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MAY 11 2012

DEPARTMENT OF REAL ESTATE
BY: _____

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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To: AUTHORITY LENDING CORPORATION; DERRICK ANTHONY JONES, individually, and as designated officer for Authority Lending Corporation; STEVEN G. RIVERA; KURT S. BROOM; and CARL ALLEN IV	No. H-38133 LA ORDER TO DESIST AND REFRAIN (B&P Code Section 10086)

The Commissioner ("Commissioner") of the California Department of Real Estate ("Department") caused an investigation to be made of the activities of AUTHORITY LENDING CORPORATION ("AUTHORITY"), DERRICK ANTHONY JONES ("JONES"), individually, and as designated officer for AUTHORITY, STEVEN G. RIVERA ("RIVERA"), KURT S. BROOM ("BROOM") and CARL ALLEN IV ("ALLEN"), and has determined that each of them engaged in or is engaging in acts or practices constituting violations of the California Business and Professions Code ("Code") and/or Title 10, California Code of

Regulations ("Regulations"). Said parties are engaging in the business of, acting in the capacity of, advertising, or assuming to act, as a real estate broker in the State of California within the meaning of Section 10131(d) (soliciting borrowers or lenders or negotiating loans) and Section 10131.2 (advance fee handling). Based on the findings of that investigation, as set forth below, the Commissioner hereby issues the following Findings of Fact and Desist and Refrain Order pursuant to Section 10086 of the Code.

FINDINGS OF FACT

1. AUTHORITY is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Business and Professions Code, hereinafter "Code"), as a real estate corporation.

2. JONES is presently licensed and/or has license rights under the Real Estate Law as a real estate broker. At all times relevant herein JONES was the designated broker-officer of AUTHORITY.

3. At no time have STEVEN G. RIVERA ("RIVERA"), KURT S. BROOM ("BROOM"), OR CARL ALLEN IV ("ALLEN") been licensed by the Department in any capacity.

4. Whenever acts referred to below are attributed to AUTHORITY, those acts are alleged to have been done by AUTHORITY, acting by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including but not limited to each of those named herein, and using the name "Authority Lending", or any fictitious name unknown at this

time.

5. AUTHORITY employed and/or compensated individuals, including those named herein, who were not licensed as real estate salespersons or as real estate brokers to perform some or all of the services alleged in Paragraphs 11 and 13, below.

6. AUTHORITY engaged in the business of claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee, as defined by Code Section 10026, including but not limited to the activities described in Paragraphs 11 and 13, below.

7. In or around January, 2009, AUTHORITY and JONES proposed to engage in the business of advance fee brokerage within the definition of Code Section 10131.2 by claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee, within the meaning of Code Section 10026, in connection with any employment undertaken to obtain or to modify a loan or loans.

8. On or about April 3, 2009, pursuant to the provisions of Code Section 10085 and Section 2970, Title 10, Chapter 6, Code of Regulations ("Regulations"), the Department issued a "No Objection" letter to AUTHORITY authorizing the use of specified materials AUTHORITY proposed to use in obtaining the advance fee agreements described in Paragraph 11, below.

9. At all times mentioned herein AUTHORITY, JONES, RIVERA, BROOM and ALLEN engaged in the business of soliciting borrowers and lenders and negotiating the terms of loans secured

by real property between borrowers and third party lenders for or in expectation of compensation, within the meaning of Code Section 10131(d).

10. At all times mentioned herein AUTHORITY, JONES, RIVERA, BROOM and ALLEN engaged in the business of advance fee brokerage within the definition of Code Section 10131.2 by claiming, demanding, charging, receiving, collecting or contracting for the collection of an advance fee, within the meaning of Code Section 10026, in connection with any employment undertaken to obtain a loan or loans.

11. AUTHORITY, JONES, RIVERA, BROOM and ALLEN engaged in advance fee activities including, but not limited to, the following activities with respect to loans which were secured by liens on real property:

a. On or about September 9, 2009, Sandra Jeanette R. was solicited by ALLEN, who was acting as an unlicensed representative of AUTHORITY, to obtain a loan modification of the loan on her real property. On or about September 9, 2009, Sandra Jeanette R. paid an advance fee of $2,876 to AUTHORITY. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by AUTHORITY with respect to the real property at 32145 Cedar Crest Court, Temecula, California 92592. At no time did AUTHORITY obtain a loan modification of the real estate loan.

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12. On October 11, 2009, Code Section 10085.6 went into effect. By its terms Section 10085.6 prohibits any real estate licensee who negotiates, attempts to negotiate, arranges, attempts to arrange, or otherwise offers to perform a loan modification with respect to residential property to "claim, demand, charge, collect, or receive any compensation until after the licensee has fully performed each and every service the licensee contracted to perform or represented that he, she, or it would perform."

