

1 DEPARTMENT OF REAL ESTATE
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FILED

AUG 26 2009

DEPARTMENT OF REAL ESTATE
By *[Signature]*

8 STATE OF CALIFORNIA
9 DEPARTMENT OF REAL ESTATE

10 * * *

11 TO:)
12) NO. H-4004 SD
13 FEDERAL HOUSING MODIFICATION)
14 DEPARTMENT, INC., a Delaware corporation,) ORDER TO DESIST AND
15 MICHAEL A. TRAP, and GLENN ROSOFSKY) REFRAIN
) (B&P Code Section 10086)
)

16 The Commissioner (hereinafter "Commissioner") of the California Department
17 of Real Estate (hereinafter "Department") caused an investigation to be made of the activities of
18 FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., a Delaware corporation,
19 doing business under the fictitious names of NATION'S HOUSING MODIFICATION
20 CENTER and LOAN MODIFICATION REFORM ASSOCIATION, and MICHAEL A. TRAP
21 and GLENN ROSOFSKY. Based on that investigation, the Commissioner has determined that
22 FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and
23 GLENN ROSOFSKY have engaged in, are engaging in, or are attempting to engage in, acts or
24 practices constituting violations of the California Business and Professions Code (hereinafter
25 "Code") and/or Title 10, California Code of Regulations (hereinafter "Regulations"), including
26 engaging in the business of, acting in the capacity of, advertising, or assuming to act as, a real
27 estate broker in the State of California within the meaning of Section 10131(d) (performing

1 services for borrowers and lenders in connection with loans secured by real property) of the
2 Code. Based on the findings of that investigation, as set forth below, the Commissioner hereby
3 issues the following Findings of Fact, Conclusions of Law, and Desist and Refrain Order under
4 authority of Section 10086 of the Code.

5 FINDINGS OF FACT

6 1. At no time herein mentioned have FEDERAL HOUSING
7 MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN ROSOFSKY been
8 licensed by the Department in any capacity.

9 2. At all times herein mentioned, MICHAEL A. TRAP is and was the
10 corporate secretary and an officer of FEDERAL HOUSING MODIFICATION DEPARTMENT,
11 INC.

12 3. Whenever reference is made in this Desist and Refrain Order to an act or
13 omission of FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., such reference
14 shall be deemed to mean that the owners, officers, directors, employees, agents, and real estate
15 licensees employed by or associated with said entity committed such act or omission while
16 engaged in the furtherance of the business or operations of said entity and while acting within the
17 course and scope of their corporate authority and employment.

18 4. For an unknown period of time prior to on or about April 15, 2009, until
19 and including July 31, 2009, and at all times herein mentioned, FEDERAL HOUSING
20 MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN ROSOFSKY
21 solicited borrowers and lenders within the State of California and negotiated to do one or more
22 of the following acts for another or others, for or in expectation of compensation, within the
23 meaning of Section 10131(d) of the Code: negotiate one or more loans for borrowers and
24 lenders in connection with loans secured or to be secured directly or collaterally by one or more
25 liens on real property, or perform services for borrowers and/or lenders in connection with loans
26 secured or to be secured directly or collaterally by one or more liens on real property.

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1 5. FEDERAL HOUSING MODIFICATION DEPARTMENT, INC.,
2 MICHAEL A. TRAP and GLENN ROSOFSKY, violated Section 10130 of the Code by
3 engaging in the activities described in Paragraph 4, above, without first obtaining a real estate
4 broker license from the Department.

5 6. Beginning on or about April 15, 2009, and at all times herein mentioned,
6 for or in expectation of compensation, FEDERAL HOUSING MODIFICATION
7 DEPARTMENT, INC., and MICHAEL A. TRAP solicited Chad Nickless as borrower to
8 negotiate the modification of, to obtain an extension of the maturity date of, to change the
9 interest rate of, and/or to lower the monthly payments of loans secured by the borrower's real
10 property commonly known as 651 Camas Avenue N. E. in Renton, Washington, within the
11 meaning of Section 10131(d) of the Code.

12 7. On or about April 20, 2009, FEDERAL HOUSING MODIFICATION
13 DEPARTMENT, INC., and MICHAEL A. TRAP, for or in expectation of compensation, within
14 the meaning of Section 10131(d) of the Code, solicited Chad Nickless as borrower for the
15 purpose of negotiating the modification of, obtaining an extension of the maturity date of,
16 changing the interest rate of, and/or of lowering the monthly payments of loans secured by the
17 borrower's real property commonly known as 651 Camas Avenue N. E. in Renton, Washington,
18 negotiated for, demanded and collected from said borrower advance fees totaling \$1,000.00
19 pursuant to an agreement with said borrower without first obtaining approval of an advance fee
20 agreement from the Commissioner in accordance with of Sections 10085 and 10085.5 of the
21 Code.

22 8. FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., and
23 MICHAEL A. TRAP, violated Sections 10130 of the Code by engaging in the activities
24 described in Paragraphs 6 and 7, above, without first obtaining a real estate broker license from
25 the Department, and violated Section 10085.5 of the Code by engaging in the activities
26 described in Paragraph 7, above.

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1 9. Beginning on or about May 26, 2009, and at all times herein mentioned, for
2 or in expectation of compensation, FEDERAL HOUSING MODIFICATION DEPARTMENT,
3 INC., solicited Mark and Alexa Loando as borrowers to negotiate the modification of, to obtain
4 an extension of the maturity date of, to change the interest rate of, and/or to lower the monthly
5 payments of loans secured by the borrowers' real property commonly known as 73-1196 Kaalele
6 Street in Kailua Kona, Hawaii, within the meaning of Section 10131(d) of the Code.

