Department of Real Estate
320 West Fourth St. #350
Los Angeles, CA 90013

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FILED
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DEPARTMENT OF REAL ESTATE
BY: [illegible]

BEFORE THE DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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To:	No. H-38756 LA
CHARLES A. SMITH and IRENE E. SMITH, dba Direct Mortgage Counseling and dba Mortgage Counseling Center.	ORDER TO DESIST 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 CHARLES A. SMITH and IRENE E. SMITH, dba Direct Mortgage Counseling and dba Mortgage Counseling Center. Based on that investigation, the Commissioner has determined that CHARLES A. SMITH and IRENE E. SMITH, dba Direct Mortgage Counseling and dba Mortgage Counseling Center 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 acting in the capacity of, advertising and/or assuming to act as real estate brokers in the State of California within the meaning of Code Sections 10131(d) (advertising, soliciting borrowers for, and offering to perform loan modification services for distressed homeowners) and 10131.2 (collecting advance fees in connection with those services). Based on that investigation, 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 CHARLES A. SMITH and/or IRENE E. SMITH, those acts are alleged to have been done by CHARLES A. SMITH and/or IRENE E.SMITH in their own name, or as Direct Mortgage Counseling or Mortgage Counseling Center, and/or by individuals and entities using the fictitious business names Direct Mortgage Counseling and/or Mortgage Counseling Center, acting by themselves, or by and /or through one or more agents, associates, affiliates and/or co-conspirators, including but not limited to the individuals herein named.

FINDINGS OF FACT

1. CHARLES A. SMITH ("C. SMITH") is not now, and has never been, licensed by the Department of Real Estate of the State of California ("Department") as a real estate broker or as a real estate salesperson.

2. IRENE E. SMITH ("I. SMITH") is not now, and has never been, licensed by the Department as a real estate broker or as a real estate salesperson.

3. Mortgage Counseling Center and Direct Mortgage Counseling are fictitious business names used by C. SMITH and I. SMITH, and their affiliates, to perform loan modification activities. Neither Mortgage Counseling Center nor Direct Mortgage Counseling is licensed by the Department in any capacity.

4. On or about June 20, 2011, C. SMITH filed a fictitious business name statement with the Los Angeles County Clerk's office indicating that as of that date, C. SMITH and I. SMITH were doing business in Los Angeles County as Direct Mortgage Counseling. At that time, C. SMITH indicated that the primary place of business for Direct Mortgage Counseling was 1470 Sunshine Lane, #33, Lake Havasu, Arizona 86404, and that the company

would have a mailing address in California of P.O. Box 2746, La Habra, CA 90632.

5. On or about September 23, 2011, I. SMITH filed a fictitious business name statement with the Los Angeles County Clerk's office indicating that as of that date, she would be doing business as Direct Mortgage Counseling. At that time, I. SMITH indicated that the principal place of business for Direct Mortgage Counseling was 11312 Santa Monica Blvd., Suite 3, Los Angeles, CA 90025. The mailing address for I. SMITH was P.O. Box 2746, La Habra, CA 90632.

6. On or about May 9, 2011, C. SMITH filed a fictitious business name statement with the Los Angeles County Clerk's office indicating that he and I. SMITH would be doing business in Los Angeles County as Mortgage Counseling Center, with a principal place of business located as 3939 Tweedy Blvd., South Gate, CA 90280. C. SMITH indicated that his mailing address was P.O. Box 2746, La Habra, CA 90632.

7. Commencing on or before May 9, 2011, C. SMITH and I. SMITH commenced engaging in loan modification, short sale and bankruptcy activities on behalf of others as Direct Mortgage Counseling and Mortgage Counseling Center, located at addresses set forth in Paragraphs 3, 4, 5 and 6 above, as well as at other locations including 11312 Santa Monica Blvd., Suite 1, Los Angeles CA 90025. Their loan modification, short sale and bankruptcy activities included soliciting consumers of mortgage loans and offering to provide loan modification services in exchange for payment of fees.

8. Commencing on or before October 21, 2011, C. SMITH and I. SMITH, doing business as Direct Mortgage Counseling, advertised their loan modification, short sale and bankruptcy counseling services on a website on the internet located at http://directmortgagecounseling.org, through which they solicited consumers and offered to provide loan modification and related services for a fee.

9. Commencing on or before October 21, 2011, C. SMITH and I. SMITH, doing business as Mortgage Counseling Center, advertised their loan modification, short sale and bankruptcy counseling services on a website on the internet located at http://mortgagecounselingcenter.org, through which they solicited consumers and offered to provide loan modification services in exchange for a fee.

10. On or about March 28, 2012, consumers Jim and Regina G. entered into a loan modification agreement with Direct Mortgage Counseling and paid an up front fee of $4,445.00 for loan modification services. C. SMITH was the primary contact for Direct Mortgage Counseling and served as "Senior Loan Negotiator."

11. Direct Mortgage Counseling and C. SMITH never performed any services for Jim and Regina G. and refused to refund or account for the fee paid.

12. The activities set forth above, performing loan modification services and collecting fees in connection therewith, was activity requiring a real estate broker license.

13. Neither C. SMITH, I. SMITH, Direct Mortgage Counseling or Mortgage Counseling Center were licensed by the Department in any capacity at the time they conducted loan modification activities for a fee.

CONCLUSIONS OF LAW

The conduct, acts and/or omissions of CHARLES A. SMITH and IRENE E. SMITH, when not licensed by the Department as real estate brokers or as salespersons employed by a real estate broker licensed by the Department, were in violation of Code Section 10130.

DESIST AND REFRAIN ORDER

Based on the FINDINGS OF FACT and CONSCLUSIONS OF LAW stated herein, it is hereby ordered that CHARLES A. SMITH and IRENE E. SMITH, whether doing business under their own names, or any other names, or fictitious names, ARE HEREBY

ORDERED to immediately desist and refrain from performing any acts within the State of California for which require a real estate broker license until they are properly licensed. 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; 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: 2/27, 2013

Real Estate Commissioner

WAYNE S. BELL

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)."

cc: CHARLES A. SMITH, dba
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