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**FILED**

APR 1 2010

DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

DEPARTMENT OF REAL ESTATE  
BY: [Signature]

\* \* \* \* \*

In the Matter of the Desist and Refrain Order	)	No. H-36398 LA
	)	
SCOTT M. DORMAIER,	)	L-2010010942
	)	
Respondent.	)	
_____	)	

DECISION

The Proposed Decision dated March 15, 2010, of the Administrative Law Judge of the Office of Administrative Hearings, is hereby adopted as the Decision of the Real Estate Commissioner in the above-entitled matter.

This Decision shall become effective at 12 o'clock noon on APR 21 2010

IT IS SO ORDERED 3/29/2010

JEFF DAVI  
Real Estate Commissioner

[Signature]

BEFORE THE  
DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

In the Matter of the Desist and Refrain Order against:

INFINITY GROUP SERVICES; KAHRAM ZAMANI, individually, and as designated officer for Infinity Group Services; ARTHUR PALENCIA PANDES; CHRISTOPHER SERAFINO SANTA MARIA; MARK CHRISTOPHER BALTES; ARTHUR R. MACK; JUSTIN MICHAEL COUGHLIN; JEREMIAH JOSEPH COONEN; BRIAN C. MACKEY; MICHAEL WILLIAM RUGGLES; HENRY HEDMAN; MICHAEL D. PRAHM; ANDREW KEITH SWANSON; SCOTT M. DORMAIER; NICHOLAS J. VAN VRANKEN GREEN; BRIAN GOSHERT; EVELYN ANGUIANO; CHRIS SAMAYOA; JEREMY REYNOLDS; JENNY MOHOFF; JARED SHERMAN; CYNTHIA WILKISON; KRISTINA HOPP; CHAD LAW; KIRK KNEPPER; KIRK SMITH; STEPHEN PARD; JAIME RUIZ; ROBERT SANCHEZ; SCOTT ANDERSON; JOSHUA WHITE; TONY HO; SAMUEL RODRIGUEZ; JAY LEE; and OLGA BOYD,

Respondents.

Case No. H-36398 LA

OAH No. 2010010942

**PROPOSED DECISION**

Jennifer M. Russell, Administrative Law Judge, California Office of Administrative Hearings, heard this matter in Los Angeles, California on February 11, 2010.

Complainant, the Commissioner of the California Department of Real Estate (Commissioner), was represented by Cheryl D. Keily, Real Estate Counsel, Department of Real Estate.

Respondent Scott M. Dormaier (hereinafter respondent Dormaier) appeared and represented himself. None of the other named respondents appeared, and no one entered an appearance on their behalf.

The jurisdictional documents were presented, official notice taken, documentary evidence and sworn testimony were received, closing arguments were given, the record was closed, and the matter was submitted on February 11, 2010.

## FACTUAL FINDINGS

### *Jurisdictional Matters*

1. On or about December 28, 2009, the complainant issued a Desist and Refrain Order, pursuant to Business and Professions Code section 10086,<sup>1</sup> directing the respondents to desist and refrain from certain alleged activities.
2. On or about January 25, 2010, respondent Dormaier filed a Request for Hearing Regarding Order to Desist and Refrain as that Order pertains to him.
3. None of the other named respondents requested a hearing to review the Order to Desist and Refrain.
4. On or about January 28, 2010, a Notice of Hearing on Order to Desist and Refrain was served on respondent Dormaier setting an administrative hearing for February 11, 2010.

### *Respondent Dormaier's Background and Responsibilities at Infinity Group Services*

5. Respondent Dormaier holds a real estate salesperson license that expires on March 23, 2012, unless renewed. From May 2007 to February 2009 his sponsoring real estate broker was Universal Residential Funding, Inc., where he served as a loan officer and managing partner with responsibilities for originating and funding mortgage loans.
6. From March 2009 to August 2009 respondent Dormaier was employed as a modification operations manager at Infinity Group Services (Infinity), a corporation licensed by the Department of Real Estate and a named respondent in the Desist and Refrain Order.
7. Infinity hired respondent Dormaier to bring order to a pre-existing loan modification processing operation. After respondent Dormaier was hired there were no new originations of loan modifications: Infinity did not notify the Department of Dormaier's employment with Infinity. Infinity's processing operations were conducted as follows:

(A) Respondent Dormaier hired and trained members of the team of employees processing loan modification documents. The 12-member team consisted of negotiators who mainly dealt with lenders and borrowers acquiring updates on the status of a

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<sup>1</sup> All further references are to the Business and Professions Code unless specified otherwise.

requested loan modification; processors who worked with negotiators to gather from clients the information needed (tax return, pay check stubs, bank statements, etc.) to meet a particular lender's requirements, packaged the information, and submitted the information for the lender's consideration; and a customer advocate who dealt with disgruntled clients.

(B) Respondent Dormaier had no role in the solicitation of clients or lenders for real estate loan modifications. Clients were solicited directly by other persons at Infinity or by radio advertisement. When, for example, a listener called in after hearing a radio advertisement for real estate loan modification, the listener was directed to a loan officer or negotiator. The loan officer spoke with the client about retaining Infinity and about paying an advance fee in connection with the loan modification. The client was then sent a package of documents to fill out and to return to Infinity. The exact point in a transaction when an advance fee payment occurs was not established at hearing. Nonetheless, upon receipt of payment of the advance fee along with the requested documents, a file is created and then turned over to a loan processor.

