

1 PRESTON DuFAUCHARD
California Corporations Commissioner
2 WAYNE STRUMPFER
Deputy Commissioner
3 ALAN S. WEINGER (CA BAR NO. 86717)
Lead Corporations Counsel
4 LINDA A. STELLA (CA BAR NO. 161903)
Senior Corporations Counsel
5 Department of Corporations
320 West 4th Street, Ste. 750
6 Los Angeles, California 90013-2344
Telephone: (213) 576-7594 Fax: (213) 576-7181
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8 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF CORPORATIONS
10 OF THE STATE OF CALIFORNIA
11

12	In the Matter of)	CASE NO.
13	THE CALIFORNIA CORPORATIONS)	FILE NO. 506-2938
14	COMMISSIONER,)	ACCUSATION
15	Complainant,)	
16	v.)	
17	21st CENTURY FINANCIAL RESOURCES,)	
18	INC.,)	
19	Respondent.)	
20)	
21)	

22 Preston DuFauchard, the California Corporations Commissioner ("Commissioner") of the
23 Department of Corporations ("Department") alleges and charges as follows:

- 24 1. The Commissioner brings this action pursuant to Corporations Code section 25140(a)(1)
25 to revoke the permit issued to 21st Century Financial Resources, Inc. ("Respondent").
- 26 2. 21st Century Financial Resources, Inc. is a California corporation located at 1305 Vine
27 Street, Paso Robles, California 93447. Respondent does business as 21st Century Mortgage.

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1 3. On October 2, 2006, the Commissioner issued a permit under Corporations Code section
2 25113 to 21st Century Financial Resources, Inc. to offer and sell securities in the form of fractional
3 interests in notes secured by deeds of trust in California. The permit expires on October 2, 2007.

4 4. The permit was issued under a limited offering qualification authorizing the offer and
5 sale of Respondent's securities only to investors with (a) a net worth (exclusive of home, furnishings
6 and automobiles) of at least \$250,000 and an annual gross income of at least \$65,000; or (b) a net
7 worth (exclusive of home, furnishings and automobiles) of at least \$500,000 and the amount of each
8 investor's investment must not exceed 10% of such investor's net worth (exclusive of home,
9 furnishings and automobiles.)

10 5. On or about August 24, 2007, the Department received information that Respondent
11 notified its investors by a letter dated August 17, 2007 that it will be closing as of August 24, 2007.
12 The letter stated that the recent changes in the real estate market have caused a significant reduction
13 in revenue and the company is unable to maintain daily operations.

14 6. Corporations Code section 25140(a)(1) provides in pertinent part as follows:

15 The commissioner . . . may suspend or revoke any permit issued under Section 25113 or
16 25122 if he or she finds (A) that the order is in the public interest and (B) that the proposed
17 plan of business of the issuer or the proposed issuance or sale of securities is not fair, just, or
18 equitable, or that the issuer does not intend to transact its business fairly and honestly, or that
the securities proposed to be issued or the method to be used in issuing them will tend to
work a fraud upon the purchaser thereof

19 The Commissioner finds that revoking the permit issued to Respondent is in the public
20 interest and that Respondent's proposed plan of business and proposed issuance of securities is no
21 longer fair, just and equitable because the Respondent has ceased operations.

22 WHEREFORE, IT IS PRAYED that the permit issued under Corporations Code section
23 25113 to 21st Century Financial Resources, Inc. be revoked.

24 Dated: August 27, 2007
25 Los Angeles, California

PRESTON DuFAUCHARD
California Corporations Commissioner

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27 By _____
Linda A. Stella
Senior Corporations Counsel
Enforcement Division