Department of Real Estate
320 West Fourth Street, Ste. 350
Los Angeles, California 90013

(213) 576-6982

FILED
APR - 8 2008
DEPARTMENT OF REAL ESTATE
By [signature]

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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To:

No. H-34804 LA

STATEWIDE BANCORP INC.; and ALEJANDRO ISRAEL DIAZ, Individually and as designated officer of Statewide Bancorp Inc.

ORDER TO DESIST AND REFRAIN

The Real Estate Commissioner of the State of California has caused an investigation to be made of your activities as a real estate broker, and based on the findings of that investigation is of the opinion that STATEWIDE BANCORP INC., and ALEJANDRO ISRAEL DIAZ, individually, and as designated officer of Statewide Bancorp Inc., have violated Sections 10235, 14701, and 14702 of the Business and Professions Code (hereinafter "Code") as well as Regulation 2848 of Chapter 6, Title 10, California Code of Regulations (hereinafter "Regulations").

1.

At all times mentioned herein, you, STATEWIDE BANCORP INC., were licensed by the Department of Real Estate of the State

of California (hereinafter "Department") as a corporate real estate broker with Respondent ALEJANDRO ISRAEL DIAZ as the designated officer.

2.

At all times mentioned herein, you, ALEJANDRO ISRAEL DIAZ, individually, and as designated officer of Statewide Bancorp Inc., were licensed by the Department as a real estate broker.

3.

You, STATEWIDE BANCORP INC., and you, ALEJANDRO ISRAEL DIAZ, knowingly advertised, printed, displayed, published, distributed, or caused or permitted to be advertised, printed, displayed, published, distributed, statements or representations with regard to the rates, terms, or conditions for making, purchasing, or negotiating loans on real property which were false, misleading, or deceptive.

4.

Specifically, beginning on or before June of 2005, and continuing to the present time, you mailed advertisements and/or solicitations to potential borrowers pertaining to loans on real property which contained the following false, misleading or deceptive representations, and/or which were otherwise in violation of the Code and Regulations:

a. Violations of Code Section 14701 and 14702 included using lenders' names in solicitations for financial services and using consumers' loan numbers without the consent of the lenders or the consumers, without disclosures indicating that

the solicitations were not sponsored by, affiliated with or authorized by the lender, and that the loan information was not provided by the lenders. Disclosures were not made in close proximity to the loan information and in an equal font size.

b. Violations of Code Section 10235 included the following false, misleading and/or deceptive representations regarding the rates, terms or conditions of mortgage loans:

1. Payment rates were represented without equally prominent disclosures of the note rate or length of time the payment rates would be in effect;

2. Ads imply that the soliciting lender has detailed information about the recipients' existing loans and has determined eligibility for a better rate, which appear to be illusory statements as Statewide did not have sufficient information about the recipients' existing mortgages to make that determination.

3. Ads made misleading representations about monthly payment rates on the offered loans. Claims of lower payments or payment savings can be misleading if the interest rate and payments increase resulting in payments that are higher than the borrower's current loan. Also, negative amortization can wipe out any initial payment savings.

4. Ads represent that funds can be available in as little as 7-10 days, without including a statement of any conditions or limitations to this claim.

5. Ads make representations that are misleading, such

as "we are different," which implies the broker will approve loans other lenders do not, that Statewide offers "unique" programs that utilize the equity in the recipients' homes in ways that other lenders do not, and that the recipients' original loans "can be reduced," when in fact the original loan amounts and terms will not be reduced.

c. Violations of Regulation 2848 include:

1. Ads did not disclose the principal loan amount, note interest rate, APR, number of payments, amount of payments, period of payments scheduled to the date of maturity, and balloon payment due if not fully amortized when displaying a specific installment payment. For adjustable rate loans, the ads did not include the frequency of rate and payment adjustments and include the monthly and yearly caps as well as the change in payment amounts. When an introductory rate was advertised, the ads did not properly disclose how long the initial rate would be in effect. [Regulations 2848(5) and (6).]

2. Representations were made of the percentage of value that would be loaned (eg: 125%) without disclosure of how the market value will be determined [Regulation 2848(9)].

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NOW, THEREFORE, YOU, STATEWIDE BANCORP INC., and YOU, ALEJANDRO ISRAEL DIAZ ARE ORDERED TO DESIST AND REFRAIN from performing any and all activities for which a real estate broker license is required until you comply with all provisions of the Real Estate Law as discussed in this Order.

DATED: 4-9, 2008.

JEFF DAVI
Real Estate Commissioner

cc: STATEWIDE BANCORP INC.
18300 Von Karman, Suite 900
Irvine, CA 92612

ALEJANDRO ISRAEL DIAZ
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