FILED

MAY 24 2011

DEPARTMENT OF REAL ESTATE
BY:

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of STATEWIDE BANCORP INC.; and ALEJANDRO ISRAEL DIAZ individually and as designated officer of Statewide Bancorp Inc., Respondents.	NO. H-37145 LA

ORDER ACCEPTING VOLUNTARY SURRENDER OF REAL ESTATE LICENSE

On March 21, 2011, an Accusation was filed in this matter against Respondents STATEWIDE BANCORP INC., and ALEJANDRO ISRAEL DIAZ individually and as designated officer of Statewide Bancorp, Inc.

On April 18, 2011, Respondent STATEWIDE BANCORP INC. petitioned the Commissioner to voluntarily surrender its real estate corporation broker license pursuant to Section 10100.2 of the Business and Professions Code.

IT IS HEREBY ORDERED that Respondent STATEWIDE BANCORP INC.'s petition for voluntary surrender of its real estate broker license is accepted as of the effective date of this Order as set

forth below, based upon the understanding and agreement expressed in Respondent's Declaration dated April 18, 2011 (attached as Exhibit "A" hereto). Respondent's license certificate and pocket card shall be sent to the below listed address so that they reach the Department on or before the effective date of this Order:

Department of Real Estate
Attn: Licensing Flag Section
P.O. Box 187000
Sacramento, CA 95818-7000

This Order shall become effective at 12 o'clock noon on June 13, 2011.

IT IS SO ORDERED 5/19/11.

Real Estate Commissioner

Exhibit "A"

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of STATEWIDE BANCORP INC.; and ALEJANDRO ISRAEL DIAZ individually and as designated officer of Statewide Bancorp Inc, Respondents.	No. H-37145 LA

DECLARATION

My name is ALEJANDRO ISRAEL DIAZ. I am the designated officer of STATEWIDE BANCORP INC., licensed real estate broker. I am authorized and empowered to sign this declaration on behalf of STATEWIDE BANCORP INC.

I am acting on behalf of STATEWIDE BANCORP INC. in this matter.

In lieu of proceeding in this matter in accordance with the provisions of the Administrative Procedure Act (Sections 11400 et seq., of the Government Code) STATEWIDE BANCORP INC.

wishes to voluntarily surrender its real estate license issued by the Department of Real Estate ("Department"), pursuant to Business and Professions Code Section 10100.2.

I understand that STATEWIDE BANCORP INC. by so voluntarily surrendering its license, can only have it reinstated in accordance with the provisions of Section 11522 of the Government Code and this Declaration.

I understand that STATEWIDE BANCORP INC., by so voluntarily surrendering its license, can only have it reinstated in accordance with the provisions of Section 11522 of the Government Code. I also understand that by so voluntarily surrendering its license, STATEWIDE BANCORP INC. agrees to the following:

1. The filing of this Declaration shall be deemed as its petition for voluntary surrender. It shall also be deemed to be an understanding and agreement by STATEWIDE BANCORP INC. that, it waives all rights it has to require the Commissioner to prove the allegations contained in the Accusation filed in this matter at a hearing held in accordance with the provisions of the Administrative Procedure Act (Government Code Sections 11400 et seq.), and that it also waives other rights afforded to it in connection with the hearing such as the right to discovery, the right to present evidence in defense of the allegations in the Accusation and the right to cross-examine witnesses. I further agree on behalf of STATEWIDE BANCORP INC. that upon acceptance by the Commissioner, as evidenced by an appropriate order, all affidavits and all relevant evidence obtained by the Department

in this matter prior to the Commissioner's acceptance, and all allegations contained in the Accusation filed in the Department Case No. H-37145 LA, may be considered by the Department to be true and correct for the purpose of deciding whether or not to grant reinstatement of STATEWIDE BANCORP INC.'s license pursuant to Government Code Section 11522.

2. STATEWIDE BANCORP INC. agrees to pay the Commissioner's reasonable cost for the audit which led to this action. In calculating the amount of the Commissioner's reasonable cost, the Commissioner may use the estimated average hourly salary for all persons performing audits of real estate brokers, and shall include an allocation for travel time to and from the auditor's place of work. STATEWIDE BANCORP INC. will pay such cost within 60 days of receiving an invoice from the Commissioner detailing the activities performed during the audit and the amount of time spent performing those activities.