(C) The complainant offered no evidence of respondent Dormaier claiming, demanding, collecting or receiving payment of advance fees. Dormaier's role with respect to advance fees was limited to informing clients of their eligibility for a refund after advance fees were already contracted for and collected or received by other persons.

(D) If and when required, a loan processor followed up to verify that a lender had the documents it required. A log of all interactions with and transactions on behalf of a client is maintained.

(E) When a client complained, a loan processor made an initial assessment and attempted to resolve the matter. Should the situation escalate, respondent Dormaier spoke with the client and reviewed the situation. He had no set script. Every situation was different and depended on the nature of the call. It is possible that he would have required a client to present additional information in order to go forward. A client would not be entitled to a refund of any portion of an advance fee paid when work was completed according to the terms of the client's contract with Infinity.

8. Infinity paid respondent Dormaier a salary of approximately \$4,000 each month. He received no commissions. Based on how things were going some of the months he received a discretionary bonus of about \$1,000 or \$2,000. His employment with Infinity ended around September 1, 2009. Since then, Infinity has filed for bankruptcy.

#### *The Marcellus Loan Modification Transaction*

9. In February 2009, Irene Marcellus was having trouble paying her mortgage on her property located at 14580 Ashton Court, Moreno Valley, California 92555. She heard an advertisement on KFI AM 640 radio for "Hope to Homeowners" guaranteeing that it could convince mortgage lenders to reduce the principal on home loans. Marcellus called the phone number announced on the radio in the advertisement and spoke to a person identifying

himself as Andrew Swanson. Thereafter, Swanson forwarded information about the Hope to Homeowners program to Marcellus by e-mail. Marcellus reviewed the forwarded information and conducted an independent investigation before signing up with Swanson.

10. Marcellus signed a "Loss Mitigation/Modification & Representation Fee Acknowledgment" (Fee Acknowledgement) that in part contains the following language:

I understand that Infinity Group Services aka Hope to Homeowners and its agents cannot guarantee me specific results in its attempt to "modify" my loan or debt structure. I agree to cooperate in any way possible to allow Infinity Group Services aka Hope to Homeowners and its agents to keep my home from being lost through foreclosure.

I waive any claim against Infinity Group Services aka Hope to Homeowners, its employees or its agents and hold them harmless and indemnify them as a result of acts undertaken because of this Agreement, including those actions that may be ultimately unsuccessful or my home is conveyed or foreclosed upon for any reason.

11. Marcellus used her Washington Mutual debit card to pay an initial fee of \$995 to Infinity. The Fee Acknowledgement required an additional payment of \$2995 upon a successful Hope to Homeowners modification.

12. Weeks passed by and Marcellus heard nothing from anyone at Infinity. In March 2009, Marcellus was referred to Stephen Park at Infinity, who told her she did not qualify for the Hope to Homeowners program, but that Infinity "could do the loan modification negotiations for me."

13. On April 6, 2009, Marcellus and Cynthia Wilkison at Infinity had a conversation in which Wilkison requested Marcellus to update certain items in her application for loan modification, including bank statements, pay stubs and employee retirement statements.

14. On April 18, 2009, Marcellus e-mailed Kahram Zamani, CEO of Infinity, who responded to Marcellus stating in part the following:

Looking at correspondence on (*sic*) your file its (*sic*) seems that you preferred to cancel and wanted a refund rather than see your application completed.

We can offer to continue to work on your file and work diligently to seek a resolution from Aurora your lender.

The outcome of our negotiation is not guaranteed but based on our recent successes we may be able to assist you in modifying your loan so that you can remain in your home with a more affordable payment.

On Monday one of our processors or negotiators will be in contact with you.

You may also email our Modification Ops Manager Scott Dormaier at 949-267-1630.

I ask that you work with us and be patient as it is not easy getting lenders to side with applications (*sic*) in their quests for a modification but know we have skilled negotiators that will work hard on your behalf.

16. On April 20, 2009, Dormaier and Wilkinson called Marcellus who hung up on them as they tried to explain to her what was needed to update her files to attain a more affordable mortgage.

17. Marcellus objected to the submission of additional documentation because she wanted a refund of the \$995 she paid to Infinity. In a telephone conversation Dormaier responded to Marcellus' request telling her that "too much work had been done on . . . [her] file to qualify for a refund." Marcellus lost her home in foreclosure.

18. The complainant offered no evidence that respondent Dormaier solicited Marcellus or that he was involved in the substantive negotiations regarding the terms of a loan modification for Marcellus. The complainant offered no evidence that respondent Dormaier participated in assigning Marcellus' loan modification application to a lender. The complainant offered no evidence that respondent Dormaier brought any expert knowledge to bear on the Marcellus loan modification attempt or any other loan modification application. Nor did the complainant offer evidence that respondent Dormaier exercised any judgment or offered any opinion regarding the terms of the Marcellus transaction or any other loan modification application.

