BUREAU OF REAL ESTATE
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FILED

JUN 12 2014

BUREAU OF REAL ESTATE

By

STATE OF CALIFORNIA

BUREAU OF REAL ESTATE

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To: SOVEREIGN FUNDING, dba MEC Distribution, LLC	NO. H- 6140 SAC ORDER TO DESIST AND REFRAIN (B&P Code Section 10086)

The Commissioner ("Commissioner") of the California Bureau of Real Estate ("Bureau") has caused an investigation to be made of the activities of SOVEREIGN FUNDING, dba MEC Distribution LLC. Based upon that investigation, the Commissioner has determined that SOVEREIGN FUNDING has engaged in or is engaging in acts or is attempting to engage in the business of, acting in the capacity of, and/or advertising or assuming to act as real estate brokers and mortgage loan originators in the State of California within the meaning of Sections 10131(d) (soliciting, negotiating and performing services for borrowers in connection with loans secured by real property) and 10166.01 (activities requiring a mortgage loan originator endorsement) of the Business and Professions Code ("Code").

Whenever acts referred to below are attributed to SOVEREIGN FUNDING, those acts are alleged to have been done by SOVEREIGN FUNDING, acting alone, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, and using the name "MEC Distribution LLC" or other names or fictitious names unknown at this time.

FINDINGS OF FACT

1. At no time herein mentioned has SOVEREIGN FUNDING been licensed by the Bureau in any capacity.

2. During the periods of time set forth below, SOVEREIGN FUNDING performed activities requiring a real estate broker license and negotiated to do one or more of the following acts for or in expectation of compensation on behalf of another or others: solicit borrowers or lenders for or negotiate loans or collect payments or perform services for borrowers or lenders or note owners in connection with loans secured directly or collaterally by liens on real property or a business opportunity.

3. In or about September, 2013, SOVEREIGN FUNDING, acting by and through its agents, associates, affiliates, and/or co-conspirators, solicited Phillip I. by mailing to his California residence a letter indicating that Phillip I. had been "pre-approved for a $45,000 Debt Consolidation Loan". Said solicitation letter featured the United States Housing and Urban Development (HUD) emblem on the front. The back of the letter stated that the solicitation pertained to "First Mortgages Only".

CONCLUSIONS OF LAW

4. Based on the Findings of Fact contained in Paragraphs 1 through 3, SOVEREIGN FUNDING has performed and/or participated in mortgage loan activities which require a real estate license under Code Sections 10130 and 10131(b) during a period of time when SOVEREIGN FUNDIG was not licensed by the Bureau in any capacity.

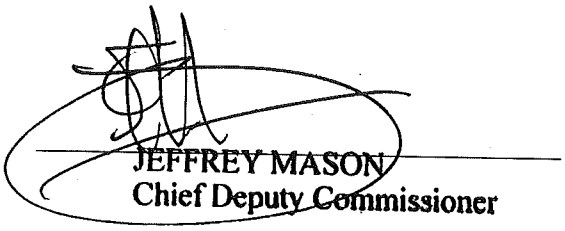
DESIST AND REFRAIN ORDER

Based upon the Findings of Fact and Conclusions of Law stated herein, SOVEREIG FUNDING, and all agents, associates, affiliates, and/or co-conspirators including, but not limited to, "MEC Distribution, LLC", ARE HEREBY ORDERED to immediately Desist and Refrain from performing any acts within the State of California for which a real estate broker license is required, and in particular, to immediately Desist and Refrain from soliciting, negotiating and performing services for borrowers in connection with loans secured by real

property or performing activities requiring a mortgage loan originator endorsement, for others and for compensation, unless and until you obtain an appropriate license issued by the Bureau.

DATED: MAY 21 2014

REAL ESTATE COMMISSIONER



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) ..."