I am aware that if STATEWIDE BANCORP INC. petitions for reinstatement in the future, that payment of the audit costs will be a condition of reinstatement.

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I declare under penalty of perjury under the laws of the State of California that the above is true and correct and that I am acting freely and voluntarily on behalf of STATEWIDE BANCORP INC. to surrender its license and all license rights attached thereto.

Rancho Cucamonga, Ca
4/18/11
Date and Place
April 18/11 PA

STATEWIDE BANCORP INC.
By ALEJANDRO ISRAEL DIAZ

Amelia V. Vetrone, SBN 134612
Department of Real Estate
320 West 4th Street, Ste. 350
Los Angeles, California 90013-1105

Telephone: (213) 576-6982
Direct (213) 576-6940

FILED

MAR 21 2011

DEPARTMENT OF REAL ESTATE
BY: _____

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

In the Matter of the Accusation of STATEWIDE BANCORP INC.; and ALEJANDRO ISRAEL DIAZ individually and as designated officer of Statewide Bancorp Inc., Respondents.	No. H- 37145 LA A C C U S A T I O N

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, for cause of Accusation against STATEWIDE BANCORP INC., and ALEJANDRO ISRAEL DIAZ individually and as designated officer of Statewide Bancorp Inc., alleges as follows:

1.

The Complainant, Robin Trujillo, a Deputy Real Estate Commissioner of the State of California, makes this Accusation in her official capacity.

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2.

All references to the "Code" are to the California Business and Professions Code and all references to "Regulations" are to Title 10, Chapter 6, California Code of Regulations.

3.

Respondent STATEWIDE BANCORP INC. ("SBI") is licensed by the Department of Real Estate ("Department") as a corporate real estate broker. Respondent SBI was originally licensed as a corporate real estate broker on or about September 26, 2001, with Respondent ALEJANDRO ISRAEL DIAZ ("DIAZ"), as its designated officer. Effective September 25, 2009, Respondent's corporate real estate broker license expired. Pursuant to Code Section 10201, Respondent has a two-year right of renewal. Pursuant to Code Section 10103, the Department of Real Estate retains jurisdiction.

4.

Respondent DIAZ is licensed by the Department as a real estate broker. Respondent DIAZ was originally licensed as a real estate broker on or about November 14, 1986. Effective November 13, 2010, DIAZ's real estate broker license expired. Pursuant to Code Section 10201, DIAZ has a two-year right of renewal. Pursuant to Code Section 10103, the Department of Real Estate retains jurisdiction.

5.

At all times herein relevant, SBI was licensed by the Department as a corporate real estate broker by and through Respondent DIAZ as the designated officer and broker responsible,

pursuant to Code Section 10159.2 for supervising the activities requiring a real estate license conducted on behalf of SBI by its officers, agents, and employees, as herein set forth.

6.

A. At all times herein relevant, Respondents engaged in the business of, acted in the capacity of, advertised or assumed to act as real estate brokers in the State of California within the meaning of Code Sections 10131(d) and 10131.2. Their activities included soliciting borrowers or lenders for and/or negotiating loans, collecting payments and/or performing services for borrowers or lenders in connection with loans secured by liens on real property, and broker escrow transactions. Their activities also included claiming, demanding, charging, receiving, collecting or contracting for the collection of advance fees within the meaning of Code Sections 10026 and 10085. Respondents advertised, solicited and offered to provide loan modification services to economically distressed homeowners seeking adjustments to the terms and conditions of their home loans including, but not limited to, repayment plans, forbearance plans, partial claims, and reduction in principal or interest, extenuations, foreclosure prevention and short sales.

B. In addition, Respondents conducted broker-controlled escrows through its escrow division under the exemption set forth in California Financial Code Section 17006(a)(4) for real estate brokers performing escrows incidental to a real estate transaction where the broker is a party and where the broker is performing acts for which a real estate

license is required.

FIRST CAUSE OF ACCUSATION

(Audits of SBI and DIAZ)

7.

