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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Preferred Equity Group, LLC
Diamond Housing Group, LLC
Marc R. Tow
Janice Young
Al Cohen
Marc Tow and Associates, Lawyers
3920 Birch Street, Suite 102
Newport Beach, California 92660

DESIST AND REFRAIN ORDER
(For violations of Corporations Code sections 25110 and 25210
and Financial Code section 17200)

The California Corporations Commissioner finds that:

1. At all relevant times, Preferred Equity Group, LLC (“Preferred”) was a California limited liability company, founded on July 15, 2008. Preferred’s last known business address is 3920 Birch Street, Suite 102, Newport Beach, California, 92260. Preferred’s website could be found at www.preferredequitygroupllc.com.
2. Diamond Housing Group, LLC (“Diamond”) was also a California limited liability company, founded on September 18, 2008. Diamond’s last known business address is 3920 Birch Street, Suite 102, Newport Beach, California, 92260.
3. Marc Tow and Associates, Lawyers (“the Firm”) was a California professional corporation, founded on December 14, 1983. The Firm’s corporate status is currently suspended. The Firm’s last known business address in California is also 3920 Birch Street, Suite 102, Newport Beach, California, 92260.
4. Marc R. Tow (“Tow”) is a natural person and was a resident of the State of California. At all relevant times, he was licensed to practice law in California: state bar license number 78429. As of July 1, 2011, Tow is no longer eligible to practice law in California. Tow was the Manager and Chief Executive Officer of Preferred. Preferred was the Manager of Diamond.

1 5. Al Cohen (“Cohen”) is a natural person and was, at all relevant times, herein, a resident of
2 California. Cohen was a control person of Preferred and Diamond. He was Vice-President of
3 Preferred. Preferred was the Manager of Diamond. Cohen’s last known business address was 3920
4 Birch Street, Suite 102, Newport Beach, California, 92260.

5 6. Janice Young (“Young”) is a natural person and was, at all relevant times, herein, a resident of
6 California. Young was a control person of Preferred and Diamond. She was Vice-President of
7 Preferred. Preferred was the Manager of Diamond. Young’s last known business address was 3920
8 Birch Street, Suite 102, Newport Beach, California, 92260.

9 7. Beginning in the Summer of 2008, through the beginning of 2010, Preferred, Diamond, Tow,
10 Cohen and Young offered and sold securities in the form of limited liability company “membership
11 units” in Diamond Housing Group, LLC by advertising on the internet, holding interested investor
12 meetings, and other forms of general solicitation.

13 8. The Department of Corporations has not issued a permit or other form of qualification
14 authorizing any person to offer and sell these securities in this state. The securities are not qualified in
15 the state of California and are not exempt from the qualification requirement.

16 9. Further, Preferred, Diamond, Tow, Cohen and Young neither applied for nor secured from the
17 California Corporations Commissioner a license to operate in the capacity of securities broker-dealers
18 in the State of California.

19 10. In addition, at all relevant times, the Firm was in the business of acting as escrow agent in
20 numerous real estate transactions for EZ Access Funding, LLC and EZ Access Funding, LLC dba
21 USA Wealth Institute, a California limited liability company.

22 11. Neither Tow nor the Firm was licensed in the State of California as an escrow agent.

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1 Based upon the foregoing findings, the California Corporations Commissioner is of the opinion
2 that the limited liability company “membership units” in Diamond Housing Group, LLC that were
3 offered and sold in California by Preferred, Diamond, Tow, Cohen, and Young are securities subject to
4 qualification under the California Corporate Securities Law of 1968 and are being or have been
5 offered and sold without being qualified in violation of Corporations Code section 25110. Pursuant to
6 section 25532 of the Corporate Securities Law of 1968, Preferred Equity Group, LLC, Diamond
7 Housing Group, LLC, Marc R. Tow, Janice Young, and Al Cohen, are hereby ordered to desist and
8 refrain from the further offer or sale in the State of California of securities, including but not limited to
9 limited liability company membership units, unless and until qualification has been made under the
10 law or unless exempt.

11 The California Corporations Commissioner is further of the opinion that Preferred Equity
12 Group, LLC, Diamond Housing Group, LLC, Marc R. Tow, Janice Young, and Al Cohen have
13 induced the sale of securities in this state without having first applied for and secured a license
14 authorizing them to act in the capacity of a securities broker-dealer, in violation of section 25210 of
15 the Corporate Securities Law of 1968. Pursuant to Corporations Code section 25532, Preferred Equity
16 Group, LLC, Diamond Housing Group, LLC, Marc R. Tow, Janice Young, and Al Cohen are hereby
17 ordered to desist and refrain from effecting any transaction in, or attempting to induce the purchase or
18 sale of, any security in this state, unless and until they have applied for and secured from the
19 Commissioner a certificate authorizing them to act in that capacity or unless exempt.

20 Further, the California Corporations Commissioner is of the opinion that Marc R. Tow and
21 Marc Tow and Associates, Lawyers and their officers, directors, partners, agents, employees and/or
22 servants are in violation of California Financial Code sections 17200 for unlicensed escrow activity.
23 Pursuant to California Financial Code section 17416, Marc R. Tow and Marc Tow and Associates,
24 Lawyers, are hereby ordered to desist and refrain from engaging in the business of receiving escrows
25 for deposit or delivery in the State of California without first obtaining a license from the
26 Commissioner or unless exempt.

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