#### *The Infinity Audit*

19. Between May 20, 2009 and October 30, 2009, the Department conducted an audit of Infinity's books and records for the audit period May 1, 2006 through July 31, 2009. At the time of the audit Infinity had a California Finance Lender license under which it engaged in mortgage loan packaging. Additionally, Infinity was an FHA approved mortgagee conducting loan modification activities for borrowers applying for but not qualifying for FHA loans. Infinity handled approximately 1,300 loan modification applications that were submitted to lenders, and completed approximately 350 loan modification transactions with terms that were proposed by the lenders. Infinity collected advance fees of approximately \$1,430,000 for the nine-month period covered in the audit. Infinity deposited the advance fees collected from borrowers seeking loan modifications into a trust account. Approximately 300 transactions were cancelled, and Infinity refunded approximately \$300,000 to borrowers.

20. The auditor made several findings with respect to Infinity and its books and records that are not pertinent here. The auditor's findings relating to respondent Dormaier include a finding that "Infinity collected advance fees from borrowers for the loan modification transactions without maintaining or providing to borrowers the accounting content showing the services to be rendered, the trust account in which funds were to be deposited, and the details of how funds were to be distributed." Another finding that "Infinity employed salespersons licensees without notifying the Department of the employment and termination in a timely manner" implicates respondent Dormaier. The auditor did not testify at hearing.

#### *The Desist and Refrain Order*

21. The Commissioner's Order states, in part, that the Commissioner determined that respondent Dormaier performed or participated in loan solicitation, negotiation and modification activities which require a real estate broker license under sections 10131, subdivision (d), and 10131.2 when not licensed 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. The Order commands respondent Dormaier to desist and refrain from performing any acts within the state of California for which a real estate broker license is required. In particular, to desist and refrain from charging, demanding, claiming collecting or receiving advance fees, in any form, and under any conditions, with respect to the performance of loan modification or any other form of mortgage loan forbearance service in connection with loans on residential property containing four or fewer dwelling units; or for any other real estate related services offered to others.

### **LEGAL CONCLUSIONS**

#### *Functions and Duties of "Real Estate Broker," "Real Estate Salesperson," and "Loan Processor"*

1. Section 10130 makes it unlawful for any person to engage in the business, act in the capacity of, advertise or assume to act as a real estate broker or a real estate salesman without first obtaining a real estate license from the Department.

2. Section 10131 defines a real estate broker in pertinent part as follows:

A real estate broker . . . is a person who, for compensation or in expectation of a compensation, regardless of the form or time of payment, does or negotiates to do one or more of the following acts or another or others:

[¶] . . . [¶]

(d) Solicits borrowers or lenders for or negotiates loans or collects payment or performs services for borrowers or lenders or note owners in connection with

loans secured directly or collaterally by liens on real property or on a business opportunity.

3. Section 10131.2 further indicates that a real estate broker is also a person who engages in the business of claiming, demanding, charging receiving, collecting or contracting for the collection of an advance fee<sup>2</sup> in connection with any employment undertaken to promote the sale or lease of real property or of a business opportunity by advance fee listing, advertisement or other offering to sell, lease, exchange or rent property or a business opportunity, or to obtain a loan or loans thereon.

4. Section 10132 defines a real estate salesperson as a natural person who, for a compensation, is employed by licensed real estate broker to do one or more of the acts set forth in sections 10131; 10131.1; 10131.2; 10131.3; 10131.4 and 10131.6 of the Business and Professions Code.<sup>3</sup> The licensed real estate activities that are pertinent to this matter are set forth in Legal Conclusions 2 and 3.<sup>4</sup>

5. There is no statutory definition of a "loan processor" in the context presented here. However, sketchy analysis emerging out of recent cases indicates that loan processors are distinct from licensed real estate professionals such as brokers and salespersons. See, e.g., *Smith v. Chase Mortgage Credit Group* (E.D. Cal. 2009) 653 F. Supp. 2d 1035.

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<sup>2</sup> Section 10026 defines "advance fee" as follows:

... a fee, regardless of the form, claimed, demanded, charged, received, or collected by a licensee from a principal before fully completing each and every service the licensee contracted to perform, or represented would be performed. Neither an advance fee nor the services to be performed shall be separated or divided into components for the purpose of avoiding the application of this section. The term applies to a fee for a listing, advertisement or offer to sell or lease property, other than in a newspaper of general circulation, issued primarily for the purpose of promoting the sale or lease of business opportunities or real estate or for referral to real estate brokers or salesmen, or soliciting borrowers or lenders for, or to negotiate loans on, business opportunities or real estate. As used in this section, "advance fee" does not include "security" as that term is used in Section 1950.5 of the Civil Code, or a "screening fee" as that term is used in Section 1950.6 of the Civil Code. This section does not exempt from regulation the charging or collecting of a fee under Section 1950.5 or 1950.6 of the Civil Code, but instead regulates fees that are not subject to those sections.

<sup>3</sup> Sections 10131; 10131.1; 10131.2; 10131.3 and 10131.6 define the activities of a real estate broker.

<sup>4</sup> Section 10133 enumerates persons and services to which the foregoing definitions do not apply. The exceptions there enumerated do not apply here.



