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

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In the Matter of the Accusation of THE
12 CALIFORNIA CORPORATIONS
COMMISSIONER,

) File No.: 413-0342

13

Complainant,

) **ORDER REVOKING RESIDENTIAL
MORTGAGE LENDER LICENSE**

14

15

v.

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PLATINUM CAPITAL GROUP,

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Respondent.

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The California Corporations Commissioner finds:

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1. Respondent Platinum Capital Group ("Platinum Capital") is a residential mortgage
22 lender licensed by the California Corporations Commissioner ("Commissioner") pursuant to the
23 California Residential Mortgage Lending Act (California Financial Code, § 50000 et seq.)
24 ("CRMLA"). Platinum Capital has its principal place of business located at 17101 Armstrong
25 Avenue, Suite 200, Irvine, California 92614.

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2. Pursuant to California Financial Code sections 50307 and 50401, Platinum Capital is
27 required to file an annual Report of Principal Amount of Loans and Aggregate Amount of Loans
28 Serviced ("Activity Report") on or before March 1st of each year for the preceding 12-month period

1 ended December 31st.

2 3. On January 19, 2007, an Activity Report form was sent to Platinum Capital with a
3 notice that the Report was due on or before March 1, 2007. Platinum Capital failed to submit the
4 Activity Report by March 1, 2007.

5 4. On May 7, 2007, a letter was sent to Platinum Capital demanding the Activity Report
6 be filed no later than May 17, 2007, and assessing Platinum Capital a penalty of \$1,000.00, pursuant
7 to California Financial Code section 50326. Platinum Capital was notified in the letter that failure to
8 file the Activity Report and/or pay the penalty by May 17, 2007 would result in an action to either
9 suspend or revoke its license.

10 5. On June 27, 2007, a further letter was sent to Platinum Capital demanding that it
11 submit its Activity Report and pay the penalty assessed on May 7, 2007 no later than July 7, 2007 and
12 again notifying Platinum Capital that failure to file the Activity Report and/or pay the penalty by July
13 7, 2007 would result in an action to either suspend or revoke its license.

14 6. Platinum Capital has yet to submit the Activity Report or pay the penalty as required
15 by California Financial Code sections 50307, 50326, and 50401.

16 7. Pursuant to California Financial Code section 50200, subdivision (a), Platinum Capital
17 was required to submit its audited financial statement for fiscal year ended December 31, 2006
18 ("Audit Report") to the Commissioner by April 15, 2007, including a reconciliation of its trust
19 accounts. In addition, pursuant to the California Code of Regulations, title 10, section 1950.200,
20 Platinum Capital was required to submit an Independent Auditor's Report on Internal Controls
21 ("Report on Internal Controls") on or before April 15, 2007.

22 8. On December 11, 2006, the Complainant notified Platinum Capital in writing that its
23 Audit Report, trust account reconciliation, and Report on Internal Controls were due on or before
24 April 15, 2007. Platinum Capital failed to submit the Audit Report, trust account reconciliation, and
25 Report on Internal Controls by April 15, 2007.

26 9. On June 13, 2007, a further letter was sent to Platinum Capital demanding that it file
27 the Audit Report, trust account reconciliation, and Report on Internal Controls no later than June 23,
28 2007. Platinum Capital failed to submit the Audit Report, trust account reconciliation, and Report on

1 Internal Controls.

2 10. On August 2, 2007, a final letter was sent to Platinum Capital demanding that it file
3 the Audit Report, trust account reconciliation, and Report on Internal Controls no later than August
4 12, 2007, and assessing Platinum Capital a penalty of \$1,000.00 pursuant to California Financial
5 Code section 50326. Platinum Capital was notified in the letter that failure to file the Audit Report,
6 trust account reconciliation, Report on Internal Controls and/or pay the penalty by August 12, 2006
7 would result in an action to either suspend or revoke its license.

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

11 12. California Financial Code section 50123 requires that prior to surrendering a license, a
12 licensee must file a plan for approval by the Commissioner. The plan must contain the licensee's
13 detailed proposal for orderly closing out of the residential mortgage lending business. In addition, the
14 Commissioner must make a determination that there has been no violation of the CRMLA.

15 13. On June 7, 2007, Platinum Capital notified the Commissioner by e-mail that it
16 intended to surrender its residential mortgage lender license. On June 7, 2007, the Commissioner
17 sent Platinum Capital instructions concerning the manner in which it is required to surrender its
18 license under the CRMLA.

19 14. Platinum Capital has yet to file its plan for approval by the Commissioner pursuant to
20 California Financial Code section 50123 and it is not considered to have surrendered its residential
21 mortgage lender license for purposes of the CRMLA.

22 15. Failure to file an activity report, audit report, trust account reconciliation, report on
23 internal controls, and/or pay assessed penalties are grounds under California Financial Code section
24 50327 for the revocation of a license issued under the CRMLA.

25 16. On September 7, 2007, the Commissioner issued a Notice of Intention to Issue Order
26 Revoking Residential Mortgage Lender License, Accusation and accompanying documents against
27 Platinum Capital based upon the above, and Platinum Capital was served with those documents on
28 September 10, 2007 via certified mail, return receipt requested, at its licensed location on file with the

1 California Department of Corporations. The Department has received no request for a hearing from
2 Platinum Capital and the time to request a hearing has expired.

3 NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the residential
4 mortgage lender license issued by the Commissioner to Platinum Capital Group is hereby revoked.
5 This order is effective as of the date hereof. Pursuant to California Financial Code section 50311,
6 Platinum Capital Group has sixty (60) days within which to complete any loans for which it had
7 commitments.

8 DATED: September 27, 2007
9 Los Angeles, CA

PRESTON DuFAUCHARD
California Corporations Commissioner

11 By _____
12 Alan S. Weinger
13 Lead Corporations Counsel
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