

File

FILED

MAY 24 2011

DEPARTMENT OF REAL ESTATE
BY: *[Signature]*

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

* * *

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

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

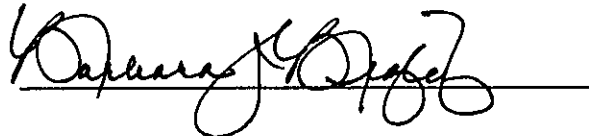
1 forth below, based upon the understanding and agreement expressed
2 in Respondent's Declaration dated April 18, 2011 (attached as
3 Exhibit "A" hereto). Respondent's license certificate and pocket
4 card shall be sent to the below listed address so that they reach
5 the Department on or before the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

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

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

12 IT IS SO ORDERED 5/19/11

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14 Real Estate Commissioner

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BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

* * *

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

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.

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

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

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

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

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

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

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

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

6 *Rancho Conejo, Ca*
7 *4/18/11*
8 Date and Place
9 *April 18/11 9A*


STATEWIDE BANCORP INC.
BY ALEJANDRO ISRAEL DIAZ

1 Amelia V. Vetrone, SBN 134612
2 Department of Real Estate
3 320 West 4th Street, Ste. 350
4 Los Angeles, California 90013-1105

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

FILED

MAR 21 2011

DEPARTMENT OF REAL ESTATE
BY: 

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of

) No. H- 37145 LA

12 STATEWIDE BANCORP INC.; and ALEJANDRO)
13 ISRAEL DIAZ individually and as)
14 designated officer of Statewide)
15 Bancorp Inc.,)

) A C C U S A T I O N

16 Respondents.)
17)

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

23 1.

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

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1 2.

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

5 3.

6 Respondent STATEWIDE BANCORP INC. ("SBI") is licensed
7 by the Department of Real Estate ("Department") as a corporate
8 real estate broker. Respondent SBI was originally licensed as a
9 corporate real estate broker on or about September 26, 2001, with
10 Respondent ALEJANDRO ISRAEL DIAZ ("DIAZ"), as its designated
11 officer. Effective September 25, 2009, Respondent's corporate
12 real estate broker license expired. Pursuant to Code Section
13 10201, Respondent has a two-year right of renewal. Pursuant to
14 Code Section 10103, the Department of Real Estate retains
15 jurisdiction.

16 4.

17 Respondent DIAZ is licensed by the Department as a real
18 estate broker. Respondent DIAZ was originally licensed as a real
19 estate broker on or about November 14, 1986. Effective November
20 13, 2010, DIAZ's real estate broker license expired. Pursuant to
21 Code Section 10201, DIAZ has a two-year right of renewal.
22 Pursuant to Code Section 10103, the Department of Real Estate
23 retains jurisdiction.

24 5.

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

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

4 6.

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

22 B. In addition, Respondents conducted broker-
23 controlled escrows through its escrow division under the
24 exemption set forth in California Financial Code Section
25 17006(a)(4) for real estate brokers performing escrows incidental
26 to a real estate transaction where the broker is a party and
27 where the broker is performing acts for which a real estate

1 license is required.

2 FIRST CAUSE OF ACCUSATION

3 (Audits of SBI and DIAZ)

4 7.

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

17 Bank and Trust Accounts

18 8.

19 At all times herein relevant, in connection with the
20 activities described in Paragraph 6, above, SBI accepted or
21 received funds, including funds in trust (hereinafter "trust
22 funds"), from or on behalf of actual or prospective parties,
23 including economically distressed homeowner-borrowers as advance
24 fees for loan modifications handled by SBI and for mortgage
25 loans. Thereafter SBI made deposits and or disbursements of such
26 trust funds. From time to time herein mentioned during the audit
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period, said trust funds were deposited and/or maintained by SBI in the following bank accounts:

Statewide Bancorp Inc.
Account No. XXXXXXXX763 (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. XXXXXX979 (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

1 of the broker as trustee at a bank or other financial
2 institution, in violation of Code Section 10145 and Regulation
3 2832.

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

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

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

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

24 (g) Collected advance fees in connection with loan
25 modification activities and deposited those fees into SBI's
26 general account B/A #1, which was not designated as a trust
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1 account, in violation of Code Sections 10145, 10146, and
2 10176(e), and Regulation 2832.

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

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

18 (j) As to SBI, engaged in real estate activities that
19 require a license without having a valid real estate license from
20 the Department during the period October 29, 2008, through March,
21 2009, in violation of Code Section 10130.

22 (k) Failed to retain a true and complete copy of a
23 Department of Real Estate approved Mortgage Loan Disclosure
24 Statement signed by the broker and borrower, and failed to
25 disclose to the borrower the yield spread premium, lender
26 rebates, DRE license number, and all fees paid to the broker in
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1 connection with mortgage loan brokerage activity, all in
2 violation of Code Sections 10240 and 10236.4 and Regulation 2840;

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

6 (m) Failed to disclose in writing to all parties of
7 Respondents' financial interest and ownership of Respondents'
8 escrow company, SWB Escrow Services, in violation of Code Section
9 10176(g) and Regulation 2950(h).

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

13

14 Disciplinary Statutes

15

10.

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

19 <u>PARAGRAPH</u>	<u>PROVISIONS VIOLATED</u>
20 9(a)	Code Sections 10145, 10176(e), and 21 Regulation 2832
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23	
24 9(b)	Code Section 10145 and 25 Regulation 2832
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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

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

2 THIRD CAUSE OF ACCUSATION

3 (Lack of Broker Supervision as to DIAZ)

4 15.

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

10 16.

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

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

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

11 
12 _____
13 Robin Trujillo
14 Deputy Real Estate Commissioner
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25 cc: Statewide Bancorp Inc.
26 Alejandro Israel Diaz
27 Robin Trujillo
Sacto
Audits - Lisa Kwong