6. Whether a person performed activities requiring licensure is not to be determined by a mere labeling process. As stated by the court in *Batson v. Strehlow* (1968) 68 Cal.2d 662, 670, "we do not adjudicate . . . [a respondent's] legal status by a mere labeling process. In scrutinizing the record, we assess his function in the transaction by the role he played as well as by his description on the cast; we consider what he did, as well as what he was called."

#### *Soliciting Borrowers or Lenders or Negotiating Loans*

7. Cause does not exist to issue an order, pursuant to Business and Professions Code section 10086, to respondent Dormaier to desist and refrain from performing or participating in loan solicitation, negotiation and modification activities requiring a real estate broker license; or requiring employment as a real estate salesperson by the broker on whose behalf the solicitation, negotiation and modification activities are performed.

This conclusion is based on Factual Findings 5 through 18, inclusive, and on Legal Conclusions 2, 3, 4 and 5.

8. Respondent Dormaier managed the team of employees processing loan modification applications at Infinity. He hired and trained personnel charged with ensuring proper supporting documentation for loans and maintaining files detailing problems and correspondence. The evidence presented at hearing failed to establish that his management, hiring and training responsibilities constitute activity requiring licensure. The evidence presented at hearing failed to establish that he played any role in the solicitation of homeowners seeking a loan modification or that he negotiated any loan terms. The evidence presented at hearing failed to establish that he participated in assigning loan modification applications to lenders or that he relied on expert knowledge or judgment in securing any loan terms or conditions. No evidence established that he received a commission or a fee for service. He was a salaried employee receiving a flat rate of pay each month. The evidence offered at hearing failed to establish that respondent Dormaier's activities were within the scope of the acts of a real estate broker or real estate salesperson as defined in sections 10131 and 10132 respectively.

#### *Advance Fee Handling*

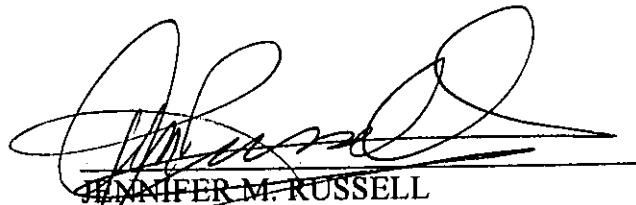
9. Cause does not exist to issue an order, pursuant to Business and Professions Code section 10086, to respondent Dormaier to desist and refrain from receiving advance fees, in any form, and under any conditions, with respect to the performance of loan modifications or any other form or mortgage loan forbearance service in connection with loans on residential property containing four or fewer dwelling units. The evidence did not establish that respondent Dormaier received or collected advance fees. After advance fees were solicited, contracted for and collected, respondent Dormaier had a limited role informing clients on their eligibility for a refund. The evidence offered at hearing failed to establish that respondent Dormaier's activities were within the scope of the acts of a real estate broker or real estate salesperson as defined in sections 10131 and 10132 respectively.

This conclusion is based on Factual Findings 7(B), 7(C) and 17, and on Legal Conclusions 2, 3, 4 and 5.

**ORDER**

The Order to Desist and Refrain is vacated as to respondent Scott Dormaier.

DATED: March 15, 2010

A handwritten signature in black ink, appearing to read "Jennifer M. Russell", written over a horizontal line.

JENNIFER M. RUSSELL  
Administrative Law Judge  
Office of Administrative Hearings

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**FILED**

MAR 17 2010

DEPARTMENT OF REAL ESTATE  
BY: [Signature]

BEFORE THE DEPARTMENT OF REAL ESTATE  
STATE OF CALIFORNIA

\* \* \* \*

In the Matter of the Order to Desist	)	NO. H-36398 LA
and Refrain to	)	
	)	
INFINITY GROUP SERVICES; KAHRAM	)	
ZAMANI, individually, and as	)	
designated officer for Infinity	)	
Group Services; ARTHUR PALENCIA	)	
PANDES; CHRISTOPHER SERAFINO SANTA;	)	
MARK CHRISTOPHER BALTES; ARTHUR R.	)	
MACK; JUSTIN MICHAEL COUGHLIN;	)	
JEREMIAH JOSEPH COONEN; BRIAN C.	)	
MACKY; MICHAEL WILLIAM RUGGLES;	)	
HENRY HEDMAN; MICHAEL D. PRAHM;	)	
<u>ANDREW KEITH SWANSON</u> ; SCOTT M.	)	
DORMAIER; NICHOLAS J. VAN VRANKEN	)	
GREEN; BRIAN GOSHERT; EVELYN	)	
ANGUIANO; CHRIS SAMAYOA; JEREMY	)	
REYNOLDS; JENNY MOHOFF; JARED	)	
SHERMAN; CYNTHIA WILKISON; KRISTINA	)	
HOPP; CHAD LAW; KIRK KNEPPER;	)	
KIRK SMITH; STEPHEN PARK; JAIME	)	
RUIZ; ROBERT SANCHEZ; SCOTT	)	
ANDERSON; JOSHUA WHITE; TONY HO;	)	
SAMUEL RODRIGUEZ; JAY LEE; and OLGA	)	
BOYD.	)	

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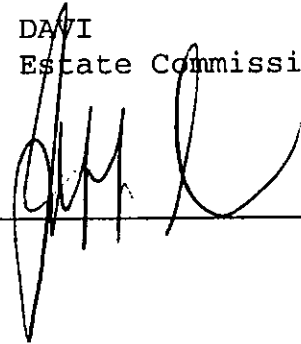
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DISMISSAL

The Order to Desist and Refrain herein filed on  
December 28, 2009, against Respondent, ANDREW KEITH SWANSON, is  
DISMISSED.

