the statements made, in the
26 light of the circumstances under which they were made, not misleading, in violation of section 25401
27 of the Corporate Securities Law of 1968. Pursuant to Section 25532 of the Corporate Securities Law
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1 of 1968, Craig Ronald Dimond and Private Funding Partners, LLC are hereby ordered to desist and
2 refrain from offering or selling or buying or offering to buy any security in the State of California,
3 including, but not limited to, promissory notes in Private Funding Partners, LLC by means of any
4 written or oral communication which includes an untrue statement of a material fact or omits to state
5 a material fact necessary in order to make the statements made, in the light of the circumstances
6 under which they were made, not misleading.

7 This Order is necessary, in the public interest, for the protection of investors and consistent
8 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

9 Dated: August 7, 2013
10 Los Angeles, California

11 JAN LYNN OWEN
12 Commissioner of Business Oversight

13 By _____
14 MARY ANN SMITH
15 Deputy Commissioner
16 Enforcement Division
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