13. After October 11, 2009, AUTHORITY, JONES, RIVERA, BROOM and ALLEN engaged in advance fee activities including, but not limited to, the following activities with respect to loans which were secured by liens on real property:

(a) On or about November 17, 2010, James Newton F. was solicited by BROOM, who was acting as an unlicensed representative of AUTHORITY, to obtain a loan modification of the loan on his real property. On or about November 17, 2010, James Newton F. paid an advance fee of $925 to AUTHORITY. The advance fee was collected pursuant to the provisions of an agreement providing for payment in the amount of $1,950 and pertaining to loan solicitation, negotiation, and modification services to be provided by AUTHORITY with respect to the real property at 32145 Cedar Crest Court, Temecula, California 92592. At no time did AUTHORITY obtain the loan modification or refund any portion of the payment made.

(b) On or about December 3, 2010, Luis G. was solicited by RIVERA, who was acting as an unlicensed representative of AUTHORITY, to obtain a loan modification of the loan on his real property. On or about December 3, 2010, Luis G. paid an advance fee of $1,850 to AUTHORITY. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by AUTHORITY with respect to the real property at 16255 Blossom Time Court, Riverside, California 92503. At no time did AUTHORITY obtain the loan modification or refund any portion of the payment made.

(c) On or about December 4, 2010, Jolyn and Jeffrey H. were solicited by mail to obtain a loan modification of the loan on their real property. On or about December 4, 2010, Jolyn and Jeffrey H. paid an advance fee of $1,850 to AUTHORITY. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by AUTHORITY with respect to the real property at 12214 Jamestown Place, Chino, California 91710. At no time did AUTHORITY obtain the loan modification or refund any portion of the payment made.

CONCLUSIONS OF LAW

14. The activities described in Paragraphs 11 and 13, above, require a real estate license under Section 10131(d) and Section 10131.2 of the Code.

15. Based on the information contained in Paragraphs

11 and 13, above, RIVERA, BROOM and ALLEN performed and/or participated in loan solicitation, negotiation and modification activities which require a real estate broker license under the provisions of Code Sections 10131(d) and 10131.2 during a period of time when they were not licensed by the Department as a real estate broker nor employed as a real estate salesperson by the broker on whose behalf the activities were performed in violation of Section 10130 of the Code.

16. Based on the information contained in Paragraphs 11 and 13, above, AUTHORITY and JONES violated Section 10137 of the Code by employing and/or compensating individuals who were not licensed as a real estate salesperson or as a broker to perform activities requiring a real estate license.

17. Based on the information contained in Paragraphs 11 and 13, above, AUTHORITY collected fees pursuant to an agreement which constitutes an advance fee agreement within the meaning of Code Section 10085.

18. Based on the information contained in Paragraph 11, above, the failure by AUTHORITY and JONES to submit all portions of the advance fee agreement to the Commissioner ten days before using it constitutes a violation of Code Section 10085 and Section 2970 of the Regulations.

19. By virtue of the application of newly enacted Code Section 10085.6 to the advance fee transactions described in Paragraph 13, above, AUTHORITY violated the statute's provisions

when it collected advance fees after such fees were prohibited by Code Section 10085.6.

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein:

1. IT IS HEREBY ORDERED that AUTHORITY and JONES, whether doing business under the name "Authority Lending," or any other name(s), or any fictitious name:

(i) Immediately desist and refrain from 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 modification or any other form of mortgage loan forbearance services in connection with loans on residential property containing four or fewer dwelling units (Code Section 10085.6).

(ii) Immediately desist and refrain from charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any of the other real estate related services offered to others, unless and until AUTHORITY and JONES demonstrate and provide evidence satisfactory to the Commissioner that they:

(a) have an advance fee agreement which has been submitted to the Department and which is in compliance with Section 10085 of the Code and Section 2970 of the Regulations;

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

(c) have provided an accounting to trust fund owner-beneficiaries from whom advance fees have previously been collected in compliance with Code Section 10146 and Section 2972 of the Regulations.

2. AUTHORITY and JONES immediately desist and refrain from employing or compensating any person for performing any act for which a real estate license is required unless that person is licensed as a real estate broker, or as a real estate salesperson licensed under the broker employing or compensating him. In particular, AUTHORITY and JONES are ordered to desist and refrain from:

(i) employing or compensating any person who does not hold a real estate license from soliciting borrowers and/or performing services for borrowers or lenders in connection with loans secured directly or collaterally by one or more liens on real property.

3. IT IS HEREBY ORDERED that RIVERA, BROOM and ALLEN, whether doing business under their own names, or any other names, or any fictitious name, 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. In particular each of them is ORDERED TO DESIST AND REFRAIN from:

(i) 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 (Code Section 10085.6); and

(ii) charging, demanding, claiming, collecting and/or receiving advance fees, as that term is defined in Section 10026 of the Code, for any other real estate related services offered by them to others.

DATED: May 6, 2012.

REAL ESTATE COMMISSIONER

By WAYNE S. BELL
Chief Counsel

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)."

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