

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, 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. 413-0878  
COMMISSIONER OF CORPORATIONS OF )  
THE STATE OF CALIFORNIA, )  
Complainant, )  
vs. )  
TITAN HOME LOANS, SECURITYONE )  
HOME LOANS (CSW FINANCIAL, LLC, )  
DBA), )  
Respondent. )

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

TO: TITAN HOME LOANS, SECURITYONE HOME LOANS  
(CSW FINANCIAL, LLC, DBA)  
7510 LONGLEY LANE, SUITE 101  
RENO, NV 89511

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

TITAN HOME LOANS, SECURITYONE HOME LOANS (CSW FINANCIAL, LLC,  
DBA) 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 May 8, 2011 Bond

1 No. 83BSBEI3107 issued by HARTFORD FIRE INSURANCE COMPANY in favor of CSW  
2 FINANCIAL, LLC expired and no replacement bond has been obtained.

3  
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, TITAN HOME LOANS, SECURITYONE HOME LOANS (CSW FINANCIAL,  
11 LLC, DBA) immediately discontinue the disbursement, in whole or in part, of trust funds held by  
12 the licensee and establish a separate trust account for all subsequent trust funds received by the  
13 licensee.  
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16 THIS ORDER is to remain in full force and effect until further order of the Commissioner.

17 Section 50319 of the Financial Code provides as follows:

18 (a) If the commissioner, as a result of any examination or from any report  
19 made to him or her, shall find that any person subject to this division is in an  
20 insolvent condition, is conducting business in an unsafe or injurious manner that  
21 renders further operations hazardous to the public or to customers, has failed to  
22 comply with the provision of Section 50317, has permitted its tangible net worth to  
23 be lower than the minimum required by law, or has failed to comply with the  
24 bonding requirements of Section 50205, the commissioner may, by an order  
25 addressed to and served by registered or certified mail, or by personal service on that  
26 person, and on any other person having in his or her possession or control any trust  
27 funds or other property deposited in escrow with that person, direct discontinuance  
28 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.

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

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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 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: May 9, 2011  
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 ALAN S. WEINGER  
Deputy Commissioner  
3 JOHN R. DREWS (69595)  
Corporations Counsel  
4 One Sansome Street, Suite 600  
5 San Francisco, CA 94104-4428  
Tel: (415) 972-8570  
6 Fax: (415) 972-8550

7 Attorneys for Complainant

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

11

12 In the Matter of the Statement of Issues of ) File No. 413-0878

13 THE CALIFORNIA CORPORATIONS )  
14 COMMISSIONER, ) ACCUSATION

15 Complainant,

16 v.

17 TITAN HOME LOANS, SECURITYONE )  
18 HOME LOANS, (CSW FINANCIAL LLC )  
19 DBA), )

20 Respondents.

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

25 I.

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

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

3 **II.**

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

7 On or about December 9, 2010 the Commissioner notified CSW Financial in writing that its  
8 2010 audit report was due April 15, 2011. CSW Financial failed to submit the 2010 audit report by  
9 April 15, 2011.

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

14 **III.**

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

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

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

1 50307, 50401 and 50326.

2 **IV.**

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

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

12 California Financial Code section 50327 provides in pertinent part:

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

20 **V.**

21 On May 9, 2011 the Commissioner issued an ORDER TO DISCONTINUE RESIDENTIAL  
22 MORTGAGE LENDING AND/OR SERVICING ACTIVITIES PURSUANT TO SECTION 50319,  
23 CALIFORNIA FINANCIAL CODE. The purpose of the Order was to prohibit CSW Financial from  
24 continuing the disbursement in whole or in part of any trust funds held by the licensee and to  
25 establish a separate trust account for all subsequent trust funds received by the licensee. The basis of  
26 the Order was that effective May 8, 2011 the bond issued to CSW Financial by the Hartford Fire  
27 Insurance Co. (No. 83BSBE13107) had expired and no replacement bond had been obtained. The  
28 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

