Department of Real Estate
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FILED

MAY 02 2013

DEPARTMENT OF REAL ESTATE
BY: _____

DEPARTMENT OF REAL ESTATE

STATE OF CALIFORNIA

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To: NEW CENTURY HOMES INC.; JORGE A. CABALLERO, individually, and as designated officer for New Century Homes Inc.; KADM ENTERPRISES; JUAN ARMANDO CHAVEZ; and GRISELDA GONZALEZ	No. H-38848 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 NEW CENTURY HOMES INC. ("NEW CENTURY"); JORGE A. CABALLERO ("CABALLERO"), individually, and as designated officer for NEW CENTURY; KADM ENTERPRISES; JUAN ARMANDO CHAVEZ ("CHAVEZ"), also known as Armando Chavez; and GRISELDA GONZALEZ ("GONZALEZ"), 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 Code Section 10131(d) (soliciting borrowers or lenders or negotiating loans) and Code 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. NEW CENTURY is presently licensed and/or has license rights under the Real Estate Law (Part 1 of Division 4 of the Code) as a corporate real estate broker.

2. CABALLERO is presently licensed and/or has license rights under the Real Estate Law as a real estate broker, and at all times relevant herein was the designated officer of NEW CENTURY.

3. At no time mentioned herein has KADM ENTERPRISES, CHAVEZ or GONZALEZ been licensed by the Department in any capacity.

4. NEW CENTURY, CABALLERO, KADM ENTERPRISES, individually, and doing business as Investors Finance, Inc., CHAVEZ and GONZALEZ 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

Paragraph 5, below.

5. On the occasion set forth below NEW CENTURY, CABALLERO, KADM ENTERPRISES, CHAVEZ, and GONZALEZ engaged in the business of, acted in the capacity of, or advertised a real estate loan service and advance fee brokerage offering to perform and performing solicitation, negotiation and modification of loans secured by liens on real property for compensation or in expectation of compensation and for fees collected in advance including, but not limited to, the following:

a. On or about August 20, 2010, and on September 3, 2010, Antonio P. paid an advance fee totaling $1,800 to KADM ENTERPRISES. The advance fee was collected pursuant to the provisions of an agreement pertaining to loan solicitation, negotiation, and modification services to be provided by KADM, CHAVEZ, GONZALEZ, NEW CENTURY and CABALLERO with respect to a loan secured by the real property at 21280 Short Ridge Street, Perris, Ca 92570.

CONCLUSIONS OF LAW

6. The activities described in Paragraph 5, above, require a real estate license under Section 10131(d) and Section 10131.2 of the Code.

7. Based on the information contained in Paragraphs 3, 4 and 5, above, KADM ENTERPRISES, CHAVEZ and GONZALEZ 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 none of them was 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.

8. 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."

9. By virtue of the application of Code Section 10085.6 to the advance fee transaction described in Paragraph 5, above, NEW CENTURY and CABALLERO violated the statute's provisions when NEW CENTURY and CABALLERO engaged in loan modification activities in a transaction in which advance fees were collected after such fee 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 NEW CENTURY HOMES INC. and JORGE A. CABALLERO:

A. 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).

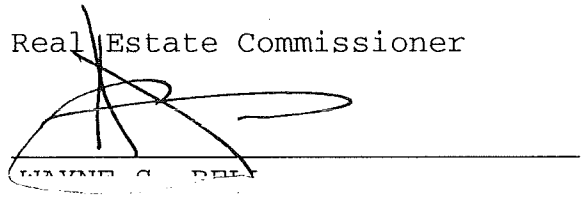
2. IT IS HEREBY ORDERED that KADM ENTERPRISES, JUAN ARMANDO CHAVEZ and GRISELDA GONZALEZ, whether doing business under their own names, or any other names, or any fictitious name, ARE HEREBY ORDERED to immediately DESIST AND REFRAIN from performing any acts within the State of California for which a real estate broker license is required. In particular each of them is ORDERED TO DESIST AND REFRAIN from:

A. 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

B. 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: April 24, 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)."

cc: New Century Homes Inc.
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