7 10. On or about May 26, 2009, FEDERAL HOUSING MODIFICATION
8 DEPARTMENT, INC., for or in expectation of compensation, within the meaning of Section
9 10131(d) of the Code, solicited Mark and Alexa Loando as borrowers for the purpose of
10 negotiating the modification of, obtaining an extension of the maturity date of, changing the
11 interest rate of, and/or of lowering the monthly payments of loans secured by the borrowers' real
12 property commonly known as 73-1196 Kaalele Street in Kailua Kona, Hawaii, negotiated for,
13 demanded and collected from said borrower advance fees totaling \$1,000.00 pursuant to an
14 agreement with said borrower without first obtaining approval of an advance fee agreement
15 from the Commissioner in accordance with of Sections 10085 and 10085.5 of the Code.

16 11. FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., violated
17 Sections 10130 of the Code by engaging in the activities described in Paragraphs 9 and 10,
18 above, without first obtaining a real estate broker license from the Department, and violated
19 Section 10085.5 of the Code by engaging in the activities described in Paragraph 10, above.

20 CONCLUSIONS OF LAW

21 12. Based on the information contained in paragraphs 1 through 9, FEDERAL
22 HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN
23 ROSOFSKY solicited borrowers and lenders, negotiated loans, and/or performed services for
24 those borrowers and/or those borrowers' lenders in connection with loans secured or to be
25 secured directly or collaterally by one or more liens on real property, which requires a real estate
26 license under Section 10131(d) of the Code, during a period of time when FEDERAL
27 HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN

1 ROSOFSKY did not have a broker and were not licensed by the Department in any capacity,
2 and FEDERAL HOUSING MODIFICATION DEPARTMENT, INC., and MICHAEL A. TRAP
3 demanded and collected advance fees without first obtaining approval of an advance fee
4 agreement from the Commissioner in accordance with Sections 10085 and 10085.5 of the Code.

5 13. FEDERAL HOUSING MODIFICATION DEPARTMENT, INC.,
6 MICHAEL A. TRAP and GLENN ROSOFSKY, by soliciting borrowers and performing the
7 services described in Paragraphs 4 through 11, inclusive, above, in expectation of compensation,
8 also violated Section 10139 of the Code, which violation is a public offense punishable by a fine
9 not exceeding twenty thousand dollars (\$20,000.00), or by imprisonment in the county jail for a
10 term not to exceed six months, or by both fine and imprisonment or, when violated by a
11 corporation, punishable by a fine not exceeding sixty thousand dollars (\$60,000.00).

12 DESIST AND REFRAIN ORDER

13 Based on the Findings of Fact and Conclusions of Law stated herein, FEDERAL
14 HOUSING MODIFICATION DEPARTMENT, INC., MICHAEL A. TRAP and GLENN
15 ROSOFSKY, doing business under your own names, or any other names, ARE HEREBY
16 ORDERED to:

17 I. Immediately desist and refrain from performing any acts within the State of
18 California for which a real estate broker license is required. In particular you are ordered to
19 desist and refrain from:

20 (i) Soliciting borrowers or lenders and/or performing services for borrowers or
21 lenders in connection with loans secured or to be secured directly or collaterally by one or more
22 liens on real property, and,

23 (ii) From charging, demanding, or collecting advance fees unless and until you
24 obtain a real estate broker license issued by the Department, and until you demonstrate and
25 provide evidence satisfactory to the Commissioner that you are in full compliance with all of the
26 requirements of the Code and Chapter 6, Title 10, California Code of Regulations (hereinafter
27 "Regulations") relating to charging, collecting, and accounting for advance fees.

1 2. Immediately desist and refrain from employing individuals to perform any
2 acts within the State of California for which a real estate broker licensed is required, unless and
3 until such individuals obtain a real estate broker license issued by the Department.

4 3. Immediately desist and refrain from demanding or collecting advance fees,
5 as that term is defined in Section 10026 of the Code, in any form and particularly with respect to
6 loan modification, loan refinance, principal reduction, foreclosure abatement or short sale
7 services, unless and until you demonstrate and provide evidence satisfactory to the
8 Commissioner that you have :

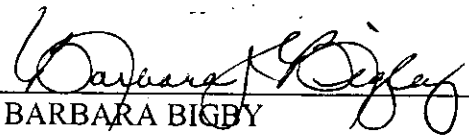
9 (i) An advance fee agreement which has been submitted to the Department and
10 which is in compliance with Sections 2970 and 2972 of the Regulations:

11 (ii) Placed all previously collected advance fees into a trust account for that
12 purpose and are in compliance with Section 10146 of the Code; and,

13 (iii) Provided an accounting to trust fund owner-beneficiaries pursuant to
14 Section 2972 of the Regulations.

15
16 DATED: 8/18, 2009

17 JEFF DAVI
18 Real Estate Commissioner

19
20 By 
21 BARBARA BIGBY
22 Chief Deputy Commissioner

23 -NOTICE-

24 Business and Professions Code Section 10139 provides that "Any person acting
25 as a real estate broker or real estate salesperson without a license or who advertises using words
26 indicating that he or she is a real estate broker without being so licensed shall be guilty of a
27 public offense punishable by a fine not exceeding twenty thousand dollars (\$20,000), or by

1 imprisonment in the county jail for a term not to exceed six months, or by both fine and
2 imprisonment; or if a corporation, be punished by a fine not exceeding sixty thousand dollars
3 (\$60,000). . . .”
4

5 cc: FEDERAL HOUSING MODIFICATION DEPARTMENT, INC.
Agent for Service of Process
6 HARVARD BUSINESS SERVICES, INC.
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7 Lewes, DE 19958
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9 MICHAEL A. TRAP
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11 MICHAEL A. TRAP
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12 San Marcos, CA 92069

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