

1 Department of Real Estate
2 320 West 4th Street, Suite 350
3 Los Angeles, California 90013-1105

4 Telephone: (213) 576-6982

FILED

SEP 11 2012

DEPARTMENT OF REAL ESTATE
BY: CA

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
BEFORE THE DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA

To:) NO. H-38406 LA
)
MODIFY LAW GROUP INC. and) ORDER TO DESIST
ERIC THEODORE SMITH.) AND REFRAIN
)
) (B & P Code Section 10086)
)
)
)
)

The Real Estate Commissioner of the State of California ("Commissioner") has caused an investigation to be made of the activities of MODIFY LOAN GROUP INC. and ERIC THEODORE SMITH. Based on that investigation, the Commissioner has determined that MODIFY LOAN GROUP INC. and ERIC THEODORE SMITH have engaged in, are engaging in, or are attempting to engage in, acts or practices constituting violations of the California Business and Professions Code ("Code"), including engaging in the business of, acting in the capacity of, advertising, or assuming to act, as real estate brokers 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) without being properly licensed.

///

1 7. In late 2008, Respondent SMITH established MODIFY LAW as a company
2 engaged in the business of providing loan modification services to homeowners nationwide.
3 MODIFY LAW and SMITH originally did business in an office located at 25 Mauchly, Suite
4 314, Irvine, CA 92618. In July of 2009, MODIFY LAW and SMITH moved their offices to
5 7201 Apricot Drive, Irvine, CA 92618. On September 7, 2009, SMITH and MODIFY LAW
6 moved to offices located at 7545 Irvine Center Drive, Irvine, CA 92618.
7

8 8. MODIFY LAW advertised on radio stations in various markets throughout
9 the United States, sent out mass mailing in various markets throughout the United States, and
10 advertised on the internet.

11 9. Beginning on or before December 31, 2008, and continuing through on or
12 after September 7, 2009, MODIFY LAW and SMITH collected advance fees from consumers
13 in exchange for promises to provide loan modification services. Many of the contracts called
14 for MODIFY LAW and SMITH to modify consumers' loans on properties located in
15 jurisdictions in which SMITH was not entitled to practice law.
16

17 10. By mid July 2009, SMITH was aware that he and MODIFY LAW had
18 accepted more loan modification clients than they would competently represent. Nevertheless,
19 SMITH and MODIFY LAW continued to accept new loan modification clients.
20

21 11. From November 19, 2009 to December 19, 2009, SMITH was suspended
22 from the practice of law and was not eligible to practice for disciplinary reasons. At no time
23 did SMITH inform his clients of his suspension or his ineligibility to practice law.

24 12. Numerous consumers were told by SMITH or representatives of MODIFY
25 LAW that MODIFY LAW and SMITH would refund their advance fees if MODIFY LAW and
26 SMITH did not obtain a loan modification for clients.
27

1 issued by the Department, and until you demonstrate and provide evidence satisfactory to the
2 Commissioner that you are in full compliance with all of the requirements of the Code and
3 Commissioner's Regulations relating to charging, collecting, and accounting for fees.

4 DATED: 8/31/2012

5 Real Estate Commissioner

6
7
8 
9 By WAYNE S. BELL
10 Chief Counsel

11
12 **Notice:** Business and Professions Code Section 10139 provides that "Any person acting as a
13 real estate broker or real estate salesperson without a license or who advertises using words
14 indicating that he or she is a real estate broker without being so licensed shall be guilty of a
15 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by
16 imprisonment in the county jail for a term not to exceed six months, or by both fine and
17 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars
18 (\$60,000)."

19 cc: Eric Theodore Smith
20 7201 Apricot Drive
21 Irvine, CA 92618

22 Modify Law Group Inc.
23 7201 Apricot Drive.
24 Irvine, CA 92618

25 Modify Law Group Inc.
26 7595 Irvine Center Drive, Suite 120
27 Irvine, CA 92618