On September 16, 2009, the Department completed an audit examination of the books and records of SBI and DIAZ pertaining to the mortgage loan brokerage, broker escrow and loan modification activities described in paragraph 6, above. The audit examination covered the period of time from March 1, 2008, to June 30, 2009. The primary purpose of the examination was to determine Respondent SBI's and Respondent DIAZ's compliance with the Real Estate Law. The audit examination revealed numerous violations of the Code and the Regulations as set forth in the following paragraphs, and more fully discussed in Audit Reports LA080314 and LA090031 and the exhibits and work papers attached to said audit reports.

Bank and Trust Accounts

8.

At all times herein relevant, in connection with the activities described in Paragraph 6, above, SBI accepted or received funds, including funds in trust (hereinafter "trust funds"), from or on behalf of actual or prospective parties, including economically distressed homeowner-borrowers as advance fees for loan modifications handled by SBI and for mortgage loans. Thereafter SBI made deposits and or disbursements of such trust funds. From time to time herein mentioned during the audit

period, said trust funds were deposited and/or maintained by SBI in the following bank accounts:

Statewide Bancorp Inc.
Account No. XXXXXXX763 (Redacted for security)
Union Bank
Rancho Cucamonga, California

(T/A #1 - SBI's trust account used for deposit of advance fees collected from homeowners for loan modifications)

Statewide Bancorp Inc.
Account No. XXXXXXX979 (Redacted for security)
Union Bank
Rancho Cucamonga, California

(B/A #1 - SBI's general business account used for deposit of advance fees collected from homeowners for loan modifications)

Violations

9.

In the course of activities described in Paragraph 6, above, and during the examination period described in Paragraph 7, above, Respondents SBI and DIAZ, acted in violation of the Code and the Regulations in that Respondents:

(a) Mixed and commingled trust funds with SBI's general funds by depositing trust funds in the form of collected advance fees solicited from homeowner-borrowers for loan modification services into B/A #1, in violation of Code Sections 10145, 10176(e) and Regulation 2832;

(b) Failed to place credit report fees collected from borrowers into a trust account at the close of escrow in the name

of the broker as trustee at a bank or other financial institution, in violation of Code Section 10145 and Regulation 2832.

(c) Failed to maintain a columnar record of the receipt and disbursement of trust funds handled for each homeowner-borrower for loan modifications and for each party to a mortgage loan transaction, in violation of Code Section 10145 and Regulation 2831.

(d) Failed to maintain a separate record for each beneficiary of trust funds collected from each homeowner-borrower, thereby failing to account for all advance fees collected for loan modification services and for mortgage loan brokerage activities, in violation of Code Section 10145 and Regulation 2831.1.

(e) Deposited trust funds into SBI's trust and general accounts T/A #1, and B/A #1, for which unlicensed, unbonded employee Magaly Diaz was a signatory, in violation of Code Section 10145 and regulation 2834.

(f) Collected advance fees within the meaning of Code Section 10026 from homeowner-borrowers seeking loan modification services without having first submitted Respondents' advance fee agreement to the Department for review and authorization, in violation of Code Section 10085 and Regulation 2970.

(g) Collected advance fees in connection with loan modification activities and deposited those fees into SBI's general account B/A #1, which was not designated as a trust

account, in violation of Code Sections 10145, 10146, and 10176(e), and Regulation 2832.

(h) Received trust funds in the form of advance fees without maintaining and providing to the homeowner-borrowers an accounting identifying the name of the agent, name of the principal, services to be rendered, identification of the trust fund account into which the advance fees were deposited, the amount of the fee collected, the allocation of money disbursed from the advance fee to cover services, commission and overhead, and a list of the names and addresses of the persons to whom information pertaining to the homeowner-borrower's loan requirements were submitted and the dates of the submittal, all in violation of Code Section 10146 and Regulation 2972.

(i) Allowed and compensated unlicensed individuals Charles Shinalo and Ben Decker, who performed real estate activities requiring a license in connection with loan modifications, in violation of Code Section 10137.

(j) As to SBI, engaged in real estate activities that require a license without having a valid real estate license from the Department during the period October 29, 2008, through March, 2009, in violation of Code Section 10130.

(k) Failed to retain a true and complete copy of a Department of Real Estate approved Mortgage Loan Disclosure Statement signed by the broker and borrower, and failed to disclose to the borrower the yield spread premium, lender rebates, DRE license number, and all fees paid to the broker in

connection with mortgage loan brokerage activity, all in violation of Code Sections 10240 and 10236.4 and Regulation 2840;

(l) Maintained an earnings credit relationship with its bank, Union Bank, without notifying the beneficiaries of its trust account T/A #1, in violation of Code Section 10176(g).