IT IS SO ORDERED this 10<sup>th</sup> of March.

JEFF DAVIS  
Real Estate Commissioner



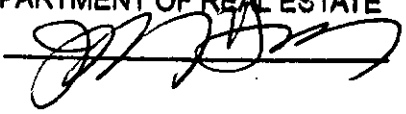
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1 Department of Real Estate  
320 West Fourth Street, Ste. 350  
2 Los Angeles, California 90013  
3 Telephone: (213) 576-6982

**FILED**

DEC 28 2009

DEPARTMENT OF REAL ESTATE  
BY: 

8 DEPARTMENT OF REAL ESTATE  
9 STATE OF CALIFORNIA

10 \* \* \* \* \*

11	To:	)	No. H-36398 LA
12		)	
13	INFINITY GROUP SERVICES;	)	<u>ORDER TO DESIST</u>
14	KAHRAM ZAMANI, individually,	)	<u>AND REFRAIN</u>
15	and as designated officer for	)	(B&P Code Section 10086)
16	Infinity Group Services;	)	
17	ARTHUR PALENCIA PANDES;	)	
18	CHRISTOPHER SERAFINO SANTA	)	
19	MARIA; MARK CHRISTOPHER	)	
20	BALTES; ARTHUR R. MACK;	)	
21	JUSTIN MICHAEL COUGHLIN;	)	
22	JEREMIAH JOSEPH COONEN; BRIAN	)	
23	C. MACKAY; MICHAEL WILLIAM	)	
24	RUGGLES; HENRY HEDMAN;	)	
25	MICHAEL D. PRAHM; ANDREW	)	
26	KEITH SWANSON; SCOTT M.	)	
27	DORMAIER; NICHOLAS J. VAN	)	
	VRANKEN GREEN; BRIAN GOSHERT;	)	
	EVELYN ANGUIANO; CHRIS SAMA-	)	
	YOA; JEREMY REYNOLDS; JENNY	)	
	MOHOFF; JARED SHERMAN;	)	
	CYNTHIA WILKISON; KRISTINA	)	
	HOPP; CHAD LAW; KIRK KNEPPER;	)	
	KIRK SMITH; STEPHEN PARK;	)	
	JAIME RUIZ; ROBERT SANCHEZ;	)	
	SCOTT ANDERSON; JOSHUA	)	
	WHITE; TONY HO; SAMUEL	)	
	RODRIGUEZ; JAY LEE; and	)	
	OLGA BOYD.	)	

1 The Commissioner ("Commissioner") of the California  
2 Department of Real Estate ("Department") caused an investigation  
3 to be made of the activities of INFINITY GROUP SERVICES  
4 ("INFINITY"); KAHRAM ZAMANI ("ZAMANI"), individually, and as  
5 designated officer for Infinity Group Services; ARTHUR PALENCIA  
6 PANDES ("PANDES"); CHRISTOPHER SERAFINO SANTA MARIA ("SANTA  
7 MARIA"); MARK CHRISTOPHER BALTES ("BALTES"); ARTHUR R. MACK  
8 ("MACK"); JUSTIN MICHAEL COUGHLIN ("COUGHLIN"); JEREMIAH JOSEPH  
9 COONEN ("COONEN"); BRIAN C. MACKEY ("MACKEY"); MICHAEL WILLIAM  
10 RUGGLES ("RUGGLES"); HENRY HEDMAN ("HEDMAN"); MICHAEL D. PRAHM  
11 ("PRAHM"); ANDREW KEITH SWANSON ("SWANSON"); SCOTT M. DORMAIER  
12 ("DORMAIER"); NICHOLAS J. VAN VRANKEN GREEN ("GREEN"); BRIAN  
13 GOSHERT ("GOSHERT"); EVELYN ANGUIANO ("ANGUIANO"); CHRIS SAMAYOA  
14 ("SAMOYA"); JEREMY REYNOLDS ("REYNOLDS"); JENNY MOHOFF  
15 ("MOHOFF"); JARED SHERMAN ("SHERMAN"); CYNTHIA WILKISON  
16 ("WILKISON"); KRISTINA HOPP ("HOPP"); CHAD LAW ("LAW"); KIRK  
17 KNEPPER ("KNEPPER"); KIRK SMITH ("SMITH"); STEPHEN PARK ("PARK");  
18 JAIME RUIZ ("RUIZ"); ROBERT SANCHEZ ("SANCHEZ"); SCOTT ANDERSON  
19 ("ANDERSON"); JOSHUA WHITE ("WHITE"); TONY HO ("HO"); SAMUEL  
20 RODRIGUEZ ("RODRIGUEZ"); JAY LEE ("LEE"); and OLGA BOYD ("BOYD"),  
21 and has determined that each of them engaged in or is engaging in  
22 acts or practices constituting violations of the California  
23 Business and Professions Code ("Code") and/or Title 10,  
24 California Code of Regulations ("Regulations"). Said parties are  
25 engaging in the business of, acting in the capacity of,  
26 advertising, or assuming to act, as real estate broker in the  
27 State of California within the meaning of Section 10131(d)

1 (soliciting borrowers or lenders or negotiating loans) and  
2 Section 10131.2 (advance fee handling). Based on the findings of  
3 that investigation, as set forth below, the Commissioner hereby  
4 issues the following Findings of Fact and Desist and Refrain  
5 Order pursuant to Section 10086 of the Code.

