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California Corporations Commissioner
ALAN S. WEINGER
Acting Deputy Commissioner
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Attorneys for Complainant

BEFORE THE DEPARTMENT OF CORPORATIONS

OF THE STATE OF CALIFORNIA

In the Matter of the Accusation of THE CALIFORNIA CORPORATIONS COMMISSIONER, Complainant, v. IZT MORTGAGE, INC., Respondent.	File No.: 413-0744 **ACCUSATION**

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

I.

Respondent IZT Mortgage, Inc., ("IZT") is a residential mortgage lender and servicer licensed by the California Corporations Commissioner ("Commissioner") pursuant to the California Residential Mortgage Lending Act (California Financial Code, § 50000 et seq.) ("CRMLA"). IZT has its principal place of business located at 74-830 Highway 111, Suite 100, Indian Wells, CA 92210.

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II.

Pursuant to California Financial Code sections 50307 and 50401 and California Code of Regulations, title 10, section 1950.314.8, all licensees under the CRMLA are required to file an annual Report of Principal Amount of Loans and Aggregate Amount of Loans Serviced ("Principal Report"), Report on Non-traditional Adjustable Rate and Mortgage Loan Products ("Non-traditional Report") and Adjustable Rate and Mortgage Loan Survey ("Survey") on or before March 1st of each year for the preceding 12-month period ended December 31.

On or about February 1, 2008, the Report, Non-traditional Report, and Survey forms were sent to all CRMLA licensees with a notice that the forms were due on or before March 1, 2008. IZT has not yet submitted the Report, Non-traditional Report, and Survey to the Commissioner despite the fact that the Commissioner has sent it numerous reminders.

On or about May 15, 2008, a letter was sent to IZT demanding that the Report and Non-traditional Report be filed no later than May 25, 2008, and assessing IZT a penalty of $1,000.00, pursuant to California Financial Code section 50326. IZT was notified in the letter that failure to file the Report and Non-traditional Report and/or pay the penalty by May 25, 2008 would result in an action to either suspend or revoke its license.

On or about August 7, 2008, Special Administrator DiAun Burns called IZT and spoke with the president of IZT Mortgage, Inc., Irina Trajanovich, communicating the need to submit the Report, Non-traditional Report, and Survey and/or pay the assessment as soon as possible.

IZT has yet to submit the Report, Non-traditional Report, and Survey and/or pay the penalty as required by California Financial Code sections 50307, 50326, and 50401 and California Code of Regulations, title 10, section 1950.314.8.

III.

Pursuant to California Financial Code section 50200, subdivision (a), IZT was required to submit its audited financial statement for its fiscal year ending December 31, 2007 ("Audit Report") to the Commissioner on or before April 15, 2008, including a reconciliation of its trust accounts. In addition, pursuant to the California Code of Regulations, title 10, section 1950.200, IZT was required to submit an Independent Auditor's Report on Internal Controls ("Report on Internal Controls") to the

Commissioner on or before April 15, 2008.

On or about December 17, 2007, the Complainant notified IZT in writing that its Audit Report, trust account reconciliation, and Report on Internal Controls were due on or before April 15, 2008. IZT failed to submit the Audit Report, trust account reconciliation, Report on Internal Controls by April 15, 2008.

On or about June 3, 2008, a further letter was sent to IZT demanding that it file the Audit Report, trust account reconciliation, and Report on Internal Controls no later than June 12, 2008. IZT failed to submit the Audit Report, trust account reconciliation, and Report on Internal Controls by June 12, 2008.

On or about August 1, 2008, a final letter was sent to IZT demanding that the Audit Report, trust account reconciliation, and Report on Internal Controls be filed no later than August 11, 2008, and assessing IZT a penalty of $1,000.00 pursuant to California Financial Code section 50326. IZT was notified in the letter that its failure to file the Audit Report, trust account reconciliation, Report on Internal Controls and/or pay the penalty by August 11, 2008, would result in an action to either suspend or revoke its license.

IZT has yet to file its Audit Report, trust account reconciliation, Report on Internal Controls, and/or pay the penalty as required by Financial Code sections 50200, subdivision (a), 50326, and California Code of Regulations, title 10, section 1950.200.

IV.

California Financial Code section 50327 provides in pertinent part:

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

V.

The Commissioner finds that, by reason of the foregoing, IZT Mortgage, Inc., has violated California Financial Code sections, 50200, subdivision (a), 50307, 50326, 50401 and California Code

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of Regulations, title 10, sections 1950.200 and 1950.314.8 and based thereon, grounds exist to revoke the residential mortgage lender and servicer license of IZT Mortgage, Inc.

WHEREFORE, IT IS PRAYED that the residential mortgage lender and servicer license of IZT Mortgage, Inc., be revoked and pursuant to California Financial Code section 50311, IZT Mortgage, Inc., be given a transition period of sixty (60) days within which to complete any loans for which it had commitments.

DATED: September 19, 2008
Los Angeles, CA

California Corporations Commissioner

By_____
Johnny Vuong
Corporations Counsel
Enforcement Division

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