(m) Failed to disclose in writing to all parties of Respondents' financial interest and ownership of Respondents' escrow company, SWB Escrow Services, in violation of Code Section 10176(g) and Regulation 2950(h).

(n) Failed to retain the salesperson license certificates for ten (10) employed salespeople, in violation of Code Section 10160 and Regulation 2753.

Disciplinary Statutes

10.

The conduct of Respondents SBI and DIAZ described in Paragraph 9, above, violated the Code and the Regulations as set forth below:

PARAGRAPH	PROVISIONS VIOLATED
9(a)	Code Sections 10145, 10176(e), and Regulation 2832
9(b)	Code Section 10145 and Regulation 2832

9(c)	Code Sections 10145, and Regulation 2831
9(d)	Code Section 10145 and Regulation 2831.1
9(e)	Code Section 10145 and Regulation 2834
9(f)	Code Section 10085 and Regulation 2970
9(g)	Code Sections 10145, 10146, and 10176(e) and Regulation 2832
9(h)	Code Section 10146 and Regulation 2872
9(i)	Code Section 10137

9(j)	Code Section 10130
9(k)	Code Sections 10240, 10236.4 and Regulation 2840
9(l)	Code Section 10176(g)
9(m)	Code Section 10176(g) and Regulation 2950(h)
9(n)	Code Section 10160 and Regulation 2753

The foregoing violations constitute cause for discipline of the real estate license and license rights of Respondents SBI and DIAZ, as aforesaid, under the provisions of Code Sections 10176(e), 10176(g), 10177(d), and/or 10177(g).

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SECOND CAUSE OF ACCUSATION

(Loan Modification Activities)

11.

At all times herein relevant, and as alleged above, Respondents SBI and DIAZ engaged in the business of a loan modification and advance fee brokerage, within the definition of Code Sections 10131(d) and 10131.2.

12.

During 2008 and continuing through April 24, 2009, SBI and DIAZ solicited economically distressed homeowners facing foreclosure and eviction from their homes, offered loan modification services, and charged and collected advance fees.

13.

Respondents SBI and DIAZ offered loss mitigation and loan modification services to homeowner Roy Burton seeking a downward adjustment or payment extensions to his home mortgage for his residence located in the city of Rancho Cucamonga, California. Respondent SBI and DIAZ, through the instrumentality of unlicensed loss mitigation agent Charles Shinalo, who solicited Roy Burton by telephone, and who collected advanced fees from said homeowner-borrower without possessing a pre-approved advance fee agreement from the Department in violation of Code Sections 10085, 10137, and Regulation 2970.

14.

The conduct, acts and omissions of Respondents as set forth above, are cause for the suspension or revocation of the licenses and license rights of said Respondents pursuant to Code

Sections 10176(a), 10176(b), 10176(i), 10177(d), and/or 10177(g).

THIRD CAUSE OF ACCUSATION

(Lack of Broker Supervision as to DIAZ)

15.

Based on the conduct alleged in paragraphs 6, 8, and 9, above, Respondent DIAZ failed to exercise reasonable supervision over the activities of SBI, and over its employees, to ensure compliance with the Real Estate Law and the Regulations in violation of Code Section 10159.2, 10177(h), and Regulation 2725.

16.

The conduct, acts and omissions of Respondent DIAZ as set forth in paragraph 11, above, are cause for the suspension or revocation of the licenses and license rights of Respondent DIAZ pursuant to Code Sections 10177(d), 10177(g), and/or 10177(h).

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against the license and license rights of Respondents STATEWIDE BANCORP INC., and ALEJANDRO ISRAEL DIAZ individually and as designated officer of Statewide Bancorp Inc., under the Real Estate Law and for such other and further relief as may be proper under other applicable provisions of law including costs of audit.

Dated at Los Angeles, California, March 17, 2011.

Robin Trujillo
Deputy Real Estate Commissioner

cc: Statewide Bancorp Inc.
Alejandro Israel Diaz
Robin Trujillo
Sacto
Audits - Lisa Kwong