6 FINDINGS OF FACT

7 1. INFINITY is presently licensed and/or has license  
8 rights under the Real Estate Law (Part 1 of Division 4 of the  
9 Code) as a corporate real estate broker.

10 2. ZAMANI is presently licensed and/or has license  
11 rights under the Real Estate Law as a real estate broker. ZAMANI  
12 is the designated broker officer for INFINITY.

13 3. PANDES, RUGGLES, HEDMAN, PRAHM, SWANSON, and  
14 DORMAIER, are presently licensed and/or have license rights  
15 under the Real Estate Law as real estate salespersons.  
16

17 4. SANTA MARIA is presently licensed and/or has  
18 license rights under the Real Estate Law as a restricted real  
19 estate salesperson.

20 5. BALTES was formerly licensed under the Real Estate  
21 Law as a real estate salesperson. His real estate license  
22 expired on or about March 9, 2003.

23 6. MACK was formerly licensed under the Real Estate  
24 Law as a real estate salesperson. His real estate license  
25 expired on or about June 30, 1995.

26 7. COUGHLIN was formerly licensed under the Real  
27 Estate Law as a real estate broker. His real estate broker

1 license was revoked on or about May 21, 2007.

2 8. COONEN was formerly licensed under the Real Estate  
3 Law as a real estate salesperson. His real estate salesperson  
4 license was revoked on or about July 16, 1996.

5 9. MACKEY was formerly licensed under the Real Estate  
6 Law as a real estate salesperson. His real estate salesperson  
7 license expired on or about October 1, 2002.

8 10. GREEN was formerly licensed under the Real Estate  
9 Law as a real estate salesperson. His real estate salesperson  
10 license expired on or about February 28, 2003.

11 11. At no time herein mentioned have GOSHERT,  
12 ANGUIANO, SAMAYOA, REYNOLDS, MOHOFF, SHERMAN, WILKISON, HOPP,  
13 LAW, KNEPPER, SMITH, PARK, RUIZ, SANCHEZ, ANDERSON, WHITE, HO,  
14 RODRIGUEZ, LEE, and BOYD been licensed by the Department in any  
15 capacity.  
16

17 12. Whenever acts referred to below are attributed to  
18 INFINITY, those acts are alleged to have been done by INFINITY,  
19 acting by itself, or by and/or through one or more agents,  
20 associates, affiliates, and/or co-conspirators, including but not  
21 limited to each of those named herein, and using the names Hope  
22 to Homeowners, or any fictitious name unknown at this time.

23 13. INFINITY employed and/or compensated individuals,  
24 including those named herein, who were not licensed as real  
25 estate salespersons or as real estate brokers to perform some or  
26 all of the services alleged in Paragraph 16, below.

27 14. INFINITY engaged in the business of claiming,



1 demanding, charging, receiving, collecting or contracting for the  
2 collection of an advance fee, as defined by Code Section 10026,  
3 including but not limited to the activities described in  
4 Paragraph 16, below.

5 15. INFINITY failed to submit the advance fee  
6 agreements and radio advertising referred to in Paragraph 16,  
7 below, to the Commissioner ten days before using them.

8 16. At the times set forth below INFINITY engaged in  
9 the business of, acted in the capacity of, or advertised a real  
10 estate loan service and advance fee brokerage offering to perform  
11 solicitation, negotiation and modification of loans secured by  
12 liens on real property for compensation or in expectation of  
13 compensation and for fees collected in advance including, but not  
14 limited to, the following:

15 a. On or about December 31, 2008, Kristi Hampton  
16 paid an advance fee of \$995 to KNEPPER on behalf of INFINITY,  
17 which was using the name "Hope to Homeowners". The advance fee  
18 was collected pursuant to the provisions of an agreement  
19 pertaining to loan solicitation, negotiation, and modification  
20 services to be provided by INFINITY with respect to a loan  
21 secured by the real property located at 14324 Squirrel Lane,  
22 Victorville, California 92394.

23  
24 b. On or about January 10, 2009, after hearing an  
25 advertisement on the radio station KFI for loan modification  
26 services, Danny Walls paid an advance fee of \$995 to MACK on  
27 behalf of INFINITY, which was using the name "Hope to

1 Homeowners." The advance fee was collected pursuant to the  
2 provisions of an agreement pertaining to loan solicitation,  
3 negotiation, and modification services to be provided by  
4 INFINITY, by and through, among others, WILKISON, with respect  
5 to a loan secured by the real property located at 1083 North  
6 Glendora Avenue, Covina, California 91724.

7 c. On or about January 30, 2009, after hearing an  
8 advertisement on the radio station KFI for loan modification  
9 services, Robert Stelmar paid an advance fee of \$995 to ANDERSON  
10 on behalf of INFINITY, which was using the name "Hope to  
11 Homeowners". The advance fee was collected pursuant to the  
12 provisions of an agreement pertaining to loan solicitation,  
13 negotiation, and modification services to be provided by  
14 INFINITY, by and through, among others, ANDERSON, with respect  
15 to a loan secured by the real property located at 11668  
16 Goldendale Drive, La Mirada, California 90638.

17  
18 d. On or about February 1, 2009, Andrew Carlson paid  
19 an advance fee of \$995 to INFINITY. The advance fee was  
20 collected pursuant to the provisions of an agreement pertaining  
21 to loan solicitation, negotiation, and modification services to  
22 be provided by INFINITY with respect to a loan secured by the  
23 real property located at 10082 Palo Alto Street, Rancho  
24 Cucamonga, California 91730.

25 e. On or about February 11, 2009, Irene Marcellus  
26 paid an advance fee of \$995 to INFINITY using the name "Hope to  
27 Homeowners". The advance fee was collected pursuant to the

1 provisions of an agreement pertaining to loan solicitation,  
2 negotiation, and modification services to be provided by  
3 INFINITY with respect to a loan secured by the real property  
4 located at 14580 Ashton Court, Moreno Valley, California 92555.

5 f. On or about March 20, 2009, after hearing an  
6 advertisement on the radio station KFI for mortgage refinancing  
7 services, George Francis Sylvia paid \$995 to GREEN, on behalf of  
8 INFINITY, to obtain refinancing of his mortgage loan. The  
9 advance fee was collected pursuant to the provisions of an  
10 agreement pertaining to loan solicitation, negotiation, and  
11 modification services to be provided by INFINITY with respect to  
12 a loan secured by the real property located at 14390 Oliver  
13 Street, Moreno Valley, California 92555.

14 g. On or about March 30, 2009, Carol Fleming paid  
15 \$995 to SHERMAN, on behalf of INFINITY, to obtain refinancing of  
16 her mortgage loan. The advance fee was collected pursuant to  
17 the provisions of an agreement pertaining to loan solicitation,  
18 negotiation, and modification services to be provided by  
19 INFINITY with respect to a loan secured by the real property  
20 located at 1239 N. Keystone Street, Burbank, California 91506.

21 h. On or about April 1, 2009, Rebecca Reily paid an  
22 advance fee of \$995 to BALTES, on behalf of INFINITY using the  
23 name "Hope to Homeowners". The advance fee was collected  
24 pursuant to the provisions of an agreement pertaining to loan  
25 solicitation, negotiation, and modification services to be  
26 provided by INFINITY with respect to a loan secured by the real  
27

1 property located at 36580 Hilltop Lane, Murrieta, California  
2 92563.

3 CONCLUSIONS OF LAW

4 17. The activities described in Paragraph 16, above,  
5 require a real estate license under Section 10131(d) and Section  
6 10131.2 of the Code.

7 18. Based on the information contained in Paragraphs  
8 13 through 16, above, PANDES, RUGGLES, HEDMAN, PRAHM, SWANSON,  
9 DORMAIER, SANTA MARIA, BALTES, MACK, COUGHLIN, COONEN, MACKEY,  
10 GREEN, GOSHERT, ANGUIANO, SAMAYOA, REYNOLDS, MOHOFF, SHERMAN,  
11 WILKISON, HOPP, LAW, KNEPPER, SMITH, PARK, RUIZ, SANCHEZ,  
12 ANDERSON, WHITE, HO, RODRIGUEZ, LEE, and BOYD performed and/or  
13 participated in loan solicitation, negotiation and modification  
14 activities which require a real estate broker license under the  
15 provisions of Code Sections 10131(d) and 10131.2 during a period  
16 of time when none of them licensed by the Department as a real  
17 estate broker nor employed as a real estate salesperson by the  
18 broker on whose behalf the activities were performed in  
19 violation of Section 10130 of the Code.

20 19. Based on the information contained in Paragraphs  
21 13 and 16, above, INFINITY violated Section 10137 of the Code by  
22 employing and/or compensating individuals who were not licensed  
23 as a real estate salesperson or as a broker to perform  
24 activities requiring a real estate license.

25 20. Based on the information contained in Paragraphs  
26 14 and 16, above, INFINITY collected fees pursuant to an  
27

1 agreement which constitutes an advance fee agreement within the  
2 meaning of Code Section 10085.

3 21. Based on the information contained in Paragraphs  
4 14, 15, and 16, above, the failure by INFINITY to submit the  
5 advance fee agreement and radio advertising to the Commissioner  
6 ten days before using it constitutes a violation of Code Section  
7 10085 and Section 2970 of the Regulations.

8 DESIST AND REFRAIN ORDER

9  
10 Based on the Findings of Fact and Conclusions of Law  
11 stated herein:

12 1. IT IS HEREBY ORDERED that INFINITY GROUP SERVICES  
13 and KAHRAM ZAMANI, whether doing business under their own names,  
14 or any other names, or any fictitious name:

15 (i) Immediately desist and refrain from charging,  
16 demanding, claiming, collecting and/or receiving advance fees,  
17 as that term is defined in Section 10026 of the Code, in any  
18 form, and under any conditions, with respect to the performance  
19 of loan modification or any other form of mortgage loan  
20 forbearance services in connection with loans on residential  
21 property containing four or fewer dwelling units (Code Section  
22 10085.6).

23 (ii) Immediately desist and refrain from charging,  
24 demanding, claiming, collecting and/or receiving advance fees, as  
25 that term is defined in Section 10026 of the Code, for any of the  
26 other real estate related services offered to others, unless and  
27 until INFINITY GROUP SERVICES and KAHRAM ZAMANI, and each of

1 them, demonstrate and provide evidence satisfactory to the  
2 Commissioner that each:

3 (a) has an advance fee agreement which has been  
4 submitted to the Department and which is in compliance with  
5 Section 10085 of the Code and Section 2970 of the Regulations;

6 (b) has placed all previously collected advance fees  
7 into a trust account for that purpose and is in compliance with  
8 Section 10146 of the Code; and

9 (c) has provided an accounting to trust fund owner-  
10 beneficiaries from whom advance fees have previously been  
11 collected in compliance with Code Section 10146 and Section 2972  
12 of the Regulations.

13 2. INFINITY GROUP SERVICES and KAHRAM ZAMANI

14 immediately desist and refrain from employing or compensating any  
15 person for performing any act for which a real estate license is  
16 required unless that person is licensed as a real estate broker,  
17 or as a real estate salesman licensed under the broker employing  
18 or compensating him. In particular, INFINITY GROUP SERVICES and  
19 KAHRAM ZAMANI are ordered to desist and refrain from:  
20

21 (i) employing or compensating any person who does not  
22 hold a real estate license from soliciting borrowers and/or  
23 performing services for borrowers or lenders in connection with  
24 loans secured directly or collaterally by one or more liens on  
25 real property.

26 3. IT IS HEREBY ORDERED that ARTHUR PALENCIA PANDES;  
27 CHRISTOPHER SERAFINO SANTA MARIA; MARK CHRISTOPHER BALTES;

1 ARTHUR R. MACK; JUSTIN MICHAEL COUGHLIN; JEREMIAH JOSEPH COONEN;  
2 BRIAN C. MACKEY; MICHAEL WILLIAM RUGGLES; HENRY HEDMAN; MICHAEL  
3 D. PRAHM; ANDREW KEITH SWANSON; SCOTT M. DORMAIER; NICHOLAS J.  
4 VAN VRANKEN GREEN; BRIAN GOSHERT; EVELYN ANGUIANO; CHRIS  
5 SAMAYOA; JEREMY REYNOLDS; JENNY MOHOFF; JARED SHERMAN; CYNTHIA  
6 WILKISON; KRISTINA HOPP; CHAD LAW; KIRK KNEPPER; KIRK SMITH;  
7 STEPHEN PARK; JAIME RUIZ; ROBERT SANCHEZ; SCOTT ANDERSON; JOSHUA  
8 WHITE; TONY HO; SAMUEL RODRIGUEZ; JAY LEE; and OLGA BOYD,  
9 whether doing business under their own names, or any other  
10 names, or any fictitious name, ARE HEREBY ORDERED to immediately  
11 desist and refrain from performing any acts within the State of  
12 California for which a real estate broker license is required.  
13 In particular each of them is ORDERED TO DESIST AND REFRAIN  
14 from:

15 (i) charging, demanding, claiming, collecting and/or  
16 receiving advance fees, as that term is defined in Section 10026  
17 of the Code, in any form, and under any conditions, with respect  
18 to the performance of loan modifications or any other form of  
19 mortgage loan forbearance service in connection with loans on  
20 residential property containing four or fewer dwelling units  
21 (Code Section 10085.6); and  
22

23 ///

24 ///

25 ///

26 ///

27 ///

1 (ii) charging, demanding, claiming, collecting and/or  
2 receiving advance fees, as that term is defined in Section 10026  
3 of the Code, for any other real estate related services offered  
4 by them to others.

5  
6 DATED: 12/22, 2009.

7  
8 JEFF DAVI  
Real Estate Commissioner

9  
10   
11 By WAYNE S. BELL  
Chief Counsel

12 **Notice:** Business and Professions Code Section 10139 provides  
13 that "Any person acting as a real estate broker or real estate  
14 salesperson without a license or who advertises using words  
15 indicating that he or she is a real estate broker without being  
16 so licensed shall be guilty of a public offense punishable by a  
17 fine not exceeding twenty thousand dollars (\$20,000), or by  
18 imprisonment in the county jail for a term not to exceed six  
19 months, or by both fine and imprisonment; or if a corporation, be  
20 punished by a fine not exceeding sixty thousand dollars  
21 (\$60,000)."

22 cc: Infinity Group Services  
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24 Irvine, California 92618

25 Kahram Zamani  
26 163 Technology West, 1<sup>st</sup> Floor  
27 Irvine, California 92618

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