Bureau of Real Estate
P. O. Box 137007
Sacramento, CA 95813-7007

Telephone: (916) 263-8670

FILED

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BUREAU OF REAL ESTATE

By

BEFORE THE BUREAU OF REAL ESTATE

STATE OF CALIFORNIA

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To: JR & RA MORTGAGE CORPORATION and ROBERT ARREAZOLA.	No. H- 2866 FR ORDER TO DESIST AND REFRAIN (B&P Code Section 10086)

The Commissioner ("Commissioner") of the California Bureau of Real Estate ("Bureau") caused an investigation to be made of the activities of JR & RA MORTGAGE CORPORATION ("JRRAMC") and ROBERT ARREAZOLA ("ARREAZOLA"). Based on that investigation the Commissioner has determined that JRRAMC and ARREAZOLA have engaged in, are engaging in acts, and/or are attempting to engage in the business of, acting in the capacity of, and/or advertising or assuming to act as real estate brokers in the State of California within the meaning of Business and Professions Code ("Code") Sections 10131(d) (soliciting, negotiating and performing services for borrowers in connection with loans secured by real property), 10131.2 (advance fee handling), and acts involving the collection of advance fees for loan modification services after October 10, 2009, in violation of Sections 10085.5 and 10085.6 of the Code and Sections 2944.7 and 2945.4 of the Civil Code.

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In addition, based on that investigation, the Commissioner has determined that JRRAMC and ARREAZOLA have engaged in or are engaging in acts or are attempting to engage practices constituting violations of the California Business and Professions Code ("Code") and/or Title 10, California Code of Regulations ("Regulations"). Based on the findings of that investigation, set forth below, the Commissioner hereby issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under the authority of Section 10086 of the Code.

Whenever acts referred to below are attributed to JRRAMC and ARREAZOLA, those acts are alleged to have been done by ARREAZOLA, acting alone, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, and using the name "JR and RA Mortgage Solutions", or other names or fictitious names unknown at this time.

FINDINGS OF FACT

1. JRRAMC is not now, and has never been, licensed by the Bureau in any capacity.

2. ARREAZOLA is not now, and has never been, licensed by the Bureau in any capacity.

3. At the time set forth below, JRRAMC and ARREAZOLA solicited borrowers and negotiated to do one or more of the following acts for another or others, for or in expectation of compensation: engaged in the business of, acted in the capacity of, or advertised a loan modification and negotiation service and advance fee brokerage using their individual names, and the name "JR and RA Mortgage Solutions", soliciting, offering to negotiate or perform loan modification services with respect to loans which were secured by liens on real property for compensation or in expectation of compensation and for fees collected in advance of the transaction.

4. On or about May 18, 2011, ARREAZOLA, as a representative of JRRAMC, entered into an agreement with May V. and Benjamin M. ("Borrowers") for loan modification

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and negotiation services on Borrowers' existing mortgage on their home located in the City of Fresno, California.

5. On or about May 18, 2011, ARREAZOLA, as a representative of JRRAMC, demanded and received a total advance fee of $595.00 from Borrowers for the activities described in Paragraph 4, above.

6. JRRAMC and ARREAZOLA failed to obtain a loan modification for Borrowers, and have not returned the $595.00 advance fees paid by Borrowers.

CONCLUSIONS OF LAW

Based on the Findings of Fact contained in Paragraphs 1 through 6, above, JRRAMC and ARREAZOLA solicited borrowers and/or performed services for those borrowers with respect to the collection of advance fees and loan modification, loan refinance, principal reduction, foreclosure abatement or short sale services and/or those borrowers' lenders in connection with loans secured directly or collaterally by one or more liens on real property; and charged, demanded or collected advance fees for the services to be provided, which acts require a real estate broker license, in violation of Sections 10130, 10131(d) and 10131.2 of the Code, and Sections 2944.7 and 2945.4 of the Civil Code. Additionally, JRRAMC and ARREAZOLA used a form of advance fee agreement which had not been provided to the Bureau for its prior review and consideration, in violation of Sections 10085, 10085.5, and 10085.6 of the Code, and Section 2970 of the Regulations.

DESIST AND REFRAIN ORDER

Based upon the Findings of Fact and Conclusions of Law stated herein, JR & RA MORTGAGE CORPORATION and ROBERT ARREAZOLA, whether doing business under their own name or any other name or fictitious business name, ARE HEREBY ORDERED to immediately desist and refrain from:

1. Performing any acts within the State of California that require a real estate license unless and until they are properly licensed by the Bureau;

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2. Charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, in any form, and under any conditions, with respect to the performance of loan modifications or any other form of mortgage loan forbearance service in connection with loans on residential property containing four or fewer dwelling units;

3. Charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any of the services they offer to others, unless and until they demonstrate and provide evidence satisfactory to the Commissioner that they are properly licensed by the Bureau and that you:

(a) Have an advance fee agreement which has been submitted to the Bureau and which is in compliance with Sections 2970 and 2972 of the Regulations;

(b) Have placed all previously collected advance fees into a trust account for that purpose and are in compliance with Section 10146 (deposit of advance fees into trust account) of the Code;

(c) Have provided an accounting to trust fund owner-beneficiaries pursuant to Section 2972 of the Regulations;

(d) Are in compliance with California law, as amended effective as of October 11, 2009, with respect to loan modification and/or forbearance services. Under the amended law, advance fees may be collected only for loan modification or other mortgage loan forbearance services related to commercial loans and loans for residential properties containing five or more dwelling units; and,

(e) Have refunded to May V. and Benjamin M. the advance fees paid by them in this matter as set forth above.

DATED: OCT 29 2013

REAL ESTATE COMMISSIONER

By: JEFFREY MASON
Chief Deputy Commissioner

Notice: Business and Professions Code Section 10139 provides that "Any person acting as a real estate broker or real estate salesperson without a license or who advertises using words indicating that he or she is a real estate broker without being so licensed shall be guilty of a public offense punishable by a fine not exceeding twenty thousand dollars ($20,000), or by imprisonment in the county jail for a term not to exceed six months, or by both fine and imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars ($60,000)."