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

7 Attorneys for Complainant

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

12 In the Matter of the Statement of Issues of ) File No.: 413-0878  
13 )  
14 THE CALIFORNIA CORPORATIONS )  
COMMISSIONER, )  
15 ) ORDER REVOKING RESIDENTIAL  
Complainant, ) MORTGAGE LENDER LICENSE  
16 v. )  
17 )  
18 TITAN HOME LOANS, SECURITYONE )  
HOME LOANS, (CSW FINANCIAL LLC )  
19 DBA) )  
20 Respondents. )  
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22 )

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

24  
25 1. Respondents Titan Home Loans, SecurityOne Home Loans (CSW Financial LLC  
26 DBA) (hereinafter “CSW Financial”) is a residential mortgage lender licensed by the California  
27 Corporations Commissioner (“Commissioner”) pursuant to the California Residential Mortgage  
28 Lending Act (California Financial Code sections 50000 et seq.) (“CRMLA”). CSW Financial has its



1 principal place of business located at 592 California Avenue, Reno, Nevada 89509.

2           2. Pursuant to California Financial Code section 50200, CSW Financial was required to  
3 submit its audited financial statement (“Audit Report”) for its fiscal year ending December 31, 2010.  
4 CSW Financial has yet to file its 2010 report with the Commissioner despite reminders.

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

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

12           5. Pursuant to California Financial Code sections 50307 and 50401, all licensees under  
13 the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate  
14 Amount of Loans Serviced (“Activity Report”) on or before March 1 of each year for the preceding  
15 12 month period ended December 31. For the same period licensees are also required to file a Report  
16 on Non-traditional Adjustable Rate and Mortgage Loan Products (“Non-traditional report”) and a  
17 Non-traditional Adjustable Rate and Mortgage Loan Survey (“Survey”).

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

21           7. On June 17, 2011, a penalty of \$1000 was assessed against CSW Financial pursuant to  
22 Financial Code section 50326 for failing to file any of the above-noted three reports. CSW Financial  
23 was also notified that failure to respond and/or pay the penalty by June 27, 2011 would result in an  
24 action to either suspend or revoke the license.

25           8. To this date no reports have been filed with the Commissioner and the penalty has not  
26 been paid, in violation of California Financial Code sections 50307, 50401 and 50326.

27           9. On May 8, 2011, the surety bond issued to CSW Financial by the Hartford Fire  
28 Insurance Co. expired and no replacement bond was obtained by CSW Financial.

1           10.     On May 9, 2011, the Commissioner issued an Order to Discontinue Residential  
2 Mortgage Lending and/or Servicing Activities to CSW Financial pursuant to California Financial  
3 Code section 50319 for failure to maintain the required surety bond.

4           11.     CSW Financial has yet to obtain a replacement surety bond in violation of California  
5 Financial Code section 50205.

6           12.     Failure to file an Audit Report, Activity Report, Non-traditional report, Survey,  
7 maintain a surety bond, and/or pay assessed penalties are grounds under California Financial Code  
8 sections 50326 and 50327 for the revocation of a license issued under the CRMLA.

9           13.     On September 14, 2011, the Commissioner issued a Notice of Intention to Issue Order  
10 Revoking Residential Mortgage Lender License, Accusation and accompanying documents against  
11 CSW Financial based upon the above. CSW Financial was served with those documents on  
12 September 14, 2011 via certified mail, return receipt requested at its licensed location on file with the  
13 California Department of Corporations. The Department has received no request for a hearing from  
14 CSW Financial and the time to request a hearing has expired.

15           NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential  
16 mortgage lenders license issued by the Commissioner to Titan Home Loans, SecurityOne Home  
17 Loans (CSW Financial LLC DBA) pursuant to the California Residential Mortgage Lending Act is  
18 hereby revoked. This Order is effective as of the date hereof. Pursuant to California Financial Code  
19 section 50311, CSW Financial has sixty days within which to complete any loans for which it had  
20 commitments.

21 Dated: October 25, 2011  
22         Los Angeles, California

23                                 PRESTON DuFAUCHARD  
24                                 California Corporations Commissioner

25                                 By \_\_\_\_\_  
26                                 ALAN S. WEINGER  
27                                 Deputy Commissioner  
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