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DEPARTMENT OF REAL ESTATE
BY: Laura B. Olson

DEPARTMENT OF REAL ESTATE
320 West Fourth Street, Ste. 350
Los Angeles, California 90013

(213) 576-6982

STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE

To:	)
	) NO. H-38937 LA
H&R FINANCIAL SERVICES INC.	)
	) 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 H&R FINANCIAL SERVICES INC. (H&R). Based on that investigation, the Commissioner has determined that H&R has engaged in, is engaging in, or is attempting to engage in, acts or practices constituting violations of the California Business and Professions Code (Code), including the business of, acting in the capacity of, and/or advertising or assuming to act as, a real estate broker in the State of California within the meaning of Code Sections 10131(d) (performing services for borrowers in connection with loans secured by real property) and 10131.2 (advance fee handling).

Furthermore, based on the 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 H&R, those acts are alleged to have been done by H&R , acting by itself, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including, but not limited to H&R , or other names or fictitious names unknown at this time.

FINDINGS OF FACT

1. H&R is not now, and has never been, licensed by the Department in any capacity.

2. During the period of time set out below, H&R negotiated to do one or more of the following acts for another or others, for or in expectation of compensation: perform services for borrowers and/or lenders in connection with loans secured directly or collaterally by one or more liens on real property; and charge, demand or collect an advance fee for any of the services offered.

3. Malelega and Fegasoloai S. Transaction

On or about July 28, 2010, Malelega and Fegasoloai S. entered into an agreement with H&R in which would perform services in connection with a loan secured by real property for Malelega and Fegasoloai S., in exchange for the payment of advance fees.

CONCLUSIONS OF LAW

4. Based on the findings of fact contained in paragraphs 1 through 3, H&R , acting by itself, or by and/or through one or more agents, associates, affiliates, and/or co-conspirators, including other names or fictitious names unknown at this time, promised to perform services for borrowers and/or those borrowers' lenders in connection with loans secured directly or collaterally by one or more liens on real property, and charged, demanded or collected advance fees for the services to be provided, which acts require a real estate broker license under

Section 10131(d) of the Code, during a period of time when H&R was not licensed by the Department as a real estate broker, in violation of Sections 10085.5 and 10130 of the Code.

DESIST AND REFRAIN ORDER

Based on the Findings of Fact and Conclusions of Law stated herein, it is hereby ordered that H&R FINANCIAL SERVICES INC., whether doing business under its own name, or any other names or fictitious names, IS 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, it is ordered to desist and refrain from:

1. 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